

SEVENTY-THIRD DAY

St. Paul, Minnesota, Thursday, March 11, 2010

The Senate met at 11:00 a.m. 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. Hans Jorgenson.

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

Anderson	Fischbach	Kubly	Pappas	Sieben
Bakk	Fobbe	Langseth	Pariseau	Skoe
Berglin	Foley	Latz	Parry	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	Moua	Rummel	Vickerman
Dahle	Johnson	Murphy	Saltzman	Wiger
Dibble	Jungbauer	Olseen	Saxhaug	
Dille	Kelash	Olson, G.	Scheid	
Doll	Koch	Olson, M.	Senjem	
Erickson Ropes	Koering	Ortman	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.

March 9, 2010

The Honorable James P. Metzen
President of the Senate

Dear President Metzen:

Please be advised that I have received, approved, signed and deposited in the Office of the

Secretary of State, S.F. Nos. 2373, 2309 and 2352.

Sincerely,
Tim Pawlenty, Governor

March 10, 2010

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2010 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2010	Date Filed 2010
2373		185	11:15 a.m. March 9	March 9
2309		186	11:17 a.m. March 9	March 9
2352		187	11:20 a.m. March 9	March 9

Sincerely,
Mark Ritchie
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has reconsidered the vote whereby H.F. No. 2700 was repassed, as amended by Conference, and has also reconsidered the vote whereby the recommendations and report of the Conference Committee were adopted on February 22, 2010.

H.F. No. 2700: A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; authorizing the sale and issuance of state bonds; cancelling and modifying previous appropriations; appropriating money; amending Minnesota Statutes 2008, sections 16A.105; 16A.501; 16A.66, subdivision 2; 103F.161, subdivisions 1, 3; 103F.515, by adding a subdivision; 116J.435, as amended; 174.50, subdivisions 6, 7; 256E.37, subdivisions 1, 2; Minnesota Statutes 2009 Supplement, sections 16A.647, subdivisions 1, 5; 16A.86, subdivision 3a; Laws 2005, chapter 20, article 1, sections 19, subdivision 4; 23, subdivision 12, as amended; Laws 2006, chapter 258, sections 5, subdivision 3; 8, subdivision 4; 17, subdivision 5; 21, subdivision 14, as amended; Laws 2008, chapter 152, article 2, section 3, subdivision 2; Laws 2008, chapter 179, sections 5, subdivision 4; 7, subdivisions 8, 27; 21, subdivision 9; Laws 2008, chapter 365, sections 4, subdivision 3; 5, subdivision 2; 24,

subdivision 2; 25; Laws 2009, chapter 93, article 1, sections 11, subdivision 5; 20; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; repealing Laws 2009, chapter 93, article 1, section 45.

As requested by the Senate, the House has returned the bill to the Conference Committee, as formerly constituted.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted March 9, 2010

REPORTS OF COMMITTEES

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

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 2867: A bill for an act relating to human services; allowing certain firefighters and volunteer ambulance attendants to purchase MinnesotaCare coverage at full cost; amending Minnesota Statutes 2008, section 256L.07, by adding a subdivision.

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

Page 1, line 10, delete everything before "who" and insert "(1) a volunteer firefighter with a department as defined in section 299N.01, subdivision 2,"

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

Senator Stumpf from the Committee on Education, to which was referred

S.F. No. 3110: A bill for an act relating to education; establishing high school assessments to determine college and career readiness; amending Minnesota Statutes 2009 Supplement, section 120B.30, subdivision 1, by adding a subdivision.

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

Page 4, line 17, before "The" insert "(a)"

Page 4, line 20, delete "(a)" and insert "(b)"

Page 5, line 17, after "Composition" insert "for the corresponding subject of the exam"

Page 5, line 20, delete "(b)" and insert "(c)"

Page 6, line 4, after "exam" insert "being"

Page 6, delete lines 22 to 25 and insert:

"(10) calculate and make public an alignment index that compares final grades of students in these courses with their scores on the corresponding end-of-course exam beginning in the 2015-2016 school year, in a manner prescribed by the commissioner, with three years of research and analysis, and with preliminary results being shared with districts in each of the three years of research and analysis leading up to the final alignment index;"

Page 6, line 29, delete "as defined in" and insert "in a manner consistent with"

Page 6, line 33, after "misaligned" insert "for two consecutive years"

Page 7, line 1, delete "(c)" and insert "(d)"

Page 7, line 3, delete "(d)" and insert "(e)"

Page 7, line 6, delete "Assessments" and insert "Assessment"

Page 7, line 16, delete "(e)" and insert "(f)"

Page 7, after line 18, insert:

"(g) The commissioner shall develop benchmark assessments for statewide use that are aligned with the high school algebra end-of-course exam. The commissioner shall also provide districts with access to an item bank that teachers can use to create classroom-based formative assessments that help students prepare for the algebra end-of-course exam."

Page 7, line 19, delete "(f)" and insert "(h)"

Page 7, line 22, after "annually" insert "by January 15"

Page 7, line 23, delete "legislature" and insert "legislative committees having jurisdiction over kindergarten through grade 12 education"

Page 7, line 25, delete "(g)" and insert "(i)"

Page 7, line 27, delete "legislature by the 2014 session" and insert "legislative committees having jurisdiction over kindergarten through grade 12 education by January 15, 2015"

Page 7, line 28, delete "legislature by the 2016 session" and insert "legislative committees having jurisdiction over kindergarten through grade 12 education by January 15, 2017"

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

Senator Stumpf from the Committee on Education, to which was referred

S.F. No. 2610: A bill for an act relating to education; allowing students who do not pass the reading and language arts GRAD to retake the test in paper-and-pencil format; amending Minnesota Statutes 2009 Supplement, section 120B.30, subdivision 1.

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

Page 3, delete lines 10 to 13 and insert:

"High school students who do not pass the language arts and reading graduation-required

assessment for diploma (GRAD) under paragraph (b) and this paragraph may retake this GRAD test in a paper-and-pencil format one time in their junior year in December or on the makeup day for the December test, one time in their senior year in December or on the makeup day for the December test, and one time in July after their graduating class graduates. The administration of this GRAD test in paper-and-pencil format must meet the requisite security standards for such tests."

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

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 2639: A bill for an act relating to human services; modifying programs and licensure provisions for services to persons with disabilities; amending Minnesota Statutes 2008, section 326B.43, subdivision 2; Minnesota Statutes 2009 Supplement, sections 245A.03, subdivision 7; 245A.11, subdivisions 7a, 7b; 256D.44, subdivision 5; Laws 2009, chapter 79, article 8, sections 81; 84.

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

Page 1, lines 20 and 22, reinstate the stricken language and delete the new language

Page 1, line 24, reinstate "(b)" delete "(c)" and strike "or"

Page 2, line 3, strike the period and insert "; or"

Page 2, delete lines 4 to 7 and insert:

"(6) foster care licenses under section 245A.11, subdivision 7a."

Page 2, lines 8, 14, and 33, reinstate the stricken language and delete the new language

Page 3, delete section 2

Page 9, line 6, reinstate the stricken period and insert "In a multiunit building of six or more units," and reinstate "The maximum number of units that may be used by"

Page 9, line 7, reinstate "recipients of this program shall be 50 percent of the units in a building."

Page 9, line 8, reinstate "This paragraph expires"

Page 9, line 9, reinstate "on June 30," and after the stricken "2011" insert "2012"

Page 12, delete section 7

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 3095: A bill for an act relating to health insurance; requiring the commissioner of commerce to hold a public hearing before approval of certain rate increases; amending Minnesota Statutes 2008, section 62A.02, by adding a subdivision.

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 2008, section 62A.02, is amended by adding a subdivision to read:

Subd. 5b. **Public hearing; certain rate increases.** (a) Upon a rate increase filing submitted by a health carrier for a nongroup health plan, small employer health plan, long-term care insurance policy, or a Medicare supplemental policy of over eight percent, the commissioner shall no later than ten business days after receipt of the filing set a public hearing date in the following geographical areas if the rate increase would affect at least 100 members in the surrounding areas: Duluth, St. Cloud, Rochester, and the metropolitan area. The commissioner shall post the date, place, and time of each hearing and the filing in a conspicuous place on the department's Web site. The posting shall include all supplemental information that is part of the filing and shall be updated to include any correspondence between the department and the filer.

(b) The hearings described in paragraph (a) shall be held no later than 90 calendar days before the proposed effective date of the rate increase, and shall be conducted in accordance with chapter 14.

(c) Notwithstanding subdivisions 2, 3, and 3a, no rate increase over eight percent shall be approved or deemed approved by the commissioner until the public hearings described in this subdivision have occurred.

(d) Upon setting the date, place, and time of the hearing on the proposed rate, the commissioner shall immediately notify the filer of the date, place, and time of the hearing. Not later than ten business days after receipt of the notice, the filer shall notify by mail all enrollees of the:

(1) proposed rate for each insured's specific health plan, including any increase because of the enrollee's age or health status and the percentage increase of the proposed rate from the current rate;

(2) a statement that the proposed rate is subject to the Department of Commerce's review and approval; and

(3) the date, place, and time of the hearings on the proposed rate.

(e) The commissioner or the commissioner's designee, and an executive from the health carrier sponsoring the applicable health plan, must be available to provide testimony at the public hearing.

(f) The health carrier sponsoring the health plan shall pay all expenses reasonably attributable to the public hearing held pursuant to this subdivision. The commissioner shall determine the expenses and shall render a bill to the health carrier after the conclusion of the hearing. The amount billed must be paid by the health carrier into the state treasury within 30 days of presentment. Within 30 days after the date of presentment of any bill as required by this subdivision, a health carrier may file with the commissioner objections to the bill setting out the grounds upon which it is claimed the bill is excessive, erroneous, unlawful, or invalid. The commissioner shall hold a hearing on the

objection within 60 days in accordance with chapter 14.

(g) This subdivision expires for rate increases filed after January 1, 2014.

Sec. 2. EFFECTIVE DATE.

Section 1 is effective for rate increases due to take effect on or after January 1, 2011."

And when so amended the bill do pass and be re-referred to the Committee on Commerce and Consumer Protection. Amendments adopted. Report adopted.

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 2763: A bill for an act relating to health; providing for access to health records by surviving domestic partners; including domestic partners in provisions governing health care rights, consent to autopsies, and anatomical gifts; amending Minnesota Statutes 2008, sections 144.291, subdivision 2; 144.294, subdivision 1; 144.334; 144.651, subdivisions 2, 28; 144A.161, subdivision 1; 144A.75, subdivision 7; 253B.03, subdivision 6; 390.11, subdivision 2; 390.32, subdivision 3; 525A.02, subdivision 6, by adding a subdivision; 525A.09; Minnesota Statutes 2009 Supplement, section 13.384, subdivision 3.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 2972: A bill for an act relating to human services; modifying medical assistance coverage of medication therapy management services; amending Minnesota Statutes 2009 Supplement, section 256B.0625, subdivision 13h.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 2935: A bill for an act relating to human services; making changes to licensing provisions; modifying background study requirements, disqualifications, and data classification; amending Minnesota Statutes 2008, sections 245A.07, subdivision 2a; 245A.30; 245B.05, subdivision 7; 245C.02, subdivision 18; Minnesota Statutes 2009 Supplement, sections 245A.03, subdivision 2; 245A.04, subdivisions 5, 7; 245A.07, subdivisions 1, 3; 245A.144; 245A.50, subdivision 5; 245C.15, subdivision 2; 245C.20; 245C.22, subdivision 7.

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

Page 8, line 16, delete everything after the period

Page 8, delete lines 17 to 19

Page 11, line 30, reinstate "Minnesota Rules, parts" and delete "this" and insert "2960.0010 to 2960.0710,"

Page 11, line 31, delete "chapter"

Page 12, line 1, reinstate "Minnesota Rules, parts" and delete "this" and insert "2960.0010 to 2960.0710,"

Page 12, line 2, delete "chapter"

Page 15, line 16, strike the first "individual's"

Page 15, line 17, before "3" insert "subdivision"

Page 15, line 35, delete everything after "effective" and insert "retroactive to May 22, 2009."

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

Senator Vickerman from the Committee on Agriculture and Veterans, to which was referred

S.F. No. 2625: A bill for an act relating to veterans; expanding eligibility of disabled veterans for a free annual state park permit; amending Minnesota Statutes 2009 Supplement, section 85.053, subdivision 10.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Report adopted.

Senator Vickerman from the Committee on Agriculture and Veterans, to which was referred

S.F. No. 2927: A bill for an act relating to veterans; clarifying and amending certain Veterans Preference Act provisions; amending Minnesota Statutes 2008, section 197.481, subdivisions 1, 2, 4.

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

Page 2, line 5, strike "hold" and insert "schedule"

Page 2, line 6, after "party" insert "to be held or conducted"

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

Senator Vickerman from the Committee on Agriculture and Veterans, to which was re-referred

S.F. No. 1657: A bill for an act relating to natural resources; establishing Environment and Natural Resources Organization Advisory Committee to advise legislature and governor on new structure for administration of environment and natural resource policies; requiring advisory committee to consider all powers and duties of Pollution Control Agency, Department of Natural Resources, Environmental Quality Board, Board of Water and Soil Resources, Petroleum Tank

Release Compensation Board, Harmful Substances Compensation Board, and Agricultural Chemical Response Compensation Board and certain powers and duties of Departments of Agriculture, Health, Transportation, and Commerce.

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

Page 1, line 15, delete "18" and insert "26"

Page 1, line 18, delete "six" and insert "four"

Page 1, after line 19, insert:

"(2) two members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration;"

Page 1, line 20, delete "(2) six" and insert "(3) four" and delete "and"

Page 1, after line 20, insert:

"(4) two members of the house of representatives appointed by the speaker of the house;"

Page 1, line 21, delete "(3)" and insert "(5)" and delete the period and insert "; and"

Page 1, after line 21, insert:

"(6) one member representing each of the following organizations selected by the organization:

(i) Minnesota Farmers Union;

(ii) Minnesota Farm Bureau Federation;

(iii) Minnesota Agri-Growth Council;

(iv) Minnesota Milk Producers Association;

(v) Minnesota Corn Growers Association;

(vi) Minnesota Soybean Growers Association;

(vii) Minnesota Cattlemen's Association; and

(viii) Minnesota Pork Producers."

Page 1, line 25, after the period, insert "At least one member of the house of representatives and the senate must be from the minority caucus."

Page 1, line 26, delete "and" and insert a comma and before the period, insert ", and one representing tribal governments"

Page 2, lines 3 and 13, delete "2009" and insert "2010"

Page 2, line 20, delete "administrative" and insert "redundant management"

Page 3, lines 3 and 10, delete "2009" and insert "2010"

Page 3, lines 7, 15, 21, and 25, delete "2010" and insert "2011"

Amend the title as follows:

Page 1, line 5, after "requiring" insert "an"

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Amendments adopted. Report adopted.

Senator Pappas from the Committee on Higher Education, to which was referred

S.F. No. 2822: A bill for an act relating to higher education; regulating the transfer of credits within institutions belonging to the Minnesota State Colleges and Universities system; proposing coding for new law in Minnesota Statutes, chapter 136F.

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

Delete everything after the enacting clause and insert:

"Section 1. [136F.302] CREDIT TRANSFER.

The Board of Trustees must develop and maintain a systemwide effective and efficient mechanism for seamless student transfer between system institutions that has a goal of minimal loss of credits for transferring students. The Degree Audit and Reporting System (DARS) and u.select database (and successor databases) housed within the office of the chancellor shall be the official repository of course equivalencies between system colleges and universities. Each system college and university shall be responsible for ensuring the accuracy and completeness of course equivalencies listed for courses offered by that college or university. The development and maintenance of the system must, without limitation, address the following:

(1) alignment of institution curriculum and its communication to stakeholders;

(2) transfer between similar programs;

(3) documentation for transfer-related agreements between institutions;

(4) systemwide transfer information on the Internet that is easily accessible and maintained in a current and accurate status. Each system college and university shall post course descriptions and course outlines for all courses on their institutional Web sites. The links for current course outlines and course descriptions shall be submitted to the office of the chancellor for publication on the MinnesotaTransfer.org Web site;

(5) training for campus-level staff to provide accurate and consistent advice to students;

(6) institutional rather than student obligation to provide prompt required documentation for course equivalency determinations; and

(7) consistency of transfer policies among institutions in compliance with a system policy.

Sec. 2. REPORT OF CREDIT TRANSFER ACTIVITIES.

The Board of Trustees of the Minnesota State Colleges and Universities shall report on February 15, 2011, and annually thereafter through 2015, on its activities to achieve the credit transfer goals of Minnesota Statutes, section 136F.302, and the results of those activities. The report shall be made to the chairs and ranking minority members of the legislative committees with primary jurisdiction

over higher education policy and finance. The goals of Minnesota Statutes, section 136F.302, should be fully achieved as soon as possible, but no later than the start of the 2015-2016 academic year."

Delete the title and insert:

"A bill for an act relating to higher education; regulating the transfer of credits within institutions belonging to the Minnesota State Colleges and Universities system; proposing coding for new law in Minnesota Statutes, chapter 136F."

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

Senator Pappas from the Committee on Higher Education, to which was referred

S.F. No. 184: A bill for an act relating to higher education; requiring the Minnesota Office of Higher Education to report on certain financial transactions.

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 2009 Supplement, section 136A.01, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** (a) The Minnesota Office of Higher Education is responsible for:

(1) necessary state level administration of financial aid programs, including accounting, auditing, and disbursing state and federal financial aid funds, and reporting on financial aid programs to the governor and the legislature;

(2) approval, registration, licensing, and financial aid eligibility of private collegiate and career schools, under sections 136A.61 to 136A.71 and chapter 141;

(3) negotiating and administering reciprocity agreements;

(4) publishing and distributing financial aid information and materials, and other information and materials under section 136A.87, to students and parents;

(5) collecting and maintaining student enrollment and financial aid data and reporting data on students and postsecondary institutions to develop and implement a process to measure and report on the effectiveness of postsecondary institutions;

(6) administering the federal programs that affect students and institutions on a statewide basis; and

(7) prescribing policies, procedures, and rules under chapter 14 necessary to administer the programs under its supervision.

(b) The office may match individual student data from the student record enrollment database with individual student financial aid data collected and maintained by the office in order to audit or evaluate federal or state supported education programs as permitted by United States Code, title 20, section 1232g(b)(3), and Code of Federal Regulations, title 34, section 99.35. The office shall not release data that personally identifies parents or students other than to employees and contractors of the office.

Sec. 2. Minnesota Statutes 2009 Supplement, section 136A.101, subdivision 4, is amended to read:

Subd. 4. **Eligible institution.** "Eligible institution" means ~~a postsecondary educational institution located in this state or in a state with which the office has entered into a higher education reciprocity agreement on state student aid programs that (1) is operated by this state or the Board of Regents of the University of Minnesota, or (2) is operated privately and, as determined by the office, meets all of the following: (i) maintains academic standards substantially equivalent to those of comparable institutions operated in this state; (ii) is licensed or registered as a postsecondary institution by the office or another state agency; and (iii) by July 1, 2013, is participating in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, as amended~~ an institution that meets the eligibility requirements under section 136A.103.

Sec. 3. Minnesota Statutes 2008, section 136A.101, subdivision 10, is amended to read:

Subd. 10. **Satisfactory academic progress.** "Satisfactory academic progress" means ~~that satisfactory academic progress as defined under Code of Federal Regulations, title 34, sections 668.16(e), 668.32(f), and 668.34.~~

~~(1) by the end of a student's second academic year of attendance at an institution, the student has at least a cumulative grade point average of C or its equivalent, or academic standing consistent with the institution's graduation requirements; and~~

~~(2) by the end of the first term of the third and fourth academic year of attendance, the student has a cumulative grade point average of at least a C or its equivalent.~~

Sec. 4. **[136A.103] INSTITUTION ELIGIBILITY REQUIREMENTS.**

(a) A postsecondary institution is eligible for state student aid under chapter 136A and sections 197.791 and 299A.45, if the institution is located in this state or in a state with which the office has entered into a higher education reciprocity agreement on state student aid programs that:

(1) is operated by this state or the Board of Regents of the University of Minnesota; or

(2) is operated privately and, as determined by the office, meets the requirements of paragraph (b).

(b) A private institution must:

(1) maintain academic standards substantially equivalent to those of comparable institutions operated in this state;

(2) be licensed or registered as a postsecondary institution by the office; and

(3)(i) by July 1, 2010, participate in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, as amended; or

(ii) if an institution was participating in state student aid programs as of June 30, 2010, and the institution did not participate in the federal Pell Grant program by June 30, 2010, the institution must require every student who enrolls to sign a disclosure form, provided by the office, stating that the institution is not participating in the federal Pell Grant program.

(c) An institution that offers only graduate-level degrees or graduate-level nondegree programs, or that offers only degrees or programs that do not meet the required minimum program length to participate in the federal Pell Grant program, is an eligible institution if the institution is licensed or registered as a postsecondary institution by the office.

(d) An eligible institution under paragraph (b), clause (3), item (ii), that changes ownership as defined in section 136A.63, subdivision 2, must participate in the federal Pell Grant program within four calendar years of the first ownership change to continue eligibility.

(e) An institution that loses its eligibility for the federal Pell Grant program is not an eligible institution.

Sec. 5. Minnesota Statutes 2008, section 136A.126, subdivision 1, is amended to read:

Subdivision 1. **Student eligibility.** The director of the Office of Higher Education shall establish procedures for the distribution of scholarships to a Minnesota resident student as defined under section 136A.101, subdivision 8, who:

- (1) is of one-fourth or more Indian ancestry;
- (2) has applied for other existing state and federal scholarship and grant programs;
- (3) is meeting satisfactory academic progress as defined under section 136A.101, subdivision 10;
- (4) is not in default, as defined by the office, of a federal or state student educational loan;
- (5) if enrolled in an undergraduate program, is eligible or would be eligible to receive a federal Pell Grant or a state grant based on the federal needs analysis and is enrolled for nine semester credits per term or more, or the equivalent;
- ~~(4)~~ (6) if enrolled in a graduate program, demonstrates a remaining financial need in the award amount calculation and is enrolled, per term, on a half-time basis or more as defined by the postsecondary institution; and

~~(5)~~ (7) in the opinion of the director of the Office of Higher Education, based upon postsecondary institution recommendations, has the capabilities to benefit from further education.

Sec. 6. Minnesota Statutes 2008, section 136A.126, is amended by adding a subdivision to read:

Subd. 5. **Awarding procedure.** (a) Complete applications are ranked in order of completion date. If there are multiple applications with identical completion dates, those applications are further sorted by application receipt date.

(b) Awards must be made on a first-come, first-served basis in the order complete applications are received.

(c) Awards are made to eligible students until the appropriation is expended.

(d) Applicants not receiving a grant and for whom the office has received a completed application are placed on a waiting list in order of application completion date.

Sec. 7. Minnesota Statutes 2009 Supplement, section 136A.127, subdivision 2, is amended to

read:

Subd. 2. **Definition; qualifying program.** For the purposes of this section, a "qualifying program" means a rigorous secondary school program of study ~~defined for Minnesota high school graduates recognized by the Department of Education under agreement with the~~ Secretary of Education for the purposes of determining eligibility for the federal Academic Competitiveness Grant Program under Title IV of the Higher Education Act of 1965, as amended on August 14, 2008. If a qualifying program includes a foreign language requirement, the foreign language requirement is waived for a student whose first language is not English and who attains English language proficiency.

Sec. 8. Minnesota Statutes 2009 Supplement, section 136A.127, subdivision 4, is amended to read:

Subd. 4. **Student eligibility.** To be eligible to receive a scholarship under this section, in addition to the requirements listed under section 136A.121, a student must:

- (1) submit a Free Application for Federal Student Aid (FAFSA);
- (2) complete a qualifying program in a high school or in a home-school setting under section 120A.22, graduate from a Minnesota high school, and graduate with an unweighted grade point average of 2.5 or higher;
- (3) qualify for a federal Pell Grant or state grant under section 136A.121;
- (4) be a United States citizen or eligible noncitizen, as defined in section 484 of the Higher Education Act, United States Code, title 20, sections 1091 et seq., as amended, and Code of Federal Regulations, title 34, section 668.33;
- (5) meet satisfactory academic progress as defined under section 136A.101, subdivision 10;
- (6) be a Minnesota resident, as defined in section 136A.101, subdivision 8; and
- ~~(6)~~ (7) enroll full-time in a degree, diploma, or certificate program during the academic year immediately following high school graduation at an eligible institution as defined under section 136A.101, subdivision 4.

Sec. 9. Minnesota Statutes 2008, section 136A.127, subdivision 6, is amended to read:

Subd. 6. **Application.** ~~A student must complete and submit an application for the achieve scholarship must be received by the office. An institution may submit a complete application for the achieve scholarship on behalf of a student enrolled at its institution using procedures developed by the office.~~

Sec. 10. Minnesota Statutes 2008, section 136A.127, is amended by adding a subdivision to read:

Subd. 6a. **Complete application.** A complete application for the achieve scholarship includes:

- (1) an achieve scholarship application; and
- (2) documentation of the qualifying program.

Sec. 11. Minnesota Statutes 2008, section 136A.127, is amended by adding a subdivision to read:

Subd. 9c. **Insufficient appropriation.** If the amount appropriated is determined by the office to be insufficient to make full awards to applicants under subdivision 9, awards may be reduced by one or more of the following:

- (1) a percentage reduction in the maximum award;
- (2) a dollar amount reduction in the minimum award; or
- (3) adding a surcharge to the applicant's assigned family responsibility, as defined in section 136A.101, subdivision 5a.

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

Sec. 12. Minnesota Statutes 2008, section 136A.127, is amended by adding a subdivision to read:

Subd. 9d. **Award priority.** A first round of awards shall be made each year to students for which the office has received a complete application by August 31. If there are insufficient appropriations to make full awards to each student, all awards shall be reduced by an amount sufficient to meet the insufficiency.

If appropriations remain after the first round, awards shall be made on a first-come, first-served basis.

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

Sec. 13. Minnesota Statutes 2008, section 136A.15, subdivision 6, is amended to read:

Subd. 6. **Eligible institution.** "Eligible institution" means ~~a postsecondary educational institution that (1) is operated or regulated by this state or the Board of Regents of the University of Minnesota; (2) is operated publicly or privately in another state, is approved by the United States Secretary of Education, and, as determined by the office, maintains academic standards substantially equal to those of comparable institutions operated in this state; (3) is licensed or registered as a postsecondary institution by the office or another state agency; and (4) by July 1, 2011, is participating in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, as amended. It also includes any institution chartered in a province~~ an institution that meets the eligibility requirements under section 136A.155.

Sec. 14. **[136A.155] ADDITIONAL INSTITUTION ELIGIBILITY REQUIREMENTS.**

A postsecondary institution is an eligible institution for purposes of sections 136A.15 to 136A.1702, if the institution:

- (1) meets the eligibility requirements under section 136A.103; or
- (2) is operated publicly or privately in another state, is approved by the United States Secretary of Education, and, as determined by the office, maintains academic standards substantially equal to those of comparable institutions operated in this state.

Sec. 15. Minnesota Statutes 2008, section 136A.16, subdivision 14, is amended to read:

Subd. 14. **Notes.** The office may sell at public or private sale, at the price or prices determined by the office, any note or other instrument or obligation evidencing or securing a loan made by the office or its predecessor, including the Minnesota Higher Education Coordinating Board and the Minnesota Higher Education Services Office.

Sec. 16. Minnesota Statutes 2008, section 136A.62, subdivision 3, is amended to read:

Subd. 3. **School.** "School" means:

(1) any partnership, company, firm, society, trust, association, corporation, or any combination thereof, which (i) is, owns, or operates a private, nonprofit postsecondary education institution; (ii) is, owns, or operates a private, for-profit postsecondary education institution; or (iii) provides a postsecondary instructional program or course leading to a degree whether or not for profit;

(2) any public or private postsecondary educational institution located in another state or country which offers or makes available to a Minnesota resident any course, program or educational activity which does not require the leaving of the state for its completion; or

(3) any individual, entity, or postsecondary institution located in another state that contracts with any school located within the state of Minnesota for the purpose of providing educational programs, training programs, or awarding postsecondary credits or continuing education credits to Minnesota residents that may be applied to a degree program.

Sec. 17. Minnesota Statutes 2008, section 136A.645, is amended to read:

136A.645 SCHOOL CLOSURE.

(a) When a school decides to cease postsecondary education operations, it must cooperate with the office in assisting students to find alternative means to complete their studies with a minimum of disruption, and inform the office of the following:

(1) the planned date for termination of postsecondary education operations;

(2) the planned date for the transfer of the student records;

(3) confirmation of the name and address of the organization to receive and hold the student records; and

(4) the official at the organization receiving the student records who is designated to provide official copies of records or transcripts upon request.

(b) Upon notice from a school of its intention to cease operations, the office shall notify the school of the date on which it must cease the enrollment of students and all postsecondary educational operations.

Without limitation as to other circumstance when a school shall be deemed to have ceased operations, a school shall be deemed to have ceased operations when the school:

(1) has an unscheduled nonemergency closure or cancellation of classes for more than 24 hours without prior notice to the office;

(2) announces it is closed or closing; or

(3) files for bankruptcy.

Sec. 18. Minnesota Statutes 2008, section 136A.646, is amended to read:

136A.646 ADDITIONAL SECURITY.

(a) In the event any registered institution is notified by the United States Department of Education that it has fallen below minimum financial standards and that its continued participation in Title IV will be conditioned upon its satisfying either the Zone Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c), the institution shall provide a surety bond conditioned upon the faithful performance of all contracts and agreements with students in a sum equal to the "letter of credit" required by the United States Department of Education in the Letter of Credit Alternative, but in no event shall such bond be less than \$10,000 nor more than \$250,000.

(b) In lieu of a bond, the applicant may deposit with the commissioner of finance:

(1) a sum equal to the amount of the required surety bond in cash; or

(2) securities, as may be legally purchased by savings banks or for trust funds, in an aggregate market value equal to the amount of the required surety bond.

Sec. 19. Minnesota Statutes 2008, section 136A.65, is amended by adding a subdivision to read:

Subd. 9. **Powers and duties.** (a) The office has the following powers and duties:

(1) to negotiate and enter into interstate reciprocity agreements with similar agencies in other states, if in the judgment of the office an agreement is or will be helpful in effectuating the purposes of the Minnesota Private and Out-of-State Public Postsecondary Education Act; and

(2) to grant conditional or provisional registration for periods of less than one year, if in the judgment of the office correctable deficiencies exist at the time of application and when refusal to register a school would adversely affect currently enrolled students.

(b) The office may, upon its own motion, and must, upon the verified complaint in writing of any person setting forth fact which, if proved, would constitute grounds for refusal or revocation of private institution registration, investigate the actions of any applicant or any person or persons holding or claiming to be registered as a private institution. However, before proceeding to a hearing on the question of whether registration shall be refused, revoked, or suspended for any cause enumerated in this section, the office shall grant a reasonable time to the registered institution to correct the situation. If within such time the situation is corrected and the school is in compliance with sections 136A.61 to 136A.71, no further action leading to refusal, revocation, or suspension shall be taken.

Sec. 20. [136F.302] CREDIT TRANSFER.

The Board of Trustees must develop and maintain a systemwide effective and efficient mechanism for seamless student transfer between system institutions that has a goal of minimal loss of credits for transferring students. The Degree Audit and Reporting System (DARS) and u.select database (and successor databases) housed within the office of the chancellor shall be the official repository of course equivalencies between system colleges and universities. Each system college and university shall be responsible for ensuring the accuracy and completeness of

course equivalencies listed for courses offered by that college or university. The development and maintenance of the system must, without limitation, address the following:

(1) alignment of institution curriculum and its communication to stakeholders;

(2) transfer between similar programs;

(3) documentation for transfer-related agreements between institutions;

(4) systemwide transfer information on the Internet that is easily accessible and maintained in a current and accurate status. Each system college and university shall post course descriptions and course outlines for all courses on their institutional Web sites. The links for current course outlines and course descriptions shall be submitted to the office of the chancellor for publication on the MinnesotaTransfer.org Web site;

(5) training for campus-level staff to provide accurate and consistent advice to students;

(6) institutional rather than student obligation to provide prompt required documentation for course equivalency determinations; and

(7) consistency of transfer policies among institutions in compliance with a system policy.

Sec. 21. Minnesota Statutes 2008, section 136F.581, is amended by adding a subdivision to read:

Subd. 5. **Food products grown in state.** Colleges and universities must make a reasonable attempt to identify and purchase food products that are grown within the state.

Sec. 22. Minnesota Statutes 2008, section 141.25, is amended by adding a subdivision to read:

Subd. 2a. **Refunds.** If a contract is deemed unenforceable under subdivision 2, a school must refund tuition, fees, and other charges received from a student or on behalf of a student within 30 days of receiving written notification and demand for refund from the Minnesota Office of Higher Education.

Sec. 23. Minnesota Statutes 2008, section 141.25, subdivision 7, is amended to read:

Subd. 7. **Minimum standards.** A license shall be issued if the office first determines:

(1) that the applicant has a sound financial condition with sufficient resources available to:

(i) meet the school's financial obligations;

(ii) refund all tuition and other charges, within a reasonable period of time, in the event of dissolution of the school or in the event of any justifiable claims for refund against the school by the student body;

(iii) provide adequate service to its students and prospective students; and

(iv) maintain and support the school;

(2) that the applicant has satisfactory facilities with sufficient tools and equipment and the necessary number of work stations to prepare adequately the students currently enrolled, and those proposed to be enrolled;

(3) that the applicant employs a sufficient number of qualified teaching personnel to provide the educational programs contemplated;

(4) that the school has an organizational framework with administrative and instructional personnel to provide the programs and services it intends to offer;

(5) that the premises and conditions under which the students work and study are sanitary, healthful, and safe, ~~according to modern standards;~~

(6) that the quality and content of each occupational course or program of study provides education and adequate preparation to enrolled students for entry level positions in the occupation for which prepared;

(7) that the living quarters which are owned, maintained, recommended, or approved by the applicant for students are sanitary and safe;

(8) that the contract or enrollment agreement used by the school complies with the provisions in section 141.265;

(9) that contracts and agreements do not contain a wage assignment provision or a confession of judgment clause; and

(10) that there has been no adjudication of fraud or misrepresentation in any criminal, civil, or administrative proceeding in any jurisdiction against the school or its owner, officers, agents, or sponsoring organization.

Sec. 24. Minnesota Statutes 2008, section 141.25, subdivision 13, is amended to read:

Subd. 13. **Schools licensed by another state agency or board.** A school required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in its name or licensed for the purpose of participating in state financial aid under chapter 136A, and which is also licensed by another state agency or board shall be required to satisfy only the requirements of subdivisions 3, clauses (1), (2), (3), (5), (7), and (10); 4; 5, paragraph (b), clause (2); 7, clauses (1) and (10); 8; 9, clause (13); and 12.

Sec. 25. Minnesota Statutes 2008, section 141.251, subdivision 2, is amended to read:

Subd. 2. **Conditions.** The office shall adopt rules establishing the conditions for renewal of a license. The conditions shall permit two levels of renewal based on the record of the school. A school that has demonstrated the quality of its program and operation through longevity and performance in the state may renew its license based on a relaxed standard of scrutiny. A school that has been in operation in Minnesota for a limited period of time or that has not performed adequately on performance indicators shall renew its license based on a strict standard of scrutiny. The office shall specify minimum longevity standards and performance indicators that must be met before a school may be permitted to operate under the relaxed standard of scrutiny. The performance indicators used in this determination shall include, but not be limited to: ~~degree granting status,~~ regional or national accreditation, loan default rates, placement rate of graduates, student withdrawal rates, audit results, student complaints, and school status with the United States Department of Education. Schools that meet the requirements established in rule shall be required to submit a full relicensure report once every four years, and in the interim years will be exempt from the requirements of section 141.25, subdivision 3, clauses (4), (5), and (8), and Minnesota Rules, parts 4880.1700, subpart 6;

and 4880.2100, subpart 4.

Sec. 26. Minnesota Statutes 2008, section 141.28, subdivision 2, is amended to read:

Subd. 2. **Unlawful designation.** No school organized after November 15, 1969, shall apply to itself either as a part of its name or in any other manner the designation of "college" or "university" ~~unless such school applies for and receives certification from the office that it meets appropriate standards and is entitled to such designation.~~ Operating schools now using such designation may continue use thereof.

Sec. 27. Minnesota Statutes 2009 Supplement, section 299A.45, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** A person is eligible to receive educational benefits under this section if the person:

(1) is certified under section 299A.44 and in compliance with this section and rules of the commissioner of public safety and the Minnesota Office of Higher Education;

(2) is enrolled in an undergraduate degree or certificate program after June 30, 1990, at an eligible Minnesota institution as provided in section 136A.101, subdivision 4;

(3) has not received a baccalaureate degree or been enrolled full time for ~~nine~~ ten semesters or the equivalent, except that a student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of eligibility; and

(4) is related in one of the following ways to a public safety officer killed in the line of duty on or after January 1, 1973:

(i) as a dependent child less than 23 years of age;

(ii) as a surviving spouse; or

(iii) as a dependent child less than 30 years of age who has served on active military duty 181 consecutive days or more and has been honorably discharged or released to the dependent child's reserve or National Guard unit.

Sec. 28. **REPORT OF CREDIT TRANSFER ACTIVITIES.**

The Board of Trustees of the Minnesota State Colleges and Universities shall report on February 15, 2011, and annually thereafter through 2015, on its activities to achieve the credit transfer goals of Minnesota Statutes, section 136F.302, and the results of those activities. The report shall be made to the chairs and ranking minority members of the legislative committees with primary jurisdiction over higher education policy and finance. The goals of Minnesota Statutes, section 136F.302, should be fully achieved as soon as possible, but no later than the start of the 2015-2016 academic year."

Delete the title and insert:

"A bill for an act relating to higher education; authorizing data matching; modifying institution eligibility; establishing award procedures; establishing scholarship priorities; establishing powers and duties; regulating the transfer of credits within institutions belonging to the Minnesota State Colleges and Universities system; providing for refunds; defining terms; making technical

corrections; amending Minnesota Statutes 2008, sections 136A.101, subdivision 10; 136A.126, subdivision 1, by adding a subdivision; 136A.127, subdivision 6, by adding subdivisions; 136A.15, subdivision 6; 136A.16, subdivision 14; 136A.62, subdivision 3; 136A.645; 136A.646; 136A.65, by adding a subdivision; 136F.581, by adding a subdivision; 141.25, subdivisions 7, 13, by adding a subdivision; 141.251, subdivision 2; 141.28, subdivision 2; Minnesota Statutes 2009 Supplement, sections 136A.01, subdivision 2; 136A.101, subdivision 4; 136A.127, subdivisions 2, 4; 299A.45, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 136A; 136F."

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

Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred

S.F. No. 2875: A bill for an act relating to energy; modifying utility's requirement to post notice of impending disconnection of utility services to a rental building due to landlord's failure to pay for service; amending Minnesota Statutes 2008, section 504B.215, subdivision 3.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred

S.F. No. 2826: A bill for an act relating to Hennepin County; authorizing business entity participation for certain energy-related purposes; proposing coding for new law in Minnesota Statutes, chapter 383B.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Report adopted.

Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred

S.F. No. 2676: A bill for an act relating to energy; establishing rebate program for solar photovoltaic modules; appropriating money.

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

Page 1, line 12, before the period, insert "or any existing Minnesota manufacturer that produces the interconnection of low-voltage solar photo-active elements so as to produce the final useful photovoltaic output"

Page 1, line 14, delete "Minnesota" and insert "the assigned service area of the utility that owns the Prairie Island nuclear generating plant as established in accordance with Minnesota Statutes, section 216B.39"

Page 2, line 7, delete "and"

Page 2, line 9, delete the period and insert "; and"

Page 2, after line 9, insert:

"(6) may not be used to sell, transmit, or distribute the electrical energy at retail and may not provide for end use from an off-site facility of the electrical energy. On-site generation is allowed to the extent provided for in Minnesota Statutes, section 216B.1611."

Page 2, line 18, delete "2" and insert "3"

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

Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred

S.F. No. 2616: A bill for an act relating to telecommunications; regulating private shared services; proposing coding for new law in Minnesota Statutes, chapter 237.

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

Page 1, after line 4, insert:

"Section 1. Minnesota Statutes 2008, section 237.411, subdivision 3, is amended to read:

Subd. 3. **Reduced rate regulation.** The rates, prices, tariffs, or charges to a business customer in a competitive area by a telephone company or a telecommunications carrier offering local service are only subject to sections 237.07, subdivision 1; 237.66; and 237.663, and are not subject to any rules imposing rate or price restrictions beyond those sections or to other order or investigation of local rates under section 237.081. A company subject to this subdivision is not required to file specific price information. However, upon request of the department, the Office of the Attorney General, or the commission, a company must show that its pricing complies with subdivision 4.

EFFECTIVE DATE. This section is effective retroactively from May 12, 2009."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to telecommunications; regulating private shared services; clarifying reduced-rate regulation of certain competitive business telecommunication services; amending Minnesota Statutes 2008, section 237.411, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 237."

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

Senator Stumpf from the Committee on Education, to which was referred

S.F. No. 2797: A bill for an act relating to education; permitting advertisements within a baseball field.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Transportation. Report adopted.

Senator Stumpf from the Committee on Education, to which was re-referred

S.F. No. 2708: A bill for an act relating to special education; expanding who is qualified to make a diagnosis of attention deficit disorder or attention deficit hyperactivity disorder; amending Minnesota Statutes 2009 Supplement, section 125A.02, subdivision 1.

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

Page 1, line 16, after "(4)," insert "not employed by a school district"

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

Senator Stumpf from the Committee on Education, to which was referred

S.F. No. 2739: A bill for an act relating to education; clarifying the definition of a child with a disability; specifying obligations to children with disabilities; amending Minnesota Statutes 2009 Supplement, section 125A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 125A; repealing Minnesota Statutes 2008, section 125A.03.

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

Page 1, line 15, delete the new language

Page 2, line 2, delete "are in" and delete "of"

Page 2, after line 16, insert:

"(f) Local health, education, and social services agencies must refer children under age five who are known to need or suspected of needing special education and related services to the school district."

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

Senator Stumpf from the Committee on Education, to which was referred

S.F. No. 2949: A bill for an act relating to education; providing for online learning; statewide assessment supervision; limiting advertising; requiring a report; amending Minnesota Statutes 2009 Supplement, section 124D.095, subdivisions 4, 10.

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

Page 2, line 29, delete "one secure" and insert "a secure location."

Page 2, delete line 30

Page 4, line 1, delete "three" and insert "one" and delete "equivalents" and insert "equivalent"

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

Senator Stumpf from the Committee on Education, to which was referred

S.F. No. 2601: A bill for an act relating to education; allowing school boards to offer a continuing contract to a teacher during the probationary period; amending Minnesota Statutes 2008, sections 122A.40, subdivision 5; 122A.41, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 2847: A bill for an act relating to bridges; providing for ongoing prioritization of bridge projects; amending Minnesota Statutes 2008, section 165.14, subdivision 4, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Murphy from the Committee on Transportation, to which was re-referred

S.F. No. 2690: A bill for an act relating to children; modifying driver's license requirements for foster children; requiring in-court reviews; expanding the definition of parent for child protection proceedings; amending Minnesota Statutes 2008, sections 171.04, subdivision 1; 171.05, subdivision 2; 171.055, subdivision 1; 245C.33, subdivision 4, by adding a subdivision; 260C.007, subdivision 4; 260C.163, subdivisions 1, 2; 260C.193, subdivision 6; 260C.201, subdivision 10; 260C.317, subdivision 3; 260C.451; Minnesota Statutes 2009 Supplement, sections 260C.007, subdivision 25; 260C.150, subdivision 3; 260C.151, subdivision 1; 260C.178, subdivision 3; 260C.201, subdivision 11; 260C.212, subdivision 7; 260C.331, subdivision 1; 260C.456.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 2585: A bill for an act relating to transportation; directing commissioner of transportation to require bids for federally assisted contracts to include information on inclusion of disadvantaged business enterprises; requiring commissioner of transportation to provide training for disadvantaged business enterprises; imposing reporting requirements; requiring application for waiver; proposing coding for new law in Minnesota Statutes, chapters 161; 174; repealing Minnesota Statutes 2008, section 174.03, subdivision 11.

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

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 2009 Supplement, section 161.321, is amended by adding a subdivision to read:

Subd. 2a. Targeted group business goal. The commissioner shall establish a contract goal for targeted group business participation in each contract with a prime contractor that involves highway construction, improvement, or maintenance, and is not covered by the disadvantaged business enterprise program under Code of Federal Regulations, title 49. The contract goal must be stated in the bid solicitation. The contract must identify the contract goal for targeted group business participation and must state sanctions that may be imposed on the contractor who does

not either meet the goal or demonstrate good-faith efforts to meet the goal."

Page 4, after line 7, insert:

"Sec. 7. **DISADVANTAGED BUSINESS ENTERPRISE COLLABORATIVE.**

Subdivision 1. **Establishment; purpose.** (a) The commissioner of transportation shall convene monthly meetings of the disadvantaged business enterprise program collaborative, as constituted by the commissioner as of January 1, 2010.

(b) The collaborative shall review and evaluate the commissioner's implementation of the disadvantaged business enterprise program, under Code of Federal Regulations, title 49, and to recommend changes, including legislation, to improve the effectiveness of the program in this state.

(c) The commissioner shall provide staff and administrative support for the collaborative and shall establish policies and procedures for the collaborative including quorum requirements and majority decision making.

(d) The representatives of the Department of Transportation with responsibility for civil rights and contracting shall participate in collaborative meetings and deliberations, but no employee of the department may vote on collaborative decisions.

(e) Voting members of the collaborative do not receive compensation or reimbursement of expenses.

Subd. 2. **Powers and duties; report.** (a) The collaborative shall develop recommendations to the department and to the legislature as provided in paragraph (b) designed to implement fully the federal Disadvantaged Business Enterprise program in this state and to improve the effectiveness of the program. These recommendations, including any necessary draft legislation, may include, but are not limited to, strategies, polices, and actions focused on:

(1) requiring bid proposals to include information on disadvantaged business enterprise participation;

(2) requiring bidding contractors to submit a waiver application if disadvantaged business enterprise participation is less than the established contract goal;

(3) defining and implementing appropriate sanctions for contractors who fail to meet disadvantaged business enterprise contract goals;

(4) sponsoring disadvantaged business enterprise training and development workshops;

(5) strengthening the content and frequency of department reporting requirements relating to the disadvantaged business enterprise program; and

(6) requiring the department to submit a waiver application to allow group-specific goals.

(b) The collaborative shall report its findings and legislative recommendations to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over transportation policy and finance by January 3, 2011.

(c) The collaborative expires December 31, 2012."

Page 4, delete lines 11 and 12 and insert:

"Sections 1 and 2 are effective for contracts awarded on and after August 1, 2011. Sections 3 to 6 and 8 are effective March 1, 2011. Section 7 is effective the day following final enactment."

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "requiring commissioner of transportation to establish contract goals for targeted group business participation;"

Page 1, line 6, after "waiver;" insert "establishing collaborative to recommend improvements to disadvantaged business enterprise program;"

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Amendments adopted. Report adopted.

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 2846: A bill for an act relating to transportation; modifying provisions governing movement of large vehicles on public streets and highways; making technical changes; repealing certain rules related to motor carriers; amending Minnesota Statutes 2008, sections 169.86, subdivision 5; 169.863, subdivision 1; 169.864, subdivision 4; 169.871, subdivisions 1, 1a, 1b; Minnesota Statutes 2009 Supplement, sections 169.801, subdivision 10; 169.81, subdivision 3; 169.824, subdivision 2; 169.8261, subdivision 2; 169.864, subdivision 2; 169.865, subdivision 1; 221.025; 221.031, subdivision 3; repealing Minnesota Statutes 2008, section 169.826, subdivision 6; Minnesota Rules, parts 7800.0100, subparts 4, 6, 7, 8, 11, 12, 13, 14; 7800.0200; 7800.0400; 7800.0800; 7800.0900; 7800.1000; 7800.3200, subpart 2; 7800.3300; 7805.0500; 7805.0900; 7805.1300; 8850.7950; 8850.8000; 8850.8050, subpart 2; 8850.8100; 8850.8250; 8850.8300; 8850.8350; 8850.8800; 8850.8850; 8850.9050, subpart 3; 8855.0410; 8855.0600; 8855.0850; 8920.0100; 8920.0150; 8920.0200; 8920.0300; 8920.0400; 8920.0500; 8920.0600; 8920.0700; 8920.0800; 8920.0900; 8920.1000; 8920.1100; 8920.1200; 8920.1300; 8920.1400; 8920.1500; 8920.1550; 8920.1600; 8920.1700; 8920.1800; 8920.1900; 8920.2000; 8920.2100; 8920.2200; 8920.2300; 8920.2400; 8920.2500; 8920.2600; 8920.2700; 8920.2800; 8920.2900; 8920.3000; 8920.3100; 8920.3200; 8920.3300; 8920.3400; 8920.3500; 8920.3600; 8920.3700; 8920.3800; 8920.3900; 8920.4000; 8920.4100; 8920.4200; 8920.4300; 8920.4400; 8920.4500.

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

Page 1, after line 23, insert:

"ARTICLE 1

VEHICLE WEIGHTS AND DIMENSIONS

Section 1. Minnesota Statutes 2008, section 169.801, subdivision 5, is amended to read:

Subd. 5. **Height and width.** A person operating, ~~or 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."

Page 3, after line 28, insert:

"Sec. 4. Minnesota Statutes 2009 Supplement, section 169.824, subdivision 1, is amended to read:

Subdivision 1. **Table of axle weight limits.** (a) No vehicle or combination of vehicles equipped with pneumatic tires shall be operated upon the highways of this state where the total gross weight on any group of two or more consecutive axles of any vehicle or combination of vehicles exceeds that given in the following axle weight limits table for the distance between the centers of the first and last axles of any group of two or more consecutive axles under consideration; Unless otherwise noted, the distance between axles being must be measured longitudinally to the nearest even foot, and when the measurement is a fraction of exactly one-half foot the next largest whole number in feet shall be used, except that when the distance between axles is more than three feet four inches and less than three feet six inches the distance of four feet shall be used;.

Distances in feet between centers of foremost and rearmost axles of a group	Axle Weight Limits		
	Maximum gross weight in pounds on a group of		
	2	3	4
	consecutive axles of a 2-axle vehicle or any combination of vehicles having a total of 2 or more axles	consecutive axles of a 3-axle vehicle or any combination of vehicles having a total of 3 or more axles	consecutive axles of a 4-axle vehicle or any combination of vehicles having a total of 4 or more axles
4	34,000		
5	34,000		
6	34,000		
7	34,000	37,000 34,000	
8	34,000	38,500 34,000	
8 plus	34,000 (38,000)	42,000	
9	35,000 (39,000)	43,000	
10	36,000 (40,000)	43,500	49,000
11	36,000	44,500	49,500
12		45,000	50,000
13		46,000	51,000

7500

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14	46,500	51,500
15	47,500	52,000
16	48,000	53,000
17	49,000	53,500
18	49,500	54,000
19	50,500	55,000
20	51,000	55,500
21	52,000	56,000
22	52,500	57,000
23	53,500	57,500
24	54,000	58,000
25	(55,000)	59,000
26	(55,500)	59,500
27	(56,500)	60,000
28	(57,000)	61,000
29	(58,000)	61,500
30	(58,500)	62,000
31	(59,500)	63,000
32	(60,000)	63,500
33		64,000
34		65,000
35		65,500
36		66,000
37		67,000
38		67,500
39		68,000
40		69,000
41		69,500
42		70,000
43		71,000
44		71,500
45		72,000
46		72,500
47		(73,500)

48	(74,000)
49	(74,500)
50	(75,500)
51	(76,000)
52	(76,500)
53	(77,500)
54	(78,000)
55	(78,500)
56	(79,500)
57	(80,000)

(b) The maximum gross weight on a group of three consecutive axles, where the distance between centers of foremost and rearmost axles is listed as of any axle group is seven feet or eight feet, applies only to is 34,000 pounds, except for vehicles manufactured before August 1, 1991. Notwithstanding any lesser weight shown in the axle weight limits table, for vehicles manufactured before August 1, 1991: (1) the maximum gross weight on a group of three consecutive axles, where the distance between centers of foremost and rearmost axle of any axle group is seven feet, is 37,000 pounds; and (2) the maximum gross weight on a group of three consecutive axles, where the distance between centers of foremost and rearmost axle groups is eight feet, is 38,500 pounds.

(c) "8 plus" refers to any distance greater than eight feet but less than nine feet.

Axle Weight Limits (continued)

Maximum gross weight in pounds on a group of

	5	6	7	8
Distances in feet between centers of foremost and rearmost axles of a group	consecutive axles of a 5-axle vehicle or any combination of vehicles having a total of 5 or more axles	consecutive axles of a 6-axle vehicle or any combination of vehicles having a total of 6 or more axles	consecutive axles of a 7-axle vehicle or any combination of vehicles having a total of 7 or more axles	consecutive axles of an 8-axle vehicle or any combination of vehicles having a total of 8 or more axles
14	57,000			
15	57,500			
16	58,000			
17	59,000			
18	59,500			
19	60,000			
20	60,500	66,000	72,000	

21	61,500	67,000	72,500	
22	62,000	67,500	73,000	
23	62,500	68,000	73,500	
24	63,000	68,500	74,000	
25	64,000	69,000	75,000	
26	64,500	70,000	75,500	
27	65,000	70,500	76,000	
28	65,500	71,000	76,500	
29	66,500	71,500	77,000	
30	67,000	72,000	77,500	
31	67,500	73,000	78,500	
32	68,000	73,500	79,000	
33	69,000	74,000	79,500	
34	69,500	74,500	80,000	
35	70,000	75,000	(80,500)	(86,000)
36	70,500	76,000	(81,000)	(86,500)
37	71,500	76,500	(81,500)	(87,000)
38	72,000	77,000	(82,000)	(87,500)
39	72,500	77,500	(82,500)	(88,500)
40	73,000	78,000	(83,500)	(89,000)
41	74,000	79,000	(84,000)	(89,500)
42	74,500	79,500	(84,500)	(90,000)
43	75,000	80,000	(85,000)	(90,500)
44	75,500	(80,500)	(85,500)	(91,000)
45	76,500	(81,000)	(86,000)	(91,500)
46	77,000	(81,500)	(87,000)	(92,500)
47	77,500	(82,000)	(87,500)	(93,000)
48	78,000	(83,000)	(88,000)	(93,500)
49	79,000	(83,500)	(88,500)	(94,000)
50	79,500	(84,000)	(89,000)	(94,500)
51	80,000	(84,500)	(89,500)	(95,000)
52	(80,500)	(85,000)	(90,500)	(95,500)
53	(81,000)	(86,000)	(91,000)	(96,500)
54	(81,500)	(86,500)	(91,500)	(97,000)

55	(82,500)	(87,000)	(92,000)	(97,500)
56	(83,000)	(87,500)	(92,500)	(98,000)
57	(83,500)	(88,000)	(93,000)	(98,500)
58	(84,000)	(89,000)	(94,000)	(99,000)
59	(85,000)	(89,500)	(94,500)	(99,500)
60	(85,500)	(90,000)	(95,000)	(100,500)
61			(95,500)	(101,000)
62			(96,000)	(101,500)
63			(96,500)	(102,000)
64			(97,000)	(102,500)
65				(103,000)
66				(103,500)
67				(104,500)
68				(105,000)
69				(105,500)
70				(106,000)
71				(106,500)
72				(107,000)
73				(107,500)
74				(108,000)

(d) The gross weights shown without parentheses in ~~this~~ the axle weight limits table are allowed on unpaved streets and highways, unless posted to a lesser weight under section 169.87, subdivision 1. The gross weights shown in this table, whether within or without parentheses, are allowed on paved streets and highways, unless posted to a lesser weight under section 169.87, subdivision 1. Gross weights in excess of 80,000 pounds require an overweight permit under this chapter, unless otherwise allowed under section 169.826.

~~(b)~~(e) Notwithstanding any lesser weight ~~in pounds~~ shown in ~~this~~ the axle weight limits table, but subject to the restrictions on gross vehicle weights in subdivision 2, paragraph (a), two consecutive sets of tandem axles may carry a gross load of 34,000 pounds each and a combined gross load of 68,000 pounds provided the overall distance between the first and last axles of the consecutive sets of tandem axles is 36 feet or more."

Page 6, line 4, strike "169.822" and insert "169.823"

Page 8, after line 17, insert:

"Sec. 8. Minnesota Statutes 2008, section 169.862, subdivision 1, is amended to read:

Subdivision 1. **Annual permit authority; restrictions.** The commissioner of transportation

with respect to highways under the commissioner's jurisdiction, and local authorities with respect to highways under their jurisdiction, may issue an annual permit to enable a vehicle carrying bales of hay, straw, or cornstalks, with a total outside width of the vehicle or the load not exceeding 12 feet, and a total height of the loaded vehicle not exceeding ~~14-1/2~~ 15 feet, to be operated on public streets and highways. Loaded vehicles operating on interstate highways within the seven-county metropolitan area may not exceed a total height of 14-1/2 feet.

Sec. 9. Minnesota Statutes 2009 Supplement, section 169.862, subdivision 2, is amended to read:

Subd. 2. **Additional restrictions.** Permits issued under this section are governed by the applicable provisions of section 169.86 except as otherwise provided herein and, in addition, carry the following restrictions:

(a) The vehicles may not be operated between sunset and sunrise, when visibility is impaired by weather, fog, or other conditions rendering persons and vehicles not clearly visible at a distance of 500 feet, or on Sunday from noon until sunset, or on the days the following holidays are observed: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

(b) The vehicles may not be operated on a trunk highway with a pavement less than 24 feet wide.

(c) A vehicle operated under the permit must be equipped with a retractable or removable mirror on the left side so located that it will reflect to the driver a clear view of the highway for a distance of at least 200 feet to the rear of the vehicle.

(d) A vehicle operated under the permit must display red, orange, or yellow flags, 18 inches square, as markers at the front and rear and on both sides of the load. The load must be securely bound to the transporting vehicle.

(e) Farm vehicles not for hire carrying ~~round~~ baled hay, straw, or cornstalks less than 20 miles are exempt from the requirement to obtain a permit. All other requirements of this section apply to vehicles transporting ~~round~~ baled hay, straw, or cornstalks."

Page 11, delete section 11 and insert:

"Sec. 15. Minnesota Statutes 2008, section 169.871, subdivision 1a, is amended to read:

Subd. 1a. **Special permit violations.** (a) The owner or lessee of a vehicle that is operated with a gross weight in excess of a an adjusted weight limit ~~imposed by permit under sections 169.86 and 169.862~~ and a shipper who ships or tenders goods for shipment in a single truck or combination vehicle that exceeds a an adjusted weight limit ~~permitted under section 169.86 or 169.862~~ is liable for a civil penalty. The civil penalty is the greater of (1) as calculated at a rate of five cents per pound for each pound in excess of the highest weight permitted under section 169.86 or 169.862 allowed by the permit or under section 169.826, subdivision 1, or (2) \$100, whichever is greater.

(b) Any penalty imposed upon a defendant under this subdivision shall not exceed the penalty prescribed by this subdivision. Any fine paid by the defendant in a criminal overweight action that arose from the same overweight violation may not be applied toward payment of the civil penalty under this subdivision. A peace officer or Department of Public Safety employee described in section 299D.06 who cites a driver for a violation of the adjusted weight limit ~~limitations established by permit pursuant to section 169.86 or 169.862~~ shall give written notice to the driver that the driver or

another may also be liable for the civil penalty provided in this subdivision in the same or separate proceedings.

(c) For purposes of this subdivision, "adjusted weight limit" means a weight limit (1) imposed by a permit issued under this chapter, or (2) imposed under section 169.826, subdivision 1."

Page 14, after line 7, insert:

"ARTICLE 2

CROSS REFERENCES

Section 1. Minnesota Statutes 2008, section 169.823, as amended by Laws 2009, chapter 64, section 5, is amended to read:

169.823 TIRE WEIGHT LIMITS.

Subdivision 1. **Pneumatic-tired vehicle.** No vehicle or combination of vehicles equipped with pneumatic tires shall be operated upon the highways of this state:

(1) where the gross weight on any wheel exceeds 9,000 pounds on an unpaved street or highway or 10,000 pounds on a paved street or highway, unless posted to a lesser weight under section 169.87, subdivision 1;

(2) where the gross weight on any single axle exceeds 18,000 pounds on an unpaved street or highway or 20,000 pounds on a paved street or highway, unless posted to a lesser weight under section 169.87, subdivision 1;

(3) where the maximum wheel load:

(i) on the foremost and rearmost steering axles, exceeds 600 pounds per inch of tire width or the manufacturer's recommended load, whichever is less; or

(ii) on other axles, exceeds 500 pounds per inch of tire width or the manufacturer's recommended load, whichever is less; or

(4) where the gross weight on any group of axles exceeds the weights permitted under sections ~~169.822~~ 169.823 to 169.829 with any or all of the interior axles disregarded, and with an exterior axle disregarded if the exterior axle is a variable load axle that is not carrying its intended weight, and their gross weights subtracted from the gross weight of all axles of the group under consideration.

Subd. 2. **Vehicle not equipped with pneumatic tires.** A vehicle or combination of vehicles not equipped with pneumatic tires shall be governed by the provisions of sections ~~169.822~~ 169.823 to 169.829, except that the gross weight limitations shall be reduced by 40 percent.

Sec. 2. Minnesota Statutes 2008, section 169.826, as amended by Laws 2009, chapter 64, section 57, is amended to read:

169.826 GROSS WEIGHT SEASONAL INCREASES.

Subdivision 1. **Winter increase amounts.** The limitations provided in sections ~~169.822~~ 169.823 to 169.829 are increased by ten percent between the dates set by the commissioner for each zone established by the commissioner based on a freezing index model each winter.

Subd. 1a. **Harvest season increase amount; permit.** The limitations provided in sections ~~169.822~~ 169.823 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.

Subd. 2. **Duration.** The duration of a ten percent increase in load limits is subject to limitation by order of the commissioner, subject to implementation of springtime load restrictions.

Subd. 3. **Excess weight permit.** When the ten percent increase is in effect, a permit is required for a motor vehicle, trailer, or semitrailer combination that has a gross weight in excess of 80,000 pounds, an axle group weight in excess of that prescribed in section 169.824, or a single axle weight in excess of 20,000 pounds and which travels on interstate routes.

Subd. 4. **Weight limits set by other law.** In cases where gross weights in an amount less than that set forth in sections ~~169.822~~ 169.823 to 169.829 are fixed, limited, or restricted on a highway or bridge by or under another section of this chapter, the lesser gross weight as fixed, limited, or restricted may not be exceeded and must control instead of the gross weights set forth in sections ~~169.822~~ 169.823 to 169.829.

Subd. 6. **Permit extension.** The commissioner may, after determining the ability of the highway structure and frost condition to support additional loads, grant a permit extending seasonal increases for vehicles using portions of routes falling within two miles of the southern boundary of the zone described under subdivision 1, clause (2).

Sec. 3. Minnesota Statutes 2009 Supplement, section 169.8261, subdivision 1, is amended to read:

Subdivision 1. **Exemption.** (a) For purposes of this section, "raw or unfinished forest products" include wood chips, paper, pulp, oriented strand board, laminated strand lumber, hardboard, treated lumber, untreated lumber, or barrel staves.

(b) In compliance with this section, a person may operate a vehicle or combination of vehicles to haul raw or unfinished forest products by the most direct route to the nearest paved highway on any highway with gross weights permitted under sections ~~169.822~~ 169.823 to 169.829.

Sec. 4. Minnesota Statutes 2008, section 169.828, subdivision 1, is amended to read:

Subdivision 1. **Consecutive axle weight and number of axles.** No vehicle alone nor any single vehicle of a combination of vehicles shall be equipped with more than four axles unless the additional axles are steering axles or castering axles; provided that the limitation on the number of axles as provided in sections ~~169.822~~ 169.823 to 169.829 shall not apply to any vehicle operated under permit pursuant to section 169.86. No vehicle alone nor any single vehicle of a combination of vehicles shall exceed the posted weight limit for a single vehicle.

Sec. 5. Minnesota Statutes 2008, section 169.829, is amended to read:

169.829 WEIGHT LIMITS NOT APPLICABLE TO CERTAIN VEHICLES.

Subdivision 1. **City vehicle except on trunk highway.** (a) The provisions of sections ~~169.822~~ 169.823 to 169.828 do not apply to vehicles operated exclusively in any city in this state which has in effect an ordinance regulating the gross weight of vehicles operated within that city.

(b) This subdivision does not apply to trunk highways.

Subd. 2. **Tow truck.** Sections ~~169.822~~ 169.823 to 169.828 do not apply to a tow truck or towing vehicle when towing a disabled or damaged vehicle, when the movement is urgent, and when the movement is for the purpose of removing the disabled vehicle from the roadway to a place of safekeeping or to a place of repair.

Subd. 3. **Utility vehicle.** Sections ~~169.822~~ 169.823 to 169.828 do not apply to a utility vehicle that does not exceed a weight of 20,000 pounds per axle and is owned by:

(1) a public utility, as defined in section 216B.02;

(2) a municipality or municipal utility that operates that vehicle for its municipal electric, gas, or water system; and

(3) a cooperative electric association organized under chapter 308A.

Sec. 6. Minnesota Statutes 2009 Supplement, section 169.85, subdivision 2, is amended to read:

Subd. 2. **Unloading.** (a) Upon weighing a vehicle and load, as provided in this section, an officer may require the driver to stop the vehicle in a suitable place and remain standing until a portion of the load is removed that is sufficient to reduce the gross weight of the vehicle to the limit permitted under either section 168.013, subdivision 3, paragraph (b), or sections ~~169.822~~ 169.823 to 169.829, whichever is the lesser violation, if any. A suitable place is a location where loading or tampering with the load is not prohibited by federal, state, or local law, rule, or ordinance.

(b) Except as provided in paragraph (c), a driver may be required to unload a vehicle only if the weighing officer determines that (1) on routes subject to the provisions of sections ~~169.822~~ 169.823 to 169.829, the weight on an axle exceeds the lawful gross weight prescribed by sections ~~169.822~~ 169.823 to 169.829, by 2,000 pounds or more, or the weight on a group of two or more consecutive axles in cases where the distance between the centers of the first and last axles of the group under consideration is ten feet or less exceeds the lawful gross weight prescribed by sections ~~169.822~~ 169.823 to 169.829, by 4,000 pounds or more; or (2) the weight is unlawful on an axle or group of consecutive axles on a road restricted in accordance with section 169.87. Material unloaded must be cared for by the owner or driver of the vehicle at the risk of the owner or driver.

(c) If the gross weight of the vehicle does not exceed the vehicle's registered gross weight plus the weight allowance set forth in section 168.013, subdivision 3, paragraph (b), and plus, if applicable, the weight allowance permitted under section 169.826, then the driver is not required to unload under paragraph (b).

Sec. 7. Minnesota Statutes 2008, section 169.851, subdivision 5, is amended to read:

Subd. 5. **Exception for farm and forest products.** Subdivision 4 does not apply to the first haul of unprocessed or raw farm products and the transportation of raw and unfinished forest products, including wood chips, when the maximum weight limitations permitted under sections ~~169.822~~ 169.823 to 169.829 are not exceeded by more than ten percent.

Sec. 8. Minnesota Statutes 2008, section 169.86, subdivision 1a, is amended to read:

Subd. 1a. **Seasonal permits for certain haulers.** The commissioner of transportation, upon application in writing therefor, may issue special permits annually to any hauler authorizing the hauler to move vehicles or combinations of vehicles with weights exceeding by not more than ten percent the weight limitations contained in sections ~~169.822~~ 169.823 to 169.829, on interstate highways during the times and within the zones specified in sections ~~169.822~~ 169.823 to 169.829.

Sec. 9. Minnesota Statutes 2009 Supplement, section 169.87, subdivision 2, is amended to read:

Subd. 2. **Seasonal load restriction.** (a) Unless restricted as provided in subdivision 1, between the dates set by the commissioner of transportation each year, the weight on any single axle shall not exceed:

- (1) five tons on an unpaved street or highway; or
- (2) ten tons on a paved street or highway.

(b) The gross weight on consecutive axles on an unpaved street or highway shall not exceed the gross weight allowed in sections ~~169.822~~ 169.823 to 169.829 multiplied by a factor of five divided by nine. This reduction shall not apply to the gross vehicle weight."

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Murphy from the Committee on Transportation, to which was re-referred

S.F. No. 2589: A bill for an act relating to utilities; regulating the granting of route permits for high-voltage transmission lines; amending Minnesota Statutes 2008, section 216E.03, by adding a subdivision.

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

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 2008, section 216E.03, subdivision 7, is amended to read:

Subd. 7. **Considerations in designating sites and routes.** (a) The commission's site and route permit determinations must be guided by the state's goals to conserve resources, minimize environmental impacts, minimize human settlement and other land use conflicts, and ensure the state's electric energy security through efficient, cost-effective power supply and electric transmission infrastructure.

(b) To facilitate the study, research, evaluation, and designation of sites and routes, the commission shall be guided by, but not limited to, the following considerations:

- (1) evaluation of research and investigations relating to the effects on land, water and air resources of large electric power generating plants and high-voltage transmission lines and the effects of water and air discharges and electric and magnetic fields resulting from such facilities on public health and welfare, vegetation, animals, materials and aesthetic values, including baseline

studies, predictive modeling, and evaluation of new or improved methods for minimizing adverse impacts of water and air discharges and other matters pertaining to the effects of power plants on the water and air environment;

(2) environmental evaluation of sites and routes proposed for future development and expansion and their relationship to the land, water, air and human resources of the state;

(3) evaluation of the effects of new electric power generation and transmission technologies and systems related to power plants designed to minimize adverse environmental effects;

(4) evaluation of the potential for beneficial uses of waste energy from proposed large electric power generating plants;

(5) analysis of the direct and indirect economic impact of proposed sites and routes including, but not limited to, productive agricultural land lost or impaired;

(6) evaluation of adverse direct and indirect environmental effects that cannot be avoided should the proposed site and route be accepted;

(7) evaluation of alternatives to the applicant's proposed site or route proposed pursuant to subdivisions 1 and 2;

(8) evaluation of potential routes that would use or parallel existing railroad and highway rights-of-way;

(9) evaluation of governmental survey lines and other natural division lines of agricultural land so as to minimize interference with agricultural operations;

(10) evaluation of the future needs for additional high-voltage transmission lines in the same general area as any proposed route, and the advisability of ordering the construction of structures capable of expansion in transmission capacity through multiple circuiting or design modifications;

(11) evaluation of irreversible and irretrievable commitments of resources should the proposed site or route be approved; and

(12) when appropriate, consideration of problems raised by other state and federal agencies and local entities.

(c) If the commission's rules are substantially similar to existing regulations of a federal agency to which the utility in the state is subject, the federal regulations must be applied by the commission.

(d) No site or route shall be designated which violates state agency rules.

(e) The commission must make specific findings that it has considered locating a route on an existing high-voltage transmission route and the use of parallel existing railroad and highway right-of-way and, to the extent those are not used for the route, the commission must state the reasons."

Amend the title numbers accordingly

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

Senator Scheid from the Committee on Commerce and Consumer Protection, to which was re-referred

S.F. No. 2469: A bill for an act relating to transportation; regulating contracts; prohibiting indemnification provisions; proposing coding for new law in Minnesota Statutes, chapter 221.

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

Page 1, line 13, after the period, insert "This subdivision is limited to the extent provided in subdivision 2."

Page 1, after line 13, insert:

"Subd. 2. **Agreements to insure.** (a) Subdivision 1 does not affect the validity of agreements whereby a promisor agrees to provide specific insurance coverage for the benefit of others.

(b) If:

(1) a promisor agrees to provide specific types and limits of insurance; and

(2) a claim arises within the scope of the specified insurance; and

(3) the promisor did not obtain and keep in force the specified insurance;

then, as to that claim and regardless of subdivision 1, the promisee shall have indemnification from the promisor to the same extent as the specified insurance.

(c) The indemnification stated in paragraph (b) is not available if:

(1) the specified insurance was not reasonably available in the market; and

(2) the promisor so informed the other party to the agreement to insure before signing the agreement, or signed the agreement subject to a written exception as to the nonavailable insurance.

(d) If:

(1) a promisor agrees to provide specific types and limits of insurance; and

(2) a claim arises within the scope of the specified insurance; and

(3) the insurance provided by the promisor includes a self-insured retention or a deductible amount;

then, as to that claim and regardless of subdivision 1, the promisee shall have indemnification from the promisor to the full extent of the deductible amount or self-insured retention.

(e) A promisor's obligation to provide specified insurance is not waived by either or both of the following:

(1) a promisee's failure to require or insist upon certificates or other evidence of insurance;

(2) a promisee's acceptance of a certificate or other evidence of insurance that shows a variance from the specified coverage."

Page 1, line 14, delete "2" and insert "3"

Page 2, line 3, delete "3" and insert "4"

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

Senator Scheid from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 2816: A bill for an act relating to insurance; limiting excessive enrollee cost-sharing on biologic prescription drugs; proposing coding for new law in Minnesota Statutes, chapter 62Q.

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

Page 1, line 19, delete "(a)"

Page 1, line 20, delete everything after "product"

Page 1, line 21, delete everything before "must"

Page 1, line 23, delete "nonformulary" and insert "nonpreferred"

Page 2, delete lines 3 to 8

And when so amended the bill be re-referred to the Committee on Health, Housing and Family Security without recommendation. Amendments adopted. Report adopted.

Senator Scheid from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 2832: A bill for an act relating to real property; requiring performance guidelines for certain residential contracts; modifying statutory warranties; requiring notice and opportunity to repair; providing for dispute resolution procedures; amending Minnesota Statutes 2008, sections 326B.809; 327A.01, subdivision 7, by adding a subdivision; 327A.02, subdivision 4, by adding subdivisions.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 2008, section 302A.781, subdivision 4, is amended to read:

Subd. 4. **Statutory homeowner warranty claims preserved.** The statutory warranties provided under section 327A.02, and any contribution or indemnity claim arising from the breach of these warranties, are not affected by a dissolution under this chapter."

Page 2, line 4, after the period, insert "Vendor does not include a subcontractor or material supplier involved in the construction of a dwelling."

Page 2, line 28, delete "prelitigation process" and insert "home warranty dispute resolution process under section 327A.051"

Page 3, line 28, after "or" insert "fails to"

Page 3, line 29, delete "and" and insert "or"

Page 3, line 30, delete "for breach of the warranty"

Page 4, line 3, delete everything after "until" and insert "the earlier of:"

Page 4, after line 3, insert:

"(1) the completion of the home warranty dispute resolution process under section 327A.051; or

(2) 60 days after the written offer of repair is provided to the vendee or owner."

Page 4, delete section 9 and insert:

"Sec. 10. [327A.051] HOME WARRANTY DISPUTE RESOLUTION.

Subdivision 1. **Panel of neutrals.** The commissioner of labor and industry shall maintain a list of persons who consent to serve as qualified neutrals for purposes of this section. The commissioner shall establish application requirements and qualifications for qualified neutrals, taking into consideration the education, experience, and training of the applicant, potential conflicts of interest, and that the purpose of the process is to assist parties in determining an agreeable scope of repair or other resolution of their dispute.

Subd. 2. **Dispute resolution process; fee.** (a) The home dispute resolution process required by this section is commenced by written application to the commissioner. A request must include the complete current address and full name of the contact person for each participating party.

(b) The fee for applying under this section is \$250.

(c) Within ten days of receiving a written request, the commissioner shall provide each party with a written list of three qualified neutrals randomly selected from the panel of neutrals established under subdivision 1. The commissioner shall also provide complete contact information for each qualified neutral.

(d) Within five business days after receipt of the list from the commissioner, the parties shall mutually select one of the three qualified neutrals identified by the commissioner to serve as the qualified neutral for their dispute. If the parties cannot mutually agree on a neutral, the vendor or home improvement contractor shall strike one of the neutrals from the list, the vendee or owner shall subsequently strike one of the remaining neutrals from the list, and the remaining neutral shall serve as the qualified neutral for the dispute resolution process. The parties shall notify the selected qualified neutral and the commissioner of the selection.

Subd. 3. **Neutral evaluation.** (a) The qualified neutral selected by the parties shall convene, and each party shall attend, an in-person conference of the parties. The qualified neutral shall select the date for the conference after consulting the parties. The conference must occur no later than 30 days after the neutral's selection, except by mutual agreement of the parties.

(b) At least seven days before the conference, each party must provide the qualified neutral and the other party with all information and documentation necessary to understanding the dispute, or the alleged loss or damages.

(c) After reviewing the information and documentation provided by the parties and after

consulting with the parties at the conference, the neutral shall issue to the parties a nonbinding, written determination, which must include, to the extent possible, findings and recommendations on the scope and amount of repairs necessary, if any. The qualified neutral shall mail the determination to each party within ten days after the conference.

(d) The parties shall share the expense of the qualified neutral's billed time equally, unless otherwise agreed. The neutral's billed time for evaluation of documents, meeting with the parties, and issuing a written determination must not exceed six hours, unless agreed to in writing by both parties. The neutral must identify the neutral's hourly rate to the parties.

Subd. 4. **Alternative process.** If both parties agree, the parties may designate an alternative dispute resolution process in lieu of participating in the home warranty dispute resolution process established by this section. If the parties agree to an alternative dispute resolution process, they shall provide written notice of the agreement and a description of the selected process to the commissioner as soon as practicable, but no later than the date the parties are required to select a neutral under subdivision 2.

Subd. 5. **Effect on future proceedings.** (a) The written determination issued by the qualified neutral and all communications relating to the home warranty dispute resolution process, except those between the parties and the commissioner, are deemed confidential settlement communications pursuant to Rule 408 of the Minnesota Rules of Civil Procedure.

(b) No party may use an offer of repair provided by a vendor or home improvement contractor or a written determination issued by the qualified neutral as evidence of liability in subsequent litigation between the parties. The qualified neutral may not be called to testify regarding the dispute resolution proceedings.

(c) Any amount paid by a party for the services of a qualified neutral under this section is deemed a taxable cost of the prevailing party in a subsequent litigation involving the same subject matter.

Sec. 11. **REPORT.**

By February 1, 2014, the commissioner of labor and industry shall report to the chairs and ranking minority members of the committees of the legislature with jurisdiction over civil law matters on the number of dispute resolution cases established under Minnesota Statutes, section 327A.051, and, to the extent possible, identify the number of cases that used the home warranty dispute process and the number that used an alternative dispute resolution process under subdivision 4 of that section."

Page 4, lines 19 and 21, delete "8" and insert "10"

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Scheid from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 2430: A bill for an act relating to mortgages; regulating acquisition of the legal right to redeem a residence in foreclosure; requiring a notice to the mortgagee after a sheriff's sale of residential real property in foreclosure; amending Minnesota Statutes 2008, sections 325N.10, by adding a subdivision; 325N.17; 580.06; 582.25.

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 2008, section 580.03, is amended to read:

580.03 NOTICE OF SALE; SERVICE ON OCCUPANT.

Six weeks' published notice shall be given that such mortgage will be foreclosed by sale of the mortgaged premises or some part thereof, and at least four weeks before the appointed time of sale a copy of such notice shall be served in like manner as a summons in a civil action in the district court upon the person in possession of the mortgaged premises, if the same are actually occupied. If there be a building on such premises used by a church or religious corporation, for its usual meetings, service upon any officer or trustee of such corporation shall be a sufficient service upon it. The ~~notice~~ notices required by sections 580.041 and 580.042 must be served simultaneously with the notice of foreclosure required by this section.

Sec. 2. Minnesota Statutes 2008, section 580.041, as amended by Laws 2009, chapter 123, section 7, and Laws 2009, chapter 130, section 7, is amended to read:

580.041 FORECLOSURE ADVICE AND REDEMPTION RIGHTS NOTICE TO OWNERS.

Subd. 1a. **Applicability.** This section applies to foreclosure of mortgages by advertisement under this chapter and foreclosure of mortgages by action under chapter 581 on property consisting of one to four family dwelling units, one of which the owner occupies as the owner's principal place of residency when the notice of pendency under section 580.032 or the lis pendens for a foreclosure under chapter 581 is recorded.

Subd. 1b. **Form and delivery of foreclosure advice notice.** The foreclosure advice notice required by this section must be in 14-point boldface type and must be printed on colored paper that is other than the color of the notice of foreclosure required by sections 580.03 and 580.04 and the notice of redemption rights required by this section, and that does not obscure or overshadow the content of the notice. The title of the notice must be in 20-point boldface type. The notice must be on its own page. The foreclosure advice notice required by this section must be delivered with the notice of foreclosure required by sections 580.03 and 580.04. The foreclosure advice notice required by this section also must be delivered with each subsequent written communication regarding the foreclosure mailed to the mortgagor by the foreclosing party up to the day of redemption. A foreclosing mortgagee will be deemed to have complied with this section if it sends the foreclosure advice notice required by this section at least once every 60 days during the period of the foreclosure process. The foreclosure advice notice required by this section must not be published.

Subd. 1c. **Form and delivery of notice of redemption rights.** The notice of redemption rights required by this section must be in 14-point boldface type and must be printed on colored paper that is other than the color of the notice of foreclosure required by sections 580.03 and 580.04 and

the foreclosure advice notice required by this section, and that does not obscure or overshadow the content of the notice. The title of the notice must be in 20-point boldface type. The notice must be on its own page. The notice of redemption rights must be delivered with the notice of foreclosure required by sections 580.03 and 580.04. The notice of redemption rights required by this section must not be published.

Subd. 2. **Content of foreclosure advice notice.** The foreclosure advice notice required by this section must appear substantially as follows:

"Help For Homeowners in Foreclosure

The attorney preparing this foreclosure is: _____
(Attorney name, address, phone)

It is being prepared for:

(Lender name, loss mitigation phone number)

AS OF [insert date], this lender says that you owe \$[insert dollar amount] to bring your mortgage up to date (or "reinstate" your mortgage). You must pay this amount to keep your house from going through a sheriff's sale. The sheriff's sale is scheduled for [insert date] at [insert time] at [insert place].

Mortgage foreclosure is a complex process. People may contact you with advice and offers to help "save" your home.

Remember: It is important that you learn as much as you can about foreclosure and your situation. Find out about all your options before you make any agreements with anyone about the foreclosure of your home.

Getting Help

As soon as possible, you should contact your lender at the above number to talk about things you might be able to do to prevent foreclosure. You should also consider contacting the foreclosure prevention counselor in your area. A foreclosure prevention counselor can answer your questions, offer free advice, and help you create a plan which makes sense for your situation.

Contact the Minnesota Home Ownership Center at 651-659-9336 or 866-462-6466 or www.hocmn.org to get the phone number and location of the nearest counseling organization. Call today. The longer you wait, the fewer options you may have for a desirable result.

Information About the Foreclosure Process

~~You do not need to move at the time of the sheriff's sale. After the sheriff's sale you have the right to "redeem." Redeem means that you pay off the entire loan amount plus fees to keep your house. You can keep living in your home for a period of time. This is called a "redemption period." The redemption period is [insert number of months] months after the sheriff's sale. This redemption period is your chance to try and sell your home or refinance it with a different loan. You can also pay the redemption amount with any other funds you~~

~~have available. At the end of the redemption period you will have to leave your home. If you do not, the person or company that bid on your home at the sheriff's sale has the right to file an eviction against you in district court."~~

Subd. 2a. **Content of notice of redemption rights.** The notice of redemption rights required by this section must appear substantially as follows:

"What Happens After the Foreclosure Sale

After the sheriff's sale, you have the right to "redeem." Redeem means that you pay the amount bid for your house at the sheriff's sale plus fees to keep your house. You can keep living in your home for a period of time after the foreclosure sale. This is called a "redemption period." The redemption period is [insert number of months] months after the sheriff's sale. (The redemption period may be shortened if you have postponed the foreclosure or if the property is declared to be abandoned.)

At the end of the redemption period, if you do not redeem or sell, you will have to leave your home. If you do not leave, the person or company that bid on your home at the sheriff's sale has the right to file an eviction against you in district court.

Be Careful of Foreclosure Scams

Be careful! After the foreclosure sale, people may approach you to buy your house or offer to deed your house to them for little or no money.

Before you give up the rights to your house or sign any documents (including a deed), be sure you know how much the house sold for at the sheriff's sale and decide if you can save it by buying it back from the winning bidder.

How to Find Out How Much Your House Sold For at the Foreclosure Sale

The amount you need to pay to keep your house ("redeem") may be less than the amount you owed on your mortgage before the sale (although it could also be more). You can learn what this amount is (and who the winning bidder at the sale was) by attending the sheriff's sale or by calling the sheriff's office after the sale.

You Can Also Sell Your House

During the redemption period, if you sell your home, you must sell it for enough to pay off the winning bidder from the sheriff's sale AND pay any recorded liens, fines, or fees that have accumulated. (A lien is a legal claim that someone has put on your property because you owe that person money. A recorded lien means that it has been filed with the county as a public document.) If there is any money left from the sale of the house after all these debts are paid, you can keep it.

Get More Information and Advice

For more information and advice, contact an attorney or a mortgage foreclosure prevention counselor. You can find a mortgage foreclosure prevention counselor by contacting the Minnesota Home Ownership Center at 651-659-9336 or 866-462-6466 or www.hocmn.org to get the phone number and location of the nearest counseling organization."

Subd. 3. **Affidavit.** Any person may establish compliance with or inapplicability of this section by recording, with the county recorder or registrar of titles, an affidavit by a person having

knowledge of the facts, stating that the notice required by this section has been delivered in compliance with this section or that this section is not applicable because the property described in the notice of foreclosure did not consist of one to four family dwelling units, one of which was occupied by the owner as the owner's principal place of residency. The affidavit and a certified copy of a recorded affidavit shall be prima facie evidence of the facts stated in the affidavit. The affidavit may be recorded regarding any foreclosure sale, including foreclosure sales which occurred prior to August 1, 2005, and may be recorded separately or as part of the record of a foreclosure.

Subd. 4. **Validation of foreclosure sales.** No mortgage foreclosure sale under this chapter shall be invalid because of failure to comply with this section unless an action to invalidate the sale is commenced and a notice of lis pendens is filed with the county recorder or registrar of titles within one year after the last day of the redemption period of the mortgagor, the mortgagor's personal representatives, or assigns. This subdivision shall not affect any action or proceeding pending on August 1, 2005, or which is commenced before February 1, 2006, in any court of this state, provided a notice of lis pendens of the action is filed with the county recorder or registrar of titles before February 1, 2006.

Sec. 3. Minnesota Statutes 2008, section 580.06, is amended to read:

580.06 SALE, HOW AND BY WHOM MADE; NOTICE TO MORTGAGOR.

Subdivision 1. Requirements for sale. The sale shall be made by the sheriff or the sheriff's deputy at public venue to the highest bidder, in the county in which the premises to be sold, or some part thereof, are situated, between 9:00 a.m. and 4:00 p.m.

Subd. 2. Notice of results of sale required; contents. (a) Except as provided in paragraph (c), a person attempting to acquire title to the mortgagor's property following the sheriff's sale and prior to the end of the redemption period, must provide to the mortgagor, by personal delivery three days prior to entering into an agreement to acquire title, notice of the results of the foreclosure as provided under paragraph (b).

(b) The notice required under paragraph (a) must contain the following information:

(1) the date the sale occurred;

(2) the identity of the purchaser and any assignees of the purchaser;

(3) the sale price; and

(4) the following statement: "There are very important things you need to know now that your house has been auctioned at the sheriff's sale:

(i) you have (insert the number of months) to "redeem," which means to pay the winning bidder the sale price listed above (plus interest and costs) and keep your house;

(ii) the redemption period may be shortened if you have postponed the foreclosure or if the property is declared to be abandoned;

(iii) whether you can pay off the amount or not, YOU DO NOT HAVE TO MOVE RIGHT AWAY. YOU CAN KEEP LIVING IN YOUR HOME until the end of this redemption period;

(iv) read all notices and documents related to the foreclosure of your home carefully!!

THE AMOUNT YOU NEED TO PAY THE WINNING BIDDER TO KEEP YOUR HOUSE (THE PRICE LISTED ABOVE PLUS INTEREST AND COSTS) MAY BE LESS THAN THE AMOUNT YOU OWED ON YOUR MORTGAGE BEFORE THE SALE; and

(v) you can also try to sell your home during this "redemption period." You must sell it for enough to pay off the winning bidder from the sheriff's sale and pay any recorded liens, fines, or fees that have built up. A lien is a legal claim that someone has put on your property because you owe them money. A recorded lien means that it has been filed with the county as a public document. For example, if you owe on a second mortgage or to a contractor, there could be a recorded lien against the property.

If there is any money left from the sale of the house after all these debts are paid, you can keep it.

For more information and advice, contact an attorney or a mortgage foreclosure prevention counselor. You can find a mortgage foreclosure prevention counselor in your county by calling the Minnesota Home Ownership Center at 651-659-9336 or 866-462-6466 or www.hocmn.org."

(c) This subdivision does not apply to:

(1) a seller or buyer who has entered into a signed agency agreement, facilitator agreement, or other written agreement to buy or sell the mortgagor's property with a person licensed under chapter 82;

(2) a buyer who offers to buy the mortgagor's property for a purchase price that meets or exceeds the amount required to be paid by the mortgagor to redeem the property;

(3) a foreclosing lender acquiring the mortgagor's property by a deed in lieu of foreclosure;

(4) a nonprofit lender holding a certificate of exemption from the Department of Commerce; or

(5) the state or a local unit of government or an agent of the state or a local unit of government.

Subd. 3. **Private right of action.** (a) Any person who violates subdivision 2 is liable to the mortgagor for the sum of:

(1) actual, incidental, and consequential damages;

(2) \$1,000 statutory damages; and

(3) costs, disbursements, and reasonable attorney fees.

(b) It shall be a rebuttable presumption that a person has complied with subdivision 2 if the person has recorded with the county recorder or registrar of titles an affidavit by a person having knowledge of the facts, stating that the mortgagor received the notice required under subdivision 2. The affidavit and a certified copy of a recorded affidavit shall be prima facie evidence of the facts stated in the affidavit.

Sec. 4. **EXPIRATION.**

This act expires December 31, 2012."

Delete the title and insert:

"A bill for an act relating to mortgages; requiring certain notices related to redemption rights be made to a mortgagor; providing for a private right of action; amending Minnesota Statutes 2008, sections 580.03; 580.041, as amended; 580.06."

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

Senator Scheid from the Committee on Commerce and Consumer Protection, to which was re-referred

S.F. No. 2852: A bill for an act relating to health; providing administrative simplification by adding a health care clearinghouse for health care provider transactions; amending Minnesota Statutes 2008, sections 62J.51, by adding subdivisions; 62J.536, subdivisions 1, 2b, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Moua from the Committee on Judiciary, to which was re-referred

S.F. No. 2465: A bill for an act relating to agriculture; allowing a temporary lien for livestock production inputs for 45 days following a mediation request; amending Minnesota Statutes 2008, section 514.966, subdivision 6, by adding a subdivision.

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

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2008, section 514.965, subdivision 2, is amended to read:

Subd. 2. **Agricultural lien.** "Agricultural lien" means an agricultural lien as defined in section 336.9-102(a)(5) and includes a veterinarian's lien, breeder's lien, livestock production input lien, temporary livestock production input lien, and feeder's lien under this section and section 514.966."

Page 1, line 17, after "A" insert "temporary"

Page 1, line 22, after "perfected" insert "temporary"

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Moua from the Committee on Judiciary, to which was referred

S.F. No. 2549: A bill for an act relating to real property; modifying time for requesting a hearing on an order to secure a building; modifying notice of sale requirements; requiring a certificate of sale and specified information to be provided to political subdivisions; authorizing political subdivisions to recover costs and attorney fees associated with obtaining a five-week redemption period; amending Minnesota Statutes 2008, sections 580.03; 580.12; 580.30, subdivision 1; 582.03, subdivision 1; 582.032, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections

463.251, subdivision 3; 580.04.

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

Page 1, delete section 2

Page 3, delete section 4

Page 5, line 7, delete "costs, disbursements, and" and insert "costs and disbursements"

Page 5, line 8, delete "reasonable attorney fees"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "requiring a certificate"

Page 1, delete line 4

Page 1, line 5, delete "and attorney fees"

Amend the title numbers accordingly

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

Senator Moua from the Committee on Judiciary, to which was referred

S.F. No. 2634: A bill for an act relating to forfeiture; requiring officers to give forfeiture receipts upon seizure of property; implementing timelines for forfeiture notice and hearings; placing a cap on the value of property that may be forfeited administratively; authorizing petitions for remission and mitigation of seized property; requiring certification by prosecutor before property may be forfeited administratively; requiring forfeiture proceeds to be deposited in special trust accounts; directing Department of Public Safety to establish ethical guidelines related to forfeiture proceedings; requiring law enforcement to secure seized property; prohibiting sale of forfeited property to law enforcement officers, employees, and family members; amending Minnesota Statutes 2008, sections 609.531, subdivisions 4, 5, by adding subdivisions; 609.5311, subdivision 3; 609.5313; 609.5314, subdivisions 2, 3; 609.5315, subdivisions 1, 2, 5.

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 2009 Supplement, section 84.7741, is amended by adding a subdivision to read:

Subd. 13. **Reporting.** The appropriate agency and prosecuting authority shall report on forfeitures occurring under this section as described in section 609.5315, subdivision 6.

Sec. 2. Minnesota Statutes 2008, section 97A.221, is amended by adding a subdivision to read:

Subd. 5. **Reporting.** The enforcement officer shall report on forfeitures occurring under this section as described in section 609.5315, subdivision 6.

Sec. 3. Minnesota Statutes 2008, section 97A.223, is amended by adding a subdivision to read:

Subd. 6. **Reporting.** The enforcement officer shall report on forfeitures occurring under this section as described in section 609.5315, subdivision 6.

Sec. 4. Minnesota Statutes 2008, section 97A.225, is amended by adding a subdivision to read:

Subd. 10. **Reporting.** The enforcement officer shall report on forfeitures occurring under this section as described in section 609.5315, subdivision 6.

Sec. 5. Minnesota Statutes 2008, section 169A.63, is amended by adding a subdivision to read:

Subd. 12. **Reporting.** The appropriate agency and prosecuting authority shall report on forfeitures occurring under this section as described in section 609.5315, subdivision 6.

Sec. 6. **[388.30] CONTROLLED SUBSTANCE FORFEITURE POLICIES.**

Subdivision 1. **Statewide model policy required.** The Minnesota County Attorneys Association, in consultation with the attorney general's office and the Peace Officer Standards and Training Board, shall develop a model policy on controlled substance forfeitures designed to encourage the uniform application of these laws across the state. At a minimum, the policy shall address the following: the type of training and assistance provided to law enforcement by prosecutors; the level of involvement of prosecutors in administrative forfeitures, including reviewing administrative forfeiture cases before the forfeiture is finalized; situations in which forfeitures should not be pursued; and best practices in pursuing forfeitures.

Subd. 2. **Local policies required.** The county attorney in each county shall adopt a written policy on controlled substance forfeitures for attorneys within the office. The policy must be identical or substantially similar to the model policy described in subdivision 1.

Subd. 3. **Report to legislature.** By February 1, 2011, the Minnesota County Attorneys Association and each county attorney shall adopt the policies required in this section and the association shall forward an electronic copy of the model policy to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over criminal justice and civil law policy. This subdivision expires on July 1, 2011.

Sec. 7. Minnesota Statutes 2008, section 491A.01, subdivision 3, is amended to read:

Subd. 3. **Jurisdiction; general.** (a) Except as provided in subdivisions 4 and 5, the conciliation court has jurisdiction to hear, conciliate, try, and determine civil claims if the amount of money or property that is the subject matter of the claim does not exceed: ~~\$6,000 or, on and after July 1, 1994,~~ (1) \$7,500, or; (2) \$4,000, if the claim involves a consumer credit transaction; or (3) \$15,000, if the claim involves property subject to forfeiture under section 609.5311. "Consumer credit transaction" means a sale of personal property, or a loan arranged to facilitate the purchase of personal property, in which:

(1) credit is granted by a seller or a lender who regularly engages as a seller or lender in credit transactions of the same kind;

(2) the buyer is a natural person;

(3) the claimant is the seller or lender in the transaction; and

(4) the personal property is purchased primarily for a personal, family, or household purpose and not for a commercial, agricultural, or business purpose.

(b) Except as otherwise provided in this subdivision and subdivisions 5 to 10, the territorial jurisdiction of conciliation court is coextensive with the county in which the court is established. The summons in a conciliation court action under subdivisions 6 to 10 may be served anywhere in the state, and the summons in a conciliation court action under subdivision 7, paragraph (b), may be served outside the state in the manner provided by law. The court administrator shall serve the summons in a conciliation court action by first class mail, except that if the amount of money or property that is the subject of the claim exceeds \$2,500, the summons must be served by the plaintiff by certified mail, and service on nonresident defendants must be made in accordance with applicable law or rule. Subpoenas to secure the attendance of nonparty witnesses and the production of documents at trial may be served anywhere within the state in the manner provided by law.

When a court administrator is required to summon the defendant by certified mail under this paragraph, the summons may be made by personal service in the manner provided in the Rules of Civil Procedure for personal service of a summons of the district court as an alternative to service by certified mail.

Sec. 8. Minnesota Statutes 2008, section 609.531, subdivision 1a, is amended to read:

Subd. 1a. **Construction.** Sections 609.531 to 609.5318 must be liberally construed to carry out the following remedial purposes:

- (1) to enforce the law;
- (2) to deter crime;
- (3) to reduce the economic incentive to engage in criminal enterprise; and
- ~~(4) to increase the pecuniary loss resulting from the detection of criminal activity; and~~
- ~~(5)~~ (4) to forfeit property unlawfully used or acquired and divert the property to law enforcement purposes.

Sec. 9. Minnesota Statutes 2008, section 609.531, subdivision 5, is amended to read:

Subd. 5. **Right to possession vests immediately; custody of seized property.** All right, title, and interest in property subject to forfeiture under sections 609.531 to 609.5318 vests in the appropriate agency upon commission of the act or omission giving rise to the forfeiture. Any property seized under sections 609.531 to 609.5318 is not subject to replevin, but is deemed to be in the custody of the appropriate agency subject to the orders and decrees of the court having jurisdiction over the forfeiture proceedings. When property is so seized, the appropriate agency shall use reasonable diligence to secure the property and prevent waste and may do any of the following:

- (1) place the property under seal;
- (2) remove the property to a place designated by it; and
- (3) in the case of controlled substances, require the state Board of Pharmacy to take custody of the property and remove it to an appropriate location for disposition in accordance with law; ~~and~~ .

~~(4) take other steps reasonable and necessary to secure the property and prevent waste.~~

Sec. 10. Minnesota Statutes 2008, section 609.531, subdivision 5a, is amended to read:

Subd. 5a. **Bond by owner for possession.** (a) If the owner of property that has been seized under sections 609.531 to 609.5318 seeks possession of the property before the forfeiture action is determined, the owner may, ~~subject to the approval of the appropriate agency,~~ give security or post bond payable to the appropriate agency in an amount equal to the retail value of the seized property. On posting the security or bond, the seized property must be returned to the owner and the forfeiture action shall proceed against the security as if it were the seized property. This subdivision does not apply to contraband property.

(b) If the owner of a motor vehicle that has been seized under this section seeks possession of the vehicle before the forfeiture action is determined, the owner may surrender the vehicle's certificate of title in exchange for the vehicle. The motor vehicle must be returned to the owner within 24 hours if the owner surrenders the motor vehicle's certificate of title to the appropriate agency, pending resolution of the forfeiture action. If the certificate is surrendered, the owner may not be ordered to post security or bond as a condition of release of the vehicle. When a certificate of title is surrendered under this provision, the agency shall notify the Department of Public Safety and any secured party noted on the certificate. The agency shall also notify the department and the secured party when it returns a surrendered title to the motor vehicle owner.

Sec. 11. Minnesota Statutes 2008, section 609.531, is amended by adding a subdivision to read:

Subd. 7. **Release of property before final determination.** Any person with an interest in property that has been seized for forfeiture under this section may file an application to have an order to show cause issued to the prosecuting agency to determine if probable cause existed to seize the property for forfeiture.

When a hearing is held on the show cause order, the court shall determine if probable cause to seize the property for forfeiture existed. If the court finds that probable cause for seizure of the property for forfeiture did not exist, the appropriate agency shall release the property.

Sec. 12. Minnesota Statutes 2008, section 609.5311, subdivision 3, is amended to read:

Subd. 3. **Limitations on forfeiture of certain property associated with controlled substances.**

(a) A conveyance device is subject to forfeiture under this section only if the retail value of the controlled substance is ~~\$25~~ \$100 or more and the conveyance device is associated with a felony-level controlled substance crime.

(b) Real property is subject to forfeiture under this section only if the retail value of the controlled substance or contraband is ~~\$1,000~~ \$4,000 or more.

(c) Property used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section only if the owner of the property is a consenting party to, or is privy to, the use or intended use of the property as described in subdivision 2.

(d) Property is subject to forfeiture under this section only if its owner was privy to the use or intended use described in subdivision 2, or the unlawful use or intended use of the property otherwise occurred with the owner's knowledge or consent.

(e) Forfeiture under this section of a conveyance device or real property encumbered by a bona fide security interest is subject to the interest of the secured party unless the secured party had knowledge of or consented to the act or omission upon which the forfeiture is based. A person claiming a security interest bears the burden of establishing that interest by clear and convincing evidence.

(f) Forfeiture under this section of real property is subject to the interests of a good faith purchaser for value unless the purchaser had knowledge of or consented to the act or omission upon which the forfeiture is based.

(g) Notwithstanding paragraphs (d), (e), and (f), property is not subject to forfeiture based solely on the owner's or secured party's knowledge of the unlawful use or intended use of the property if: (1) the owner or secured party took reasonable steps to terminate use of the property by the offender; or (2) the property is real property owned by the parent of the offender, unless the parent actively participated in, or knowingly acquiesced to, a violation of chapter 152, or the real property constitutes proceeds derived from or traceable to a use described in subdivision 2.

(h) The Department of Corrections Fugitive Apprehension Unit shall not seize a conveyance device or real property, for the purposes of forfeiture under paragraphs (a) to (g).

(i) Property is not subject to forfeiture under this section if the forfeiture would create an undue hardship for members of the owner's immediate family.

Sec. 13. Minnesota Statutes 2008, section 609.5313, is amended to read:

609.5313 FORFEITURE BY JUDICIAL ACTION; PROCEDURE.

(a) The forfeiture of property under sections 609.5311 and 609.5312 is governed by this section. A separate complaint must be filed against the property stating the act, omission, or occurrence giving rise to the forfeiture and the date and place of the act or occurrence. The county attorney shall notify the owner or possessor of the property of the action, if known or readily ascertainable. The action must be captioned in the name of the county attorney or the county attorney's designee as plaintiff and the property as defendant.

(b) The county attorney shall file an action for forfeiture under section 609.5311 in conciliation court if the value of the seized property is \$15,000 or less. No court fees may be charged to the county attorney or the claimant in the matter.

Sec. 14. Minnesota Statutes 2008, section 609.5314, is amended to read:

609.5314 ADMINISTRATIVE FORFEITURE OF CERTAIN PROPERTY SEIZED IN CONNECTION WITH A CONTROLLED SUBSTANCES SEIZURE.

Subdivision 1. **Property subject to administrative forfeiture; presumption.** (a) Subject to paragraph (b), the following are presumed to be subject to administrative forfeiture under this section:

(1) all money, precious metals, and precious stones found in proximity to controlled substances with a retail value of \$100 or more if possession or sale of the controlled substance would be a felony under chapter 152;

(2) all money, precious metals, and precious stones found in proximity to:

~~(i) controlled substances;~~

~~(ii) (i) forfeitable drug manufacturing or distributing equipment or devices; or~~

~~(iii) (ii) forfeitable records of manufacture or distribution of controlled substances;~~

~~(2) (3) all conveyance devices containing controlled substances with a retail value of \$100 \$400 or more if possession or sale of the controlled substance would be a felony under chapter 152; and~~

~~(3) (4) all firearms, ammunition, and firearm accessories found:~~

(i) in a conveyance device used or intended for use to commit or facilitate the commission of a felony offense involving a controlled substance;

(ii) on or in proximity to a person from whom a felony amount of controlled substance is seized;
or

(iii) on the premises where a controlled substance is seized and in proximity to the controlled substance, if possession or sale of the controlled substance would be a felony under chapter 152.

(b) The value of property forfeited under this section may not exceed \$15,000. Forfeitures of property with values exceeding \$15,000 are governed by section 609.5311.

(c) The Department of Corrections Fugitive Apprehension Unit shall not seize items listed in paragraph (a), clauses ~~(2) (3)~~ and ~~(3) (4)~~, for the purposes of forfeiture.

~~(e) (d) Firearms, ammunition, and firearm accessories described in paragraph (a), clause (4), are presumed subject to forfeiture. A claimant of the property bears the burden to rebut this presumption. A claimant may do this by a preponderance of the evidence.~~

Subd. 2. **Administrative forfeiture procedure.** (a) Forfeiture of property described in subdivision 1 is governed by this subdivision. When seizure occurs, or within ~~a reasonable time~~ 15 business days after that, all persons known to have an ownership, possessory, or security interest in seized property must be notified of the seizure and the intent to forfeit the property. In the case of a motor vehicle required to be registered under chapter 168, notice mailed by certified mail to the address shown in Department of Public Safety records is deemed sufficient notice to the registered owner. The notification to a person known to have a security interest in seized property required under this paragraph applies only to motor vehicles required to be registered under chapter 168 and only if the security interest is listed on the vehicle's title.

(b) Notice may otherwise be given in the manner provided by law for service of a summons in a civil action. The notice must be in writing and contain:

(1) a description of the property seized;

(2) the date of seizure;

(3) notice of the right to obtain judicial review of the forfeiture and of the procedure for obtaining that judicial review, printed in English, Hmong, Somali, and Spanish. ~~Substantially the following language must appear conspicuously: "IF YOU DO NOT DEMAND JUDICIAL REVIEW EXACTLY AS PRESCRIBED IN MINNESOTA STATUTES, SECTION 609.5314, SUBDIVISION 3, YOU LOSE THE RIGHT TO A JUDICIAL DETERMINATION OF~~

~~THIS FORFEITURE AND YOU LOSE ANY RIGHT YOU MAY HAVE TO THE ABOVE DESCRIBED PROPERTY. YOU MAY NOT HAVE TO PAY THE FILING FEE FOR THE DEMAND IF DETERMINED YOU ARE UNABLE TO AFFORD THE FEE. IF THE PROPERTY IS WORTH \$7,500 OR LESS, YOU MAY FILE YOUR CLAIM IN CONCILIATION COURT. YOU DO NOT HAVE TO PAY THE CONCILIATION COURT FILING FEE IF THE PROPERTY IS WORTH LESS THAN \$500."~~ The notice must be worded in plain language that is likely to be understandable to persons with limited reading skills; and

(4) a separate detachable form designed in a manner and with sufficient space to be easily used by the person to object to the forfeiture.

Subd. 3. ~~**Judicial determination**~~ **Objection to forfeiture.** (a) Within 60 days following service of a notice of seizure and forfeiture under this section, a claimant may file ~~a demand for a judicial determination of an objection to the forfeiture.~~ The objection must identify the claimant, describe the property, and state the grounds for the objection. The demand objection must be in the form of a civil complaint writing and must be filed with made to the court administrator in the county in which the seizure occurred, together with proof of service of a copy of the complaint on the county attorney for that county, and the standard filing fee for civil actions unless the petitioner has the right to sue in forma pauperis under section 563.01. If the value of the seized property is \$7,500 or less, the claimant may file an action in conciliation court for recovery of the seized property. If the value of the seized property is less than \$500, the claimant does not have to pay the conciliation court filing fee. No responsive pleading is required of the county attorney and no court fees may be charged for the county attorney's appearance in the matter. The proceedings are governed by the Rules of Civil Procedure. The claimant may, but is not required to, use the detachable form described in subdivision 2, paragraph (b), clause (4). A court administrator who receives an objection under this paragraph shall forward a copy of it to the county attorney.

~~(b) The complaint must be captioned in the name of the claimant as plaintiff and the seized property as defendant, and must state with specificity the grounds on which the claimant alleges the property was improperly seized and the plaintiff's interest in the property seized. Notwithstanding any law to the contrary, an action for the return of property seized under this section may not be maintained by or on behalf of any person who has been served with a notice of seizure and forfeiture unless the person has complied with this subdivision.~~

~~(c) If the claimant makes a timely demand for judicial determination objection to forfeiture under this subdivision, the appropriate agency must conduct the forfeiture under section 609.531, subdivision 6a county attorney, after reviewing the case, may pursue a judicial forfeiture under section 609.5311. The limitations and defenses set forth in section 609.5311, subdivision 3, apply to the judicial determination. If the county attorney does not initiate a forfeiture under section 609.5311 within 75 days of the date the claimant's written objection to the forfeiture is made to the court, the appropriate agency shall return the seized property.~~

~~(d) If a demand for judicial determination of an administrative an objection to forfeiture is filed under this subdivision and the court orders the return of the seized property, the court shall order that filing fees be reimbursed to the person who filed the demand. In addition, the court may order sanctions under section 549.211. If the court orders payment of these costs, they must be paid from forfeited money or proceeds from the sale of forfeited property from the appropriate law enforcement and prosecuting agencies in the same proportion as they would be distributed under section 609.5315, subdivision 5.~~

Sec. 15. Minnesota Statutes 2008, section 609.5315, subdivision 5, is amended to read:

Subd. 5. **Distribution of money.** The money or proceeds from the sale of forfeited property, after payment of seizure, storage, forfeiture, and sale expenses, and satisfaction of valid liens against the property, must be distributed as follows:

(1) ~~70~~ 60 percent of the money or proceeds must be forwarded to the appropriate agency for deposit as a supplement to the agency's operating fund or similar fund for use in law enforcement;

(2) ~~20~~ 30 percent of the money or proceeds must be forwarded to the county attorney or other prosecuting agency that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes; ~~and~~

(3) five percent of the money or proceeds must be forwarded to the Department of Public Safety to establish a grant program for local law enforcement agencies to purchase or replace in-car camera systems. Up to 2.5 percent of this money may be used by the department to administer the program; and

(4) the remaining ~~ten~~ five percent of the money or proceeds must be forwarded within 60 days after resolution of the forfeiture to the state treasury and credited to the general fund. Any local police relief association organized under chapter 423 which received or was entitled to receive the proceeds of any sale made under this section before the effective date of Laws 1988, chapter 665, sections 1 to 17, shall continue to receive and retain the proceeds of these sales.

Sec. 16. Minnesota Statutes 2008, section 609.5315, subdivision 6, is amended to read:

Subd. 6. **Reporting requirement.** (a) For each forfeiture occurring in the state regardless of the authority for it, the appropriate agency and the prosecutor shall provide a written record of each the forfeiture incident to the state auditor. The record shall include the amount forfeited, the statutory authority for the forfeiture, its date, and a brief description of the circumstances involved, and whether the forfeiture was contested. For controlled substance and driving while impaired forfeitures, the record shall indicate whether the forfeiture was initiated as an administrative or a judicial forfeiture. The record shall also list the number of firearms forfeited and the make, model, and serial number of each firearm forfeited. The record shall indicate how the property was or is to be disposed of.

(b) An appropriate agency or the prosecutor shall report to the state auditor all instances in which property seized for forfeiture is returned to its owner either because forfeiture is not pursued or for any other reason.

(c) The state auditor may require information not specified in this subdivision to be reported as well.

(d) Reports shall be made on a monthly basis in a manner prescribed by the state auditor. The state auditor shall report annually to the legislature on the nature and extent of forfeitures.

(e) For forfeitures resulting from the activities of multijurisdictional law enforcement entities, the entity on its own behalf shall report the information required in this subdivision.

(f) The prosecutor is not requested to report information required by this subdivision if the appropriate agency has already reported it.

Sec. 17. Minnesota Statutes 2008, section 609.5315, is amended by adding a subdivision to read:

Subd. 8. **Sales of forfeited property.** (a) Sales of forfeited property under this section must be conducted in a commercially reasonable manner.

(b) Employees of law enforcement agencies and their family members may not purchase forfeited items directly from the appropriate agency.

Sec. 18. Minnesota Statutes 2008, section 609.5318, subdivision 3, is amended to read:

Subd. 3. **Hearing.** (a) Within 60 days following service of a notice of seizure and forfeiture, a claimant may demand a judicial determination of the forfeiture. If a related criminal proceeding is pending, the 60-day period begins to run at the conclusion of those proceedings. The demand must be in the form of a ~~civil complaint~~ an objection to forfeiture as provided in section 609.5314, subdivision 3, except as otherwise provided in this section.

(b) If the claimant makes a timely demand for judicial determination under this subdivision, the appropriate agency must conduct the forfeiture under subdivision 4.

Sec. 19. Minnesota Statutes 2008, section 609.762, is amended by adding a subdivision to read:

Subd. 6. **Reporting.** The law enforcement and prosecuting agencies shall report on forfeitures occurring under this section as described in section 609.5315, subdivision 6.

Sec. 20. Minnesota Statutes 2008, section 609.905, is amended by adding a subdivision to read:

Subd. 3. **Reporting.** The prosecuting authority shall report on forfeitures occurring under this section as described in section 609.5315, subdivision 6.

Sec. 21. **[626.8475] CONTROLLED SUBSTANCE FORFEITURE POLICIES.**

Subdivision 1. **Statewide model policy required.** The Peace Officer Standards and Training Board, after consulting with the Minnesota County Attorneys Association, the Minnesota Sheriffs Association, the Minnesota Chiefs of Police Association, and the Minnesota Police and Peace Officers Association, shall develop a model policy on controlled substance forfeitures designed to encourage the uniform application of these laws across the state. At a minimum, the policy shall address the following: the level of cooperation with and involvement of prosecutors in forfeiture cases, including reviewing administrative forfeiture cases before the forfeiture is finalized; situations in which forfeitures should not be pursued; disposition of forfeited items; and best practices in pursuing forfeitures.

Subd. 2. **Local policies required.** The chief law enforcement officer of every state and local law enforcement agency shall adopt and implement a written policy on controlled substance forfeitures that is identical or substantially similar to the model policy described in subdivision 1.

Subd. 3. **Report to legislature.** By February 1, 2011, the Peace Officer Standards and Training Board and each chief law enforcement officer shall adopt the policies required in this section and the board shall forward an electronic copy of the model policy to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over criminal justice and civil law policy. This subdivision expires on July 1, 2011.

Sec. 22. **DEVELOPMENT OF CONTROLLED SUBSTANCE ADMINISTRATIVE**

FORFEITURE NOTICE LANGUAGE.

The commissioner of public safety and the executive director of the Peace Officer Standards and Training Board, in consultation with the Minnesota County Attorneys Association, shall develop the notice described in Minnesota Statutes, section 609.5314, subdivision 2, paragraph (b), clause (3). By November 1, 2010, the commissioner and executive director shall forward the language of the notice to the chief law enforcement officer of each state and local law enforcement agency. Each chief law enforcement officer shall ensure that the notice is used for controlled substance administrative forfeitures taking place within the jurisdiction on and after November 1, 2010."

Delete the title and insert:

"A bill for an act relating to public safety; making numerous changes to the controlled substance forfeiture law; expanding the reporting requirements related to forfeiture; requiring model policies on forfeiture; addressing the disposition of forfeiture proceeds; providing for a probable cause determination for certain forfeitures; amending Minnesota Statutes 2008, sections 97A.221, by adding a subdivision; 97A.223, by adding a subdivision; 97A.225, by adding a subdivision; 169A.63, by adding a subdivision; 491A.01, subdivision 3; 609.531, subdivisions 1a, 5, 5a, by adding a subdivision; 609.5311, subdivision 3; 609.5313; 609.5314; 609.5315, subdivisions 5, 6, by adding a subdivision; 609.5318, subdivision 3; 609.762, by adding a subdivision; 609.905, by adding a subdivision; Minnesota Statutes 2009 Supplement, section 84.7741, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 388; 626."

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

Senator Moua from the Committee on Judiciary, to which was re-referred

S.F. No. 2722: A bill for an act relating to interest rates; exempting eminent domain awards and property tax adjustments and refunds from increased interest rates on certain judgments; amending Minnesota Statutes 2008, sections 117.195, subdivision 1; 278.08.

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

Page 1, after line 14, insert:

"**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to judgments or awards entered on or after that date."

Page 2, after line 21, insert:

"**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to judgments entered on or after that date."

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

Senator Moua from the Committee on Judiciary, to which was re-referred

S.F. No. 2470: A bill for an act relating to public safety; authorizing wireless telecommunications service providers to provide call locations for emergencies; providing for the Kelsey Smith Act; amending Minnesota Statutes 2008, section 626A.01, by adding a subdivision; proposing coding

for new law in Minnesota Statutes, chapter 626A.

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

Page 1, delete section 2 and insert:

"Sec. 2. [626A.275] DISCLOSURE OF CALL LOCATION; EMERGENCY SITUATIONS.

(a) Notwithstanding section 626A.28, subdivision 3, upon receipt of a written request from an investigative or law enforcement officer stating that the disclosure of call location information is needed in an emergency situation that involves the risk of death or serious physical harm to the user of a telecommunications device, a wireless telecommunications service provider shall provide the requested call location information concerning the device to the requesting officer.

(b) This section does not prohibit a wireless telecommunications service provider from establishing protocols for the disclosure of call location information.

(c) The bureau shall obtain contact information for all wireless telecommunications service providers authorized to do business in Minnesota or submitting to the jurisdiction of this state in order to facilitate a request from an investigative or law enforcement officer for call location information under this section. The bureau shall disseminate this information on a quarterly basis, or immediately as changes occur, to all public safety answer points in the state.

EFFECTIVE DATE. This section is effective August 1, 2010.

Sec. 3. Minnesota Statutes 2008, section 626A.28, subdivision 5, is amended to read:

Subd. 5. **No cause of action against a provider disclosing certain information.** No cause of action lies in any court against any provider of wire or electronic communication service, its officers, employees, agents, or other specified persons for providing:

(1) information, facilities, or assistance in accordance with the terms of a court order, warrant, subpoena, or certification under sections 626A.26 to 626A.34; or

(2) call location information as provided in section 626A.275.

EFFECTIVE DATE. This section is effective August 1, 2010."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "authorizing" and insert "requiring"

Amend the title numbers accordingly

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

Senator Moua from the Committee on Judiciary, to which was referred

S.F. No. 2559: A bill for an act relating to real estate; making a conforming change to provide for the right of the borrower to obtain a postponement of a foreclosure sale that has a 12-month

redemption period, as is now available for a six-month redemption period; amending Minnesota Statutes 2009 Supplement, section 580.07, subdivisions 2, 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Moua from the Committee on Judiciary, to which was re-referred

S.F. No. 2855: A bill for an act relating to human services; making changes to children and family services technical and policy provisions; Minnesota family investment program and adult supports; early childhood development; child welfare; amending Minnesota Statutes 2008, sections 119B.189, by adding subdivisions; 119B.19, subdivision 7; 119B.21, as amended; 245A.04, subdivision 11; 256.01, by adding a subdivision; 256.046, subdivision 1; 256.82, subdivision 3; 256.98, subdivision 8; 256J.24, subdivisions 3, 5a, 10; 256J.37, subdivision 3a; 256J.425, subdivision 5; 260C.007, subdivision 4; 260C.193, subdivision 6; 260C.201, subdivision 10; 260C.451; 626.556, subdivision 10; Minnesota Statutes 2009 Supplement, sections 256D.44, subdivision 3; 256J.24, subdivision 5; 256J.425, subdivision 2; 256J.521, subdivision 2; 256J.561, subdivision 3; 256J.66, subdivision 1; 256J.95, subdivisions 3, 11; 260.012; 260C.212, subdivision 7; repealing Minnesota Statutes 2008, section 256.82, subdivision 5; Minnesota Rules, part 9560.0660.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Moua from the Committee on Judiciary, to which was re-referred

S.F. No. 2900: A bill for an act relating to game and fish; modifying aquaculture provisions; modifying disposal restrictions for certain livestock taken by wild animals; modifying provisions for taking, possessing, and transporting wild animals; modifying requirements for fish and wildlife management plans; modifying game and fish license provisions; modifying license requirements and fees for youth hunters; providing exemptions from rulemaking; providing criminal penalties; amending Minnesota Statutes 2008, sections 17.4982, subdivision 12, by adding a subdivision; 17.4991, subdivision 3; 17.4994; 35.82, subdivision 2; 84.942, subdivision 1; 84D.03, subdivision 3; 84D.13, subdivision 3; 97A.015, subdivision 52, by adding a subdivision; 97A.101, subdivision 3; 97A.145, subdivision 2; 97A.311, subdivision 5; 97A.331, by adding subdivisions; 97A.420, subdivisions 2, 3, 4, 6, by adding a subdivision; 97A.421, subdivision 4a, by adding a subdivision; 97A.433, by adding a subdivision; 97A.435, subdivision 1; 97A.445, subdivision 5; 97A.451, subdivision 3; 97A.475, subdivisions 3a, 4, 43, 44; 97A.535, subdivision 2a; 97A.545, subdivision 5; 97B.015; 97B.020; 97B.021, subdivision 1; 97B.022, subdivision 2; 97B.031, subdivision 5; 97B.045, by adding a subdivision; 97B.075; 97B.106, subdivision 1; 97B.301, subdivisions 3, 6; 97B.325; 97B.405; 97B.515, by adding a subdivision; 97B.601, subdivision 4; 97B.711, by adding a subdivision; 97B.803; 97C.005, subdivision 3; 97C.087, subdivision 2; 97C.205; 97C.341; Minnesota Statutes 2009 Supplement, sections 84.95, subdivision 2; 97A.075, subdivision 1; 97A.445, subdivision 1a; 97A.475, subdivisions 2, 3; 97B.055, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 17; 97B; repealing Minnesota Statutes 2008, sections 84.942, subdivisions 2, 3, 4; 97A.435, subdivision 5; 97A.451, subdivisions 3a, 4; 97A.485, subdivision 12; 97B.022, subdivision 1; 97B.511; 97B.515, subdivision 3.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Report adopted.

Senator Moua from the Committee on Judiciary, to which was referred

S.F. No. 2946: A bill for an act relating to drivers' licenses; allowing collection of fees under the license reinstatement diversion pilot program to be extended for 18 months; amending Laws 2009, chapter 59, article 3, section 4, subdivision 9.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Senator Pogemiller from the Committee on Rules and Administration, to which was re-referred

S.F. No. 987: A bill for an act relating to public safety; eliminating various unfunded mandates affecting local governmental units; amending Minnesota Statutes 2008, sections 260B.171, subdivision 3; 609.115, subdivision 1.

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

Page 1, delete section 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after "eliminating" and insert "mandate that certain presentence investigations include a description of any adverse social or economic effects the offense has had on persons who reside in the neighborhood where the offense was committed"

Page 1, line 3, delete "governmental units"

Amend the title numbers accordingly

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

Senator Pogemiller from the Committee on Rules and Administration, to which was re-referred

S.F. No. 2494: A resolution memorializing Congress and the Secretary of Agriculture to appropriate money and negotiate with the State of Minnesota on the sale and exchange of school trust lands.

Reports the same back with the recommendation that the resolution do pass and be placed on the Consent Calendar. Report adopted.

Senator Pogemiller from the Committee on Rules and Administration, to which was re-referred

S.F. No. 70: A bill for an act relating to judicial selection; proposing an amendment to the Minnesota Constitution, article VI, sections 7 and 8; establishing retention elections for judges; creating a judicial performance commission; amending Minnesota Statutes 2008, sections 10A.01, subdivisions 7, 10, 15; 13.90, subdivision 2; 204B.06, subdivision 6; 204B.34, subdivision 3;

204B.36, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 204D; 480B; repealing Minnesota Statutes 2008, sections 204B.36, subdivision 5; 204D.14, subdivision 3.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 2552: A bill for an act relating to human services; prohibiting certain restrictions on waived service living arrangements; requiring the transfer of certain clients from group residential housing to waived services; modifying certain group residential housing supplementary service payment rate caps; amending Minnesota Statutes 2008, section 256B.49, by adding subdivisions.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 2595: A bill for an act relating to landlord and tenant; modifying certain procedures related to expungement in eviction cases; adding certain residential covenants; specifying procedures for handling applicant screening fees; providing certain rights to tenants of foreclosed properties; amending Minnesota Statutes 2008, sections 484.014, subdivision 3, by adding a subdivision; 504B.161, subdivision 1; 504B.173; 504B.178, subdivision 7; 504B.285, by adding a subdivision; Minnesota Statutes 2009 Supplement, section 504B.285, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 504B.

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 2008, section 484.014, subdivision 3, is amended to read:

Subd. 3. **Mandatory expungement.** The court shall order expungement of an eviction case commenced solely on the grounds provided in section 504B.285, subdivision ~~1~~, ~~clause (1)~~ 1a or 1b, if the court finds that the defendant occupied real property that was subject to contract for deed cancellation or mortgage foreclosure and:

(1) the time for contract cancellation or foreclosure redemption has expired and the defendant vacated the property prior to commencement of the eviction action; or

(2) the defendant was a tenant during the contract cancellation or foreclosure redemption period and did not receive a notice under section 504B.285, subdivision ~~1~~, ~~clause (1)~~ 1a or 1b, to vacate on a date prior to commencement of the eviction case.

Sec. 2. Minnesota Statutes 2008, section 484.014, is amended by adding a subdivision to read:

Subd. 4. **Hearing on motion.** (a) If the defendant moves for expungement when the eviction case is pending, the court shall rule on the motion at the hearing on the eviction following the ruling on the eviction, unless there is good cause to hear the expungement motion at a later time.

(b) A motion to expunge under this subdivision is available only for the related eviction case that is pending.

(c) An expungement motion may be granted only if the tenant prevailed in the eviction case. Prevailing in the eviction case does not include a tenant's redeeming the tenancy by paying the amount due the landlord, or a settlement between the landlord and tenant.

(d) The landlord, the landlord's agent, and witnesses shall have the right to speak and offer evidence in opposition to or in support of the motion, and an agreement to the contrary is null and void.

(e) The court's ruling on the expungement motion must include written findings specifying the statutory requirements for expungement that were met, if the motion is granted, or the statutory requirements for expungement that were not met, if the motion is denied.

Sec. 3. Minnesota Statutes 2008, section 504B.111, is amended to read:

504B.111 WRITTEN LEASE REQUIRED; PENALTY.

(a) A landlord of a residential building with 12 or more residential units must have a written lease for each unit rented to a residential tenant. Notwithstanding any other state law or city ordinance to the contrary, a landlord may ask for the tenant's full name and date of birth on the lease and application. A landlord who fails to provide a lease, as required under this section, is guilty of a petty misdemeanor.

(b) A landlord of a residential building may not charge a late fee if the rent is paid after the date it is due, unless the tenant and landlord have agreed in writing that a fee may be imposed. In no case may the late fee exceed a certain percentage of the rent payment. Any late fee charged or collected must not be considered either interest or liquidated damages. For purposes of this paragraph, the "due date" does not include a date earlier than the date contained in the written or oral agreement to lease by which, if the rent is paid, the tenant earns a discount.

Sec. 4. **[504B.118] RECEIPT FOR RENT PAID IN CASH.**

A landlord receiving rent or other payments from a tenant in cash must provide a written receipt for payment immediately upon receipt if the payment is made in person, or within three business days if payment in cash is not made in person.

Sec. 5. **[504B.172] RECOVERY OF COSTS IN ACTION FOR BREACH OF COVENANTS.**

When a residential lease specifies circumstances that entitle a landlord, directly or through additional rent, to recover attorney fees and expenses in an action, it is implied in law that a tenant is entitled to attorney fees and costs in an action initiated by the tenant, or in a successful defense of an action commenced by the landlord against the tenant, involving the same circumstances.

Sec. 6. Minnesota Statutes 2008, section 504B.173, is amended to read:

504B.173 APPLICANT SCREENING FEE.

Subdivision 1. ~~Limit on number of applicant screening fees~~ **Limitations.** A landlord ~~or the landlord's agent~~ may not:

(1) charge an applicant a screening fee when the landlord knows or should have known that no rental unit is available at that time or will be available within a reasonable future time;

(2) collect or hold an applicant screening fee without giving the applicant a written receipt for the fee, which may be incorporated into the application form, upon request of the applicant; or

(3) use, cash, or deposit an applicant screening fee until all prior applicants have either been screened and rejected, or offered the unit and declined to enter into a rental agreement.

For purposes of this section, "landlord" means any person having the right to rent or lease any real property and that person's agent.

~~Subd. 2. **Return of applicant screening fee.** If the landlord or the landlord's agent does not perform a personal reference check or does not obtain a consumer credit report or tenant screening report, the landlord or the landlord's agent shall return any amount of the screening fee that is not used for those purposes~~ (a) The landlord must return the entire applicant screening fee if:

(1) the applicant is rejected for any reason not listed in the disclosure required under subdivision 3; or

(2) a previous applicant is offered the unit and agrees to enter into a rental agreement.

(b) If the landlord does not perform a personal reference check, or does not obtain a consumer credit report or tenant screening report, the landlord must reimburse that portion of the applicant screening fee.

(c) The applicant screening fee may be returned by mail, may be destroyed upon the applicant's request if paid by check, or may be made available for the applicant to retrieve.

~~Subd. 3. **Disclosures to applicant.** A~~ (a) If a landlord or the landlord's agent, prior to taking takes an application applicant screening fee from a prospective tenant, the landlord must disclose on the application form or orally in writing prior to taking the applicant screening fee:

(1) the name, address, and telephone number of the tenant screening service the ~~owner~~ landlord will use, unless the ~~owner~~ landlord does not use a tenant screening service; and

(2) the criteria on which the decision to rent to the perspective tenant will be based.

(b) A landlord may include in the application form a requirement that the applicant declare whether the applicant does not meet any of the disclosed criteria.

(c) A landlord must notify the applicant within 14 days of rejecting a rental application, identifying the criteria the tenant failed to meet.

~~Subd. 4. **Remedies.** In addition to any other remedies, a landlord who violates this section is liable to the applicant for the application applicant screening fee plus a civil penalty of up to \$100, civil court filing costs, and reasonable attorney fees incurred to enforce this remedy. A prospective tenant who provides materially false information on the application or omits material information requested is liable to the landlord for damages, plus a civil penalty of up to \$500, civil court filing costs, and reasonable attorney fees.~~

Sec. 7. Minnesota Statutes 2008, section 504B.178, subdivision 7, is amended to read:

Subd. 7. **Bad faith retention.** The bad faith retention by a landlord of a deposit, the interest thereon, or any portion thereof, in violation of this section shall subject the landlord to punitive damages not to exceed ~~\$200~~ \$500 for each deposit in addition to the damages provided in subdivision 4. If the landlord has failed to comply with the provisions of subdivision 3 or 5, retention of a deposit shall be presumed to be in bad faith unless the landlord returns the deposit within two weeks after the commencement of any action for the recovery of the deposit.

Sec. 8. Minnesota Statutes 2008, section 504B.215, subdivision 2, is amended to read:

Subd. 2. **Single-meter utility service payments.** Except as provided in subdivision 3, the landlord of a single-metered residential building shall be the bill payer responsible, and shall be the customer of record contracting with the utility for utility services. The landlord must advise the utility provider that the utility services apply to a single-metered residential building. A failure by the landlord to comply with this subdivision or subdivision 2a is a violation of sections 504B.161, subdivision 1, clause (1), and 504B.221. This subdivision may not be waived by contract or otherwise. This subdivision does not require a landlord to contract and pay for utility service provided to each residential unit through a separate meter which accurately measures that unit's use only. This subdivision does not prohibit a landlord from apportioning utility service payments among residential units and either including utility costs in a unit's rent or billing for utility charges separate from rent.

Sec. 9. Minnesota Statutes 2009 Supplement, section 504B.285, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** The person entitled to the premises may recover possession by eviction when:

(1) any person holds over real property:

(i) after a sale of the property on an execution or judgment; or

(ii) after the expiration of the time for redemption on foreclosure of a mortgage, or after termination of contract to convey the property, ~~provided that if the person holding the real property after the expiration of the time for redemption or termination was a tenant during the redemption or termination period under a lease of any duration and the lease began after the date the mortgage or contract for deed was executed but prior to the expiration of the time for redemption or termination, and the person has received:~~

~~(A) at least two months' written notice to vacate no sooner than one month after the expiration of the time for redemption or termination, provided that the tenant pays the rent and abides by all terms of the lease; or~~

~~(B) at least two months' written notice to vacate no later than the date of the expiration of the time for redemption or termination, which notice shall also state that the sender will hold the tenant harmless for breaching the lease by vacating the premises if the mortgage is redeemed or the contract is reinstated;~~

(2) any person holds over real property after termination of the time for which it is demised or leased to that person or to the persons under whom that person holds possession, contrary to the conditions or covenants of the lease or agreement under which that person holds, or after any rent becomes due according to the terms of such lease or agreement; or

(3) any tenant at will holds over after the termination of the tenancy by notice to quit.

Sec. 10. Minnesota Statutes 2008, section 504B.285, is amended by adding a subdivision to read:

Subd. 1a. **Grounds when the person holding over is a tenant in a foreclosed property.** (a) For any eviction action commenced on or before December 31, 2012, where the person holding the real property after the expiration of the time for redemption on foreclosure of a mortgage was a tenant during the redemption period under a lease of any duration, and the lease began after the date the mortgage was executed, but prior to the expiration of the time for redemption, the successor in interest must provide at least 90 days' written notice to vacate, given no sooner than the date of the expiration of the time for redemption or termination, and effective no sooner than 90 days after the date of the expiration of the time for redemption, provided that the tenant pays the rent and abides by all terms of the lease.

(b) For any eviction action commenced on or before December 31, 2012, where the term of a bona fide lease extends more than 90 days beyond the date of the expiration of the time for redemption, the immediate successor in interest must allow the tenant to occupy the premises until the end of the remaining term of the lease, and provide at least 90 days' written notice to vacate, effective no sooner than the date the lease expires, provided that the tenant pays the rent and abides by all terms of the lease, except if the immediate successor in interest or an immediate subsequent bona fide purchaser will occupy the unit as the primary residence, the immediate successor in interest must provide at least 90 days' written notice to vacate, given no earlier than the date of the expiration of the time for redemption, effective no sooner than 90 days after the date of the expiration of the time for redemption, provided the tenant pays the rent and abides by all terms of the lease.

For purposes of this section, a "bona fide lease" means:

- (1) the mortgagor or the child, spouse, or parent of the mortgagor is not the tenant;
- (2) the lease or tenancy was the result of an arm's-length transaction; and
- (3) the lease or tenancy requires the receipt of rent that is not substantially less than fair market rent for the property.

(c) For any eviction action commenced on or before December 31, 2012, in the case of a tenancy subject to section 8 of the United States Housing Act of 1937, as amended, where the term of the lease extends more than 90 days beyond the date of the expiration of the time for redemption, the immediate successor in interest must allow the tenant to occupy the premises until the end of the remaining term of the lease and provide at least 90 days' written notice to vacate, effective no sooner than the date the lease expires, provided the tenant pays the rent and abides by all terms of the lease, except if the immediate successor in interest will occupy the unit as the primary residence, the immediate successor must provide at least 90 days' written notice to vacate, given no earlier than the date of the expiration of the time for redemption, effective no sooner than 90 days after the date of the expiration of the time for redemption, provided the tenant pays the rent and abides by all terms of the lease.

Sec. 11. Minnesota Statutes 2008, section 504B.285, is amended by adding a subdivision to read:

Subd. 1b. **Grounds when the person holding over is a tenant in a foreclosed property subject to a contract for deed.** For any eviction action commenced on or before December 31, 2012, where the person holding the real property after the expiration of the time for termination of a contract to

convey the property was a tenant during the termination period under a lease of any duration, and the lease began after the contract for deed was executed, but prior to the expiration of the time for termination, the successor in interest must provide at least 60 days' written notice to vacate, given no sooner than the date of the expiration of the time for termination and effective no sooner than 60 days after the date of the expiration of the time for termination, provided that the tenant pays the rent and abides by all terms of the lease.

Sec. 12. Minnesota Statutes 2008, section 504B.285, is amended by adding a subdivision to read:

Subd. 1c. **Grounds for evictions on or after January 1, 2013.** For any eviction action commenced on or after January 1, 2013, the person entitled to the premises may recover possession by eviction when any person holds over real property after the expiration of the time for redemption on foreclosure of a mortgage, or after termination of contract to convey the property, provided that if the person holding the real property after the expiration of the time for redemption or termination was a tenant during the redemption or termination period under a lease of any duration, and the lease began after the date the mortgage or contract for deed was executed, but prior to the expiration of the time for redemption or termination, the person holding the premises has received:

(1) at least two months' written notice to vacate no sooner than one month after the expiration of the time for redemption or termination, provided that the tenant pays the rent and abides by all terms of the lease; or

(2) at least two months' written notice to vacate no later than the date of the expiration of the time for redemption or termination, which notice shall also state that the sender will hold the tenant harmless for breaching the lease by vacating the premises if the mortgage is redeemed or the contract is reinstated.

Sec. 13. Minnesota Statutes 2008, section 504B.291, subdivision 1, is amended to read:

Subdivision 1. **Action to recover.** (a) A landlord may bring an eviction action for nonpayment of rent irrespective of whether the lease contains a right of reentry clause. Such an eviction action is equivalent to a demand for the rent. There is a rebuttable presumption that the rent has been paid if the tenant produces receipts or equivalent documents evidencing purchase of one or more money orders, bank checks, or cashier's checks, or a combination of money orders, bank checks, or cashier's checks totaling the amount of the rent, with a date or dates approximately corresponding with the date the rent was due. In such an action, unless the landlord has also sought to evict the tenant by alleging a material violation of the lease under section 504B.285, subdivision 5, the tenant may, at any time before possession has been delivered, redeem the tenancy and be restored to possession by paying to the landlord or bringing to court the amount of the rent that is in arrears, with interest, costs of the action, and an attorney's fee not to exceed \$5, and by performing any other covenants of the lease.

(b) If the tenant has paid to the landlord or brought into court the amount of rent in arrears but is unable to pay the interest, costs of the action, and attorney's fees required by paragraph (a), the court may permit the tenant to pay these amounts into court and be restored to possession within the same period of time, if any, for which the court stays the issuance of the order to vacate under section 504B.345.

(c) Prior to or after commencement of an action to recover possession for nonpayment of rent, the parties may agree only in writing that partial payment of rent in arrears which is accepted by

the landlord prior to issuance of the order granting restitution of the premises pursuant to section 504B.345 may be applied to the balance due and does not waive the landlord's action to recover possession of the premises for nonpayment of rent.

(d) Rental payments under this subdivision must first be applied to rent claimed as due in the complaint from prior rental periods before applying any payment toward rent claimed in the complaint for the current rental period, unless the court finds that under the circumstances the claim for rent from prior rental periods has been waived."

Amend the title as follows:

Page 1, line 3, delete "adding certain residential covenants;"

Amend the title numbers accordingly

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

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 3009: A bill for an act relating to eliminating health disparities; requiring the commissioner of health to develop new categories for collecting granular data that accurately captures race, ethnicity, primary language, and socioeconomic status; amending Minnesota Statutes 2008, section 145.928, subdivisions 1, 2, 3.

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

Delete everything after the enacting clause and insert:

"Section 1. **DATA COLLECTION ON HEALTH DISPARITIES.**

Subdivision 1. **Inventory.** The commissioners of health and human services shall conduct an inventory on the health-related data collected by each respective department including, but not limited to, health care programs and activities, vital statistics, disease surveillance registries and screenings, and health outcome measurements.

The inventory must review the categories of data that are collected, describe the methods of collecting, organizing, and reporting data relating to race, ethnicity, country of origin, primary language, tribal enrollment status, and socioeconomic status, and specify whether the data being collected in these categories is currently required.

Subd. 2. **Review.** (a) Upon completion of the inventory in subdivision 1, the commissioners of health and human services shall consult with representatives of culturally based community groups, community health boards, tribal governments, hospitals, and health plan companies to review the compiled inventory and make recommendations on:

(1) whether the data currently being collected is sufficient to identify and describe health disparities for particular communities or if the collection of additional types and categories of data is necessary in order to better identify health disparities and to facilitate efforts to reduce these disparities;

(2) if additional types and categories of data collection is determined necessary, what additional types and categories should be collected and in what areas;

(3) whether there is a need to aggregate data to make data in the categories identified in subdivision 1 more accessible to community groups, researchers, and to the legislature; and

(4) other ways to improve data collection efforts in order to ensure the collection of high-quality, reliable data in clauses (1) to (3) that will ensure accurate research and the ability to create measurable program outcomes in order to facilitate public policy decisions regarding the elimination of health disparities.

(b) In making recommendations, the work group shall consider national and state standardized data classification systems, as well as federal or state requirements for collection of certain data based on predetermined classification systems that may impact some data collection efforts.

Subd. 3. **Report.** By January 15, 2011, the commissioners of health and human services shall submit to the legislature the inventory compiled in subdivision 1 and the recommendations developed in subdivision 2."

Amend the title numbers accordingly

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

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 2902: A bill for an act relating to human services; creating certain exemptions from MFIP and general assistance asset limitations; amending Minnesota Statutes 2008, sections 256D.08, by adding a subdivision; 256J.20, subdivision 1.

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

Page 1, line 8, delete "have" and delete "since" and insert "on or after"

Page 1, line 13, delete "meeting"

Page 1, line 14, delete "these sections" and insert "subdivision 1"

Page 1, line 15, delete everything after "is" and insert "effective from July 1, 2010, to June 30, 2012."

Page 2, line 24, delete "have" and delete "since" and insert "on or after"

Page 2, line 28, delete "meeting"

Page 2, line 29, delete "this section" and insert "subdivisions 2 and 3"

Page 2, line 30, delete everything after "is" and insert "effective from July 1, 2010, to June 30, 2012."

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

Senator Chaudhary from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2760: A bill for an act relating to natural resources; providing for general burning permits; modifying authority to establish forestry services fees; modifying timber sales provisions; eliminating certain pilot projects and reports; amending Minnesota Statutes 2008, sections 88.17, subdivisions 1, 3; 88.79, subdivision 2; 90.041, by adding a subdivision; 90.14; repealing Minnesota Statutes 2008, section 90.172; Minnesota Statutes 2009 Supplement, section 88.795.

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 2008, section 88.17, subdivision 1, is amended to read:

Subdivision 1. **Permit Permission required.** (a) ~~A permit~~ Permission to start a fire to burn vegetative materials and other materials allowed by Minnesota Statutes or official state rules and regulations may be given by the commissioner or the commissioner's agent. This permission shall be in the form of:

(1) a written permit issued by a forest officer, fire warden, or other person authorized by the commissioner; ~~or~~

(2) an electronic permit issued by the commissioner, an agent authorized by the commissioner, or an Internet site authorized by the commissioner; ~~or~~

(3) a general permit adopted by the county board of commissioners according to paragraph (c).

(b) Written and electronic burning permits shall set the time and conditions by which the fire may be started and burned. The permit shall also specifically list the materials that may be burned. The permittee must have the permit on their person and shall produce the permit for inspection when requested to do so by a forest officer, conservation officer, or other peace officer. The permittee shall remain with the fire at all times and before leaving the site shall completely extinguish the fire. A person shall not start or cause a fire to be started on any land that is not owned or under their legal control without the written permission of the owner, lessee, or an agent of the owner or lessee of the land. Violating or exceeding the permit conditions shall constitute a misdemeanor and shall be cause for the permit to be revoked.

(c) A general burning permit may be adopted by the county board of commissioners in counties that are determined by the commissioner either to not be wildfire areas as defined in section 88.01, subdivision 6, or to otherwise have low potential for damage to life and property from wildfire. The commissioner shall consider the history of and potential for wildfire; the distribution of trees, brush, grasslands, and other vegetative material; and the distribution of property subject to damage from escaped fires. Upon a determination by the commissioner and adoption by a vote of the county board, permission for open burning is extended to all residents in the county without the need for individual written or electronic permits under this subdivision, provided burning conforms to all other provisions of this chapter, including those related to responsibility to control and extinguish fires, no burning of prohibited materials, and liability for damages caused by violations of this chapter.

(d) Upon adoption of a general burning permit, a county must establish specific regulations by

ordinance, to include at a minimum the time when and conditions under which fires may be started and burned. No ordinance may be less restrictive than state law.

(e) At any time when the commissioner or the county board determines that a general burning permit is no longer in the public interest, the general permit may be canceled by the commissioner or the county board.

Sec. 2. Minnesota Statutes 2008, section 88.17, subdivision 3, is amended to read:

Subd. 3. **Special permits.** The following special permits are required at all times, including when the ground is snow-covered:

(a) **Fire training.** A permit to start a fire for the instruction and training of firefighters, including liquid fuels training, may be given by the commissioner or agent of the commissioner. Except for owners or operators conducting fire training in specialized industrial settings pursuant to applicable federal, state, or local standards, owners or operators conducting open burning for the purpose of instruction and training of firefighters with regard to structures must follow the techniques described in a document entitled: Structural Burn Training Procedures for the Minnesota Technical College System.

(b) **Permanent tree and brush open burning sites.** A permit for the operation of a permanent tree and brush burning site may be given by the commissioner or agent of the commissioner. Applicants for a permanent open burning site permit shall submit a complete application on a form provided by the commissioner. Existing permanent tree and brush open burning sites must submit for a permit within 90 days of the passage of this statute for a burning permit. New site applications must be submitted at least 90 days before the date of the proposed operation of the permanent open burning site. The application must be submitted to the commissioner and must contain:

(1) the name, address, and telephone number of all owners of the site proposed for use as the permanent open burning site;

(2) if the operator for the proposed permanent open burning site is different from the owner, the name, address, and telephone number of the operator;

(3) a general description of the materials to be burned, including the source and estimated quantity, dimensions of the site and burn pile areas, hours and dates of operation, and provisions for smoke management; and

(4) a topographic or similarly detailed map of the site and surrounding area within a one mile circumference showing all structures that might be affected by the operation of the site.

Only trees, tree trimmings, or brush that cannot be disposed of by an alternative method such as chipping, composting, or other method shall be permitted to be burned at a permanent open burning site. A permanent tree and brush open burning site must be located and operated so as not to create a nuisance or endanger water quality. The commissioner shall revoke the permit or order actions to mitigate threats to public health, safety, and the environment in the event that permit conditions are violated.

Sec. 3. Minnesota Statutes 2008, section 88.79, subdivision 2, is amended to read:

Subd. 2. **Charge for service; receipts to special revenue fund.** Notwithstanding section

16A.1283, the commissioner of natural resources may charge the owner, by written order published in the State Register, establish fees the commissioner determines to be fair and reasonable that are charged to owners receiving such services such sums as the commissioner shall determine to be fair and reasonable under subdivision 1. The charges must account for differences in the value of timber and other benefits. The receipts from such the services shall be credited to the special revenue fund and are annually appropriated to the commissioner for the purposes specified in subdivision 1.

Sec. 4. Minnesota Statutes 2008, section 90.041, is amended by adding a subdivision to read:

Subd. 9. **Reoffering unsold timber.** To maintain and enhance forest ecosystems on state forest lands, the commissioner may reoffer timber tracts remaining unsold under the provisions of section 90.101 below appraised value at public auction with the required 30-day notice under section 90.101, subdivision 2.

Sec. 5. Minnesota Statutes 2008, section 90.121, is amended to read:

90.121 INTERMEDIATE AUCTION SALES; MAXIMUM LOTS OF 3,000 CORDS.

(a) The commissioner may sell the timber on any tract of state land in lots not exceeding 3,000 cords in volume, in the same manner as timber sold at public auction under section 90.101, and related laws, subject to the following special exceptions and limitations:

(1) the commissioner shall offer all tracts authorized for sale by this section separately from the sale of tracts of state timber made pursuant to section 90.101;

(2) no bidder may be awarded more than 25 percent of the total tracts offered at the first round of bidding unless fewer than four tracts are offered, in which case not more than one tract shall be awarded to one bidder. Any tract not sold at public auction may be offered for private sale as authorized by section 90.101, subdivision 1, to persons eligible under this section at the appraised value; and

(3) no sale may be made to a person having more than ~~20~~ 30 employees. For the purposes of this clause, "employee" means an individual working for salary or wages on a full-time or part-time basis.

(b) The auction sale procedure set forth in this section constitutes an additional alternative timber sale procedure available to the commissioner and is not intended to replace other authority possessed by the commissioner to sell timber in lots of 3,000 cords or less.

(c) Another bidder or the commissioner may request that the number of employees a bidder has pursuant to paragraph (a), clause (3), be confirmed if there is evidence that the bidder may be ineligible due to exceeding the employee threshold. The commissioner shall request information from the commissioner of labor and industry including the premiums paid by the bidder in question for workers' compensation insurance coverage for all employees of the bidder. The commissioner shall review the information submitted by the commissioner of labor and industry and make a determination based on the information as to whether the bidder is eligible.

Sec. 6. Minnesota Statutes 2008, section 90.14, is amended to read:

90.14 AUCTION SALE PROCEDURE.

(a) All state timber shall be offered and sold by the same unit of measurement as it was appraised.

No tract shall be sold to any person other than the purchaser in whose name the bid was made. The commissioner may refuse to approve any and all bids received and cancel a sale of state timber for good and sufficient reasons.

(b) The purchaser at any sale of timber shall, immediately upon the approval of the bid, or, if unsold at public auction, at the time of purchase at a subsequent sale under section 90.101, subdivision 1, pay to the commissioner a down payment of 15 percent of the appraised value. In case any purchaser fails to make such payment, the purchaser shall be liable therefor to the state in a civil action, and the commissioner may reoffer the timber for sale as though no bid or sale under section 90.101, subdivision 1, therefor had been made.

(c) In lieu of the scaling of state timber required by this chapter, a purchaser of state timber may, at the time of payment by the purchaser to the commissioner of 15 percent of the appraised value, elect in writing on a form prescribed by the attorney general to purchase a permit based solely on the appraiser's estimate of the volume of timber described in the permit, provided that the commissioner has expressly designated the availability of such option for that tract on the list of tracts available for sale as required under section 90.101. A purchaser who elects in writing on a form prescribed by the attorney general to purchase a permit based solely on the appraiser's estimate of the volume of timber described on the permit does not have recourse to the provisions of section 90.281.

(d) In the case of a public auction sale conducted by a sealed bid process, tracts shall be awarded to the high bidder, who shall pay to the commissioner a down payment of 15 percent of the appraised value within ten business days of receiving a written award notice that must be received or postmarked within 14 days of the date of the sealed bid opening. If a purchaser fails to make the down payment, the purchaser is liable for the down payment to the state and the commissioner may offer the timber for sale to the next highest bidder as though no higher bid had been made.

(e) Except as otherwise provided by law, at the time the purchaser signs a permit issued under section 90.151, the commissioner shall require the purchaser shall to make a bid guarantee payment to the commissioner in an amount equal to 15 percent of the total purchase price of the permit less the down payment amount required by paragraph (b) for any bid increase in excess of \$5,000 of the appraised value. ~~If the a required bid guarantee payment is not submitted with the signed permit, no harvesting may occur, the permit cancels, and the down payment for timber forfeits to the state. The bid guarantee payment forfeits to the state if the purchaser and successors in interest fail to execute an effective permit.~~

Sec. 7. REPEALER.

Minnesota Statutes 2008, section 90.172, is repealed."

Amend the title as follows:

Page 1, line 3, after the first semicolon, insert "modifying intermediate auction timber sale provisions;"

Page 1, line 5, delete "pilot projects and"

Amend the title numbers accordingly

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

Senator Chaudhary from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2185: A bill for an act relating to natural resources; expanding prohibitions on the appropriation of water from the Mt. Simon-Hinckley aquifer; amending Minnesota Statutes 2008, section 103G.271, subdivision 4a.

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 2008, section 103G.271, subdivision 4a, is amended to read:

Subd. 4a. **Mt. Simon-Hinckley aquifer.** (a) Except as provided in paragraph (b), the commissioner may not issue new water use permits that will appropriate water from for the Mt. Simon-Hinckley aquifer in a metropolitan county, as defined in section 473.121, subdivision 4, unless the appropriation is for potable domestic water use, there are no feasible or practical alternatives to this source, and a water conservation plan is incorporated with the permit. Domestic water uses include water used for general household purposes for essential human needs such as cooking, cleaning, drinking, washing, and waste disposal.

(b) The commissioner shall terminate all permits authorizing appropriation and use of water from the Mt. Simon-Hinckley aquifer for once-through systems in a metropolitan county, as defined in section 473.121, subdivision 4, by December 31, 1992. The commissioner may issue new water use permits for the Mt. Simon-Hinckley aquifer for nondomestic uses if the volume of water is less than 100,000,000 gallons per year, there are no feasible or practical alternatives to this source, and a water conservation plan is incorporated with the permit. This paragraph does not apply within a metropolitan county, as defined in section 473.121, subdivision 4."

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

Senator Chaudhary from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 2593: A bill for an act relating to environment; requiring public buildings to use environmentally sensitive cleaning products; establishing guidelines and a task force; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Page 2, delete lines 20 to 24

Page 2, line 25, delete "(d)" and insert "(c)"

Page 2, line 31, delete "(e)" and insert "(d)"

Page 3, line 1, delete "(f)" and insert "(e)"

And when so amended the bill be re-referred to the Committee on State and Local Operations and Oversight without recommendation. Amendments adopted. Report adopted.

Senator Chaudhary from the Committee on Environment and Natural Resources, to which

was referred

S.F. No. 3138: A bill for an act relating to water; establishing a metropolitan area groundwater monitoring account and fee; appropriating money; amending Minnesota Statutes 2009 Supplement, section 103G.271, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 103G.

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

Page 4, line 19, delete "100" and insert "120" and after "feet" insert ", on average,"

Page 4, line 22, delete "50" and insert "30"

Page 5, after line 8, insert:

"Sec. 4. APPROPRIATION; WATER SUPPLY PLANNING ACTIVITIES.

\$500,000 is appropriated in fiscal year 2011 from the clean water fund, pursuant to Minnesota Statutes, section 114D.50, to the Metropolitan Council to fund Metropolitan Council water supply planning activities under section 473.1565. This appropriation is available until expended."

And when so amended the bill be re-referred to the Committee on Finance without recommendation. Amendments adopted. Report adopted.

Senator Chaudhary from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 3044: A bill for an act relating to game and fish; modifying youth fishing license requirements; increasing certain fishing license fees for residents; amending Minnesota Statutes 2008, sections 97A.475, subdivisions 6, 8; 97A.485, subdivision 6; Minnesota Statutes 2009 Supplement, sections 97A.451, subdivision 2; 97A.475, subdivision 7.

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

Page 1, line 22, delete "\$21" and insert "\$10"

Page 2, line 5, delete "\$25" and insert "\$10"

Page 2, line 23, delete "\$38" and insert "\$20"

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

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 3027: A bill for an act relating to human services; changing health care eligibility provisions; making changes to individualized education plan requirements; state health access program; children's health insurance reauthorization act; long-term care partnership; asset transfers; community clinics; dental benefits; prior authorization for health services; drug formulary committee; preferred drug list; multisource drugs; administrative uniformity committee; health plans; claims against the state; amending Minnesota Statutes 2008, sections 62A.045; 62Q.80;

62S.24, subdivision 8; 256B.055, subdivision 10; 256B.057, subdivision 1; 256B.0571, subdivision 6; 256B.0625, subdivisions 13c, 13g, 25, 30, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 15C.13; 256B.0571, subdivision 8; 256B.0625, subdivisions 9, 13e, 26; proposing coding for new law in Minnesota Statutes, chapter 62S; repealing Minnesota Statutes 2008, sections 256B.0571, subdivision 10; 256B.0595, subdivisions 1b, 2b, 3b, 4b, 5.

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

Page 2, line 36, after "systems" insert "in distinct service categories"

Page 14, line 16, after "community" insert "health"

Page 16, line 30, delete "biannually" and insert "twice per year"

Page 22, lines 6 and 27, reinstate the stricken "health"

Page 22, lines 33, 34, 35, and 36, strike "carrier" and insert "insurer"

Page 23, lines 3, 4, 7, and 8, strike "carrier" and insert "insurer"

Page 23, after line 14, insert:

"Sec. 2. Minnesota Statutes 2009 Supplement, section 256B.69, subdivision 23, is amended to read:

Subd. 23. **Alternative services; elderly and disabled persons.** (a) The commissioner may implement demonstration projects to create alternative integrated delivery systems for acute and long-term care services to elderly persons and persons with disabilities as defined in section 256B.77, subdivision 7a, that provide increased coordination, improve access to quality services, and mitigate future cost increases. The commissioner may seek federal authority to combine Medicare and Medicaid capitation payments for the purpose of such demonstrations and may contract with Medicare-approved special needs plans that are offered by a demonstration provider or by an entity that is directly or indirectly wholly owned or controlled by a demonstration provider to provide Medicaid services. Medicare funds and services shall be administered according to the terms and conditions of the federal contract and demonstration provisions. For the purpose of administering medical assistance funds, demonstrations under this subdivision are subject to subdivisions 1 to 22. The provisions of Minnesota Rules, parts 9500.1450 to 9500.1464, apply to these demonstrations, with the exceptions of parts 9500.1452, subpart 2, item B; and 9500.1457, subpart 1, items B and C, which do not apply to persons enrolling in demonstrations under this section. All enforcement and rulemaking powers available under chapters 62D, 62M, and 62Q are hereby granted to the commissioner of health with respect to Medicare-approved special needs plans with which the commissioner contracts to provide Medicaid services under this section. An initial open enrollment period may be provided. Persons who disenroll from demonstrations under this subdivision remain subject to Minnesota Rules, parts 9500.1450 to 9500.1464. When a person is enrolled in a health plan under these demonstrations and the health plan's participation is subsequently terminated for any reason, the person shall be provided an opportunity to select a new health plan and shall have the right to change health plans within the first 60 days of enrollment in the second health plan. Persons required to participate in health plans under this section who fail to make a choice of health plan shall not be randomly assigned to health plans under these demonstrations. Notwithstanding section 256L.12, subdivision 5, and Minnesota Rules, part 9505.5220, subpart 1, item A, if adopted, for the purpose of demonstrations under this

subdivision, the commissioner may contract with managed care organizations, including counties, to serve only elderly persons eligible for medical assistance, elderly and disabled persons, or disabled persons only. For persons with a primary diagnosis of developmental disability, serious and persistent mental illness, or serious emotional disturbance, the commissioner must ensure that the county authority has approved the demonstration and contracting design. Enrollment in these projects for persons with disabilities shall be voluntary. The commissioner shall not implement any demonstration project under this subdivision for persons with a primary diagnosis of developmental disabilities, serious and persistent mental illness, or serious emotional disturbance, without approval of the county board of the county in which the demonstration is being implemented.

(b) Notwithstanding chapter 245B, sections 252.40 to 252.46, 256B.092, 256B.501 to 256B.5015, and Minnesota Rules, parts 9525.0004 to 9525.0036, 9525.1200 to 9525.1330, 9525.1580, and 9525.1800 to 9525.1930, the commissioner may implement under this section projects for persons with developmental disabilities. The commissioner may capitate payments for ICF/MR services, waived services for developmental disabilities, including case management services, day training and habilitation and alternative active treatment services, and other services as approved by the state and by the federal government. Case management and active treatment must be individualized and developed in accordance with a person-centered plan. Costs under these projects may not exceed costs that would have been incurred under fee-for-service. Beginning July 1, 2003, and until four years after the pilot project implementation date, subcontractor participation in the long-term care developmental disability pilot is limited to a nonprofit long-term care system providing ICF/MR services, home and community-based waiver services, and in-home services to no more than 120 consumers with developmental disabilities in Carver, Hennepin, and Scott Counties. The commissioner shall report to the legislature prior to expansion of the developmental disability pilot project. This paragraph expires four years after the implementation date of the pilot project.

(c) Before implementation of a demonstration project for disabled persons, the commissioner must provide information to appropriate committees of the house of representatives and senate and must involve representatives of affected disability groups in the design of the demonstration projects.

(d) A nursing facility reimbursed under the alternative reimbursement methodology in section 256B.434 may, in collaboration with a hospital, clinic, or other health care entity provide services under paragraph (a). The commissioner shall amend the state plan and seek any federal waivers necessary to implement this paragraph.

(e) The commissioner, in consultation with the commissioners of commerce and health, may approve and implement programs for all-inclusive care for the elderly (PACE) according to federal laws and regulations governing that program and state laws or rules applicable to participating providers. The process for approval of these programs shall begin only after the commissioner receives grant money in an amount sufficient to cover the state share of the administrative and actuarial costs to implement the programs during state fiscal years 2006 and 2007. Grant amounts for this purpose shall be deposited in an account in the special revenue fund and are appropriated to the commissioner to be used solely for the purpose of PACE administrative and actuarial costs. A PACE provider is not required to be licensed or certified as a health plan company as defined in section 62Q.01, subdivision 4. Persons age 55 and older who have been screened by the county and found to be eligible for services under the elderly waiver or community alternatives for disabled individuals or who are already eligible for Medicaid but meet level of care criteria for receipt of

waiver services may choose to enroll in the PACE program. Medicare and Medicaid services will be provided according to this subdivision and federal Medicare and Medicaid requirements governing PACE providers and programs. PACE enrollees will receive Medicaid home and community-based services through the PACE provider as an alternative to services for which they would otherwise be eligible through home and community-based waiver programs and Medicaid State Plan Services. The commissioner shall establish Medicaid rates for PACE providers that do not exceed costs that would have been incurred under fee-for-service or other relevant managed care programs operated by the state.

(f) The commissioner shall seek federal approval to expand the Minnesota disability health options (MnDHO) program established under this subdivision in stages, first to regional population centers outside the seven-county metro area and then to all areas of the state. Until July 1, 2009, expansion for MnDHO projects that include home and community-based services is limited to the two projects and service areas in effect on March 1, 2006. Enrollment in integrated MnDHO programs that include home and community-based services shall remain voluntary. Costs for home and community-based services included under MnDHO must not exceed costs that would have been incurred under the fee-for-service program. Notwithstanding whether expansion occurs under this paragraph, in determining MnDHO payment rates and risk adjustment methods for contract years starting in 2012, the commissioner must consider the methods used to determine county allocations for home and community-based program participants. If necessary to reduce MnDHO rates to comply with the provision regarding MnDHO costs for home and community-based services, the commissioner shall achieve the reduction by maintaining the base rate for contract years 2010 and 2011 for services provided under the community alternatives for disabled individuals waiver at the same level as for contract year 2009. The commissioner may apply other reductions to MnDHO rates to implement decreases in provider payment rates required by state law. In developing program specifications for expansion of integrated programs, the commissioner shall involve and consult the state-level stakeholder group established in subdivision 28, paragraph (d), including consultation on whether and how to include home and community-based waiver programs. Plans for further expansion of MnDHO projects shall be presented to the chairs of the house of representatives and senate committees with jurisdiction over health and human services policy and finance by February 1, 2007.

(g) Notwithstanding section 256B.0261, health plans providing services under this section are responsible for home care targeted case management and relocation targeted case management. Services must be provided according to the terms of the waivers and contracts approved by the federal government."

Page 23, after line 31, insert:

"ARTICLE 15

PREPAID HEALTH PLANS

Section 1. Minnesota Statutes 2009 Supplement, section 256B.69, subdivision 5a, is amended to read:

Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and sections 256L.12 and 256D.03, shall be entered into or renewed on a calendar year basis beginning January 1, 1996. Managed care contracts which were in effect on June 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995 through December 31, 1995 at the same terms that

were in effect on June 30, 1995. The commissioner may issue separate contracts with requirements specific to services to medical assistance recipients age 65 and older.

(b) A prepaid health plan providing covered health services for eligible persons pursuant to chapters 256B, 256D, and 256L, is responsible for complying with the terms of its contract with the commissioner. Requirements applicable to managed care programs under chapters 256B, 256D, and 256L, established after the effective date of a contract with the commissioner take effect when the contract is next issued or renewed.

(c) Effective for services rendered on or after January 1, 2003, the commissioner shall withhold five percent of managed care plan payments under this section and county-based purchasing plan's payment rate under section 256B.692 for the prepaid medical assistance and general assistance medical care programs pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. The managed care plan must demonstrate, to the commissioner's satisfaction, that the data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care services and administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, including characteristics of the plan's enrollee population. The withheld funds must be returned no sooner than July of the following year if performance targets in the contract are achieved. The commissioner may exclude special demonstration projects under subdivision 23.

(d) Effective for services rendered on or after January 1, 2009, through December 31, 2009, the commissioner shall withhold three percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance and general assistance medical care programs. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

~~The return of the withhold under this paragraph is not subject to the requirements of paragraph (e).~~

(e) Effective for services provided on or after January 1, 2010, the commissioner shall require that managed care plans use the assessment and authorization processes, forms, timelines, standards, documentation, and data reporting requirements, protocols, billing processes, and policies consistent with medical assistance fee-for-service or the Department of Human Services contract requirements consistent with medical assistance fee-for-service or the Department of Human Services contract requirements for all personal care assistance services under section 256B.0659.

(f) Effective for services rendered on or after January 1, 2010, through December 31, 2010, the commissioner shall withhold 3.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(g) Effective for services rendered on or after January 1, 2011, through December 31, 2011, the commissioner shall withhold four percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(h) Effective for services rendered on or after January 1, 2012, through December 31, 2012, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(i) Effective for services rendered on or after January 1, 2013, through December 31, 2013, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(j) Effective for services rendered on or after January 1, 2014, the commissioner shall withhold three percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance and prepaid general assistance medical care programs. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(k) A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this section that is reasonably expected to be returned.

(l) Contracts between the commissioner and a prepaid health plan are exempt from the set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph (a), and 7.

(m) The return of the withhold under paragraph (d) and paragraphs (f) to (j) is not subject to the requirements of paragraph (c).

ARTICLE 16

INCOME STANDARDS FOR ELIGIBILITY

Section 1. Minnesota Statutes 2009 Supplement, section 256B.056, subdivision 1c, is amended to read:

Subd. 1c. **Families with children income methodology.** (a)(1) [Expired, 1Sp2003 c 14 art 12 s 17]

(2) For applications processed within one calendar month prior to July 1, 2003, eligibility shall be determined by applying the income standards and methodologies in effect prior to July 1, 2003, for any months in the six-month budget period before July 1, 2003, and the income standards and

methodologies in effect on July 1, 2003, for any months in the six-month budget period on or after that date. The income standards for each month shall be added together and compared to the applicant's total countable income for the six-month budget period to determine eligibility.

(3) For children ages one through 18 whose eligibility is determined under section 256B.057, subdivision 2, the following deductions shall be applied to income counted toward the child's eligibility as allowed under the state's AFDC plan in effect as of July 16, 1996: \$90 work expense, dependent care, and child support paid under court order. This clause is effective October 1, 2003.

(b) For families with children whose eligibility is determined using the standard specified in section 256B.056, subdivision 4, paragraph (c), 17 percent of countable earned income shall be disregarded for up to four months and the following deductions shall be applied to each individual's income counted toward eligibility as allowed under the state's AFDC plan in effect as of July 16, 1996: dependent care and child support paid under court order.

(c) If the four-month disregard in paragraph (b) has been applied to the wage earner's income for four months, the disregard shall not be applied again until the wage earner's income has not been considered in determining medical assistance eligibility for 12 consecutive months.

(d) The commissioner shall adjust the income standards under this section each July 1 by the annual update of the federal poverty guidelines following publication by the United States Department of Health and Human Services except that the income standards shall not go below those in effect on July 1, 2009.

(e) For children age 18 or under, annual gifts of \$2,000 or less by a tax-exempt organization to or for the benefit of the child with a life-threatening illness must be disregarded from income.

Sec. 2. Minnesota Statutes 2009 Supplement, section 256D.03, subdivision 3, is amended to read:

Subd. 3. **General assistance medical care; eligibility.** (a) General assistance medical care may be paid for any person who is not eligible for medical assistance under chapter 256B, including eligibility for medical assistance based on a spenddown of excess income according to section 256B.056, subdivision 5, or MinnesotaCare for applicants and recipients defined in paragraph (c), except as provided in paragraph (d), and:

(1) who is receiving assistance under section 256D.05, except for families with children who are eligible under Minnesota family investment program (MFIP), or who is having a payment made on the person's behalf under sections 256I.01 to 256I.06; or

(2) who is a resident of Minnesota; and

(i) who has gross countable income not in excess of 75 percent of the federal poverty guidelines for the family size, using a six-month budget period and whose equity in assets is not in excess of \$1,000 per assistance unit. General assistance medical care is not available for applicants or enrollees who are otherwise eligible for medical assistance but fail to verify their assets. Enrollees who become eligible for medical assistance shall be terminated and transferred to medical assistance. Exempt assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in section 256B.056, subdivisions 3 and 3d, with the following exception: the maximum amount of undistributed funds in a trust that could be distributed to or on behalf of the beneficiary by the trustee, assuming the full exercise of the trustee's discretion under

the terms of the trust, must be applied toward the asset maximum; or

(ii) who has gross countable income above 75 percent of the federal poverty guidelines but not in excess of 175 percent of the federal poverty guidelines for the family size, using a six-month budget period, whose equity in assets is not in excess of the limits in section 256B.056, subdivision 3c, and who applies during an inpatient hospitalization.

(b) The commissioner shall adjust the income standards under this section each July 1 by the annual update of the federal poverty guidelines following publication by the United States Department of Health and Human Services except that the income standards shall not go below those in effect on July 1, 2009.

(c) Effective for applications and renewals processed on or after September 1, 2006, general assistance medical care may not be paid for applicants or recipients who are adults with dependent children under 21 whose gross family income is equal to or less than 275 percent of the federal poverty guidelines who are not described in paragraph (f).

(d) Effective for applications and renewals processed on or after September 1, 2006, general assistance medical care may be paid for applicants and recipients who meet all eligibility requirements of paragraph (a), clause (2), item (i), for a temporary period beginning the date of application. Immediately following approval of general assistance medical care, enrollees shall be enrolled in MinnesotaCare under section 256L.04, subdivision 7, with covered services as provided in section 256L.03 for the rest of the six-month general assistance medical care eligibility period, until their six-month renewal.

(e) To be eligible for general assistance medical care following enrollment in MinnesotaCare as required by paragraph (d), an individual must complete a new application.

(f) Applicants and recipients eligible under paragraph (a), clause (2), item (i), are exempt from the MinnesotaCare enrollment requirements in this subdivision if they:

(1) have applied for and are awaiting a determination of blindness or disability by the state medical review team or a determination of eligibility for Supplemental Security Income or Social Security Disability Insurance by the Social Security Administration;

(2) fail to meet the requirements of section 256L.09, subdivision 2;

(3) are homeless as defined by United States Code, title 42, section 11301, et seq.;

(4) are classified as end-stage renal disease beneficiaries in the Medicare program;

(5) are enrolled in private health care coverage as defined in section 256B.02, subdivision 9;

(6) are eligible under paragraph (k);

(7) receive treatment funded pursuant to section 254B.02; or

(8) reside in the Minnesota sex offender program defined in chapter 246B.

(g) For applications received on or after October 1, 2003, eligibility may begin no earlier than the date of application. For individuals eligible under paragraph (a), clause (2), item (i), a redetermination of eligibility must occur every 12 months. Individuals are eligible under

paragraph (a), clause (2), item (ii), only during inpatient hospitalization but may reapply if there is a subsequent period of inpatient hospitalization.

(h) Beginning September 1, 2006, Minnesota health care program applications and renewals completed by recipients and applicants who are persons described in paragraph (d) and submitted to the county agency shall be determined for MinnesotaCare eligibility by the county agency. If all other eligibility requirements of this subdivision are met, eligibility for general assistance medical care shall be available in any month during which MinnesotaCare enrollment is pending. Upon notification of eligibility for MinnesotaCare, notice of termination for eligibility for general assistance medical care shall be sent to an applicant or recipient. If all other eligibility requirements of this subdivision are met, eligibility for general assistance medical care shall be available until enrollment in MinnesotaCare subject to the provisions of paragraphs (d), (f), and (g).

(i) The date of an initial Minnesota health care program application necessary to begin a determination of eligibility shall be the date the applicant has provided a name, address, and Social Security number, signed and dated, to the county agency or the Department of Human Services. If the applicant is unable to provide a name, address, Social Security number, and signature when health care is delivered due to a medical condition or disability, a health care provider may act on an applicant's behalf to establish the date of an initial Minnesota health care program application by providing the county agency or Department of Human Services with provider identification and a temporary unique identifier for the applicant. The applicant must complete the remainder of the application and provide necessary verification before eligibility can be determined. The applicant must complete the application within the time periods required under the medical assistance program as specified in Minnesota Rules, parts 9505.0015, subpart 5, and 9505.0090, subpart 2. The county agency must assist the applicant in obtaining verification if necessary.

(j) County agencies are authorized to use all automated databases containing information regarding recipients' or applicants' income in order to determine eligibility for general assistance medical care or MinnesotaCare. Such use shall be considered sufficient in order to determine eligibility and premium payments by the county agency.

(k) General assistance medical care is not available for a person in a correctional facility unless the person is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, and the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

(l) General assistance medical care is not available for applicants or recipients who do not cooperate with the county agency to meet the requirements of medical assistance.

(m) In determining the amount of assets of an individual eligible under paragraph (a), clause (2), item (i), there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 60 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at

the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the county agency, or if the transfer was not reported, the month in which the county agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application.

(n) When determining eligibility for any state benefits under this subdivision, the income and resources of all noncitizens shall be deemed to include their sponsor's income and resources as defined in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, title IV, Public Law 104-193, sections 421 and 422, and subsequently set out in federal rules.

(o) Undocumented noncitizens and nonimmigrants are ineligible for general assistance medical care. For purposes of this subdivision, a nonimmigrant is an individual in one or more of the classes listed in United States Code, title 8, section 1101, subsection (a), paragraph (15), and an undocumented noncitizen is an individual who resides in the United States without the approval or acquiescence of the United States Citizenship and Immigration Services.

(p) Notwithstanding any other provision of law, a noncitizen who is ineligible for medical assistance due to the deeming of a sponsor's income and resources, is ineligible for general assistance medical care.

(q) Effective July 1, 2003, general assistance medical care emergency services end.

Sec. 3. Minnesota Statutes 2008, section 256L.04, subdivision 7b, is amended to read:

Subd. 7b. **Annual income limits adjustment.** The commissioner shall adjust the income limits under this section each July 1 by the annual update of the federal poverty guidelines following publication by the United States Department of Health and Human Services except that the income standards shall not go below those in effect on July 1, 2009."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "state;" insert "income standards for eligibility; prepaid health plans;"

Amend the title numbers accordingly

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

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 3147: A bill for an act relating to health occupation; requiring license revocation for chiropractors convicted of a felony-level criminal sexual conduct offense; amending Minnesota

Statutes 2008, section 148.10, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 3099: A bill for an act relating to public health; reducing human exposure to arsenic; prohibiting sale and purchase of certain products containing arsenic; proposing coding for new law in Minnesota Statutes, chapter 25.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Agriculture and Veterans. Report adopted.

Senator Marty from the Committee on Health, Housing and Family Security, to which was re-referred

S.F. No. 2139: A bill for an act relating to health; requiring coverage for orthotic and prosthetic devices; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Delete everything after the enacting clause and insert:

"Section 1. **[62A.251] COVERAGE FOR ORTHOTIC AND PROSTHETIC DEVICES.**

Subdivision 1. **Definitions.** The following definitions have the meanings given for purposes of this section.

(a) "Prosthesis" means an external medical device that is not surgically implanted and that is used to replace a missing limb, appendage, or other external human body part including an artificial limb, hand, or foot, and is deemed medically necessary by a prescribing physician or licensed health care prescriber who has authority in this state to prescribe orthotic and prosthetic devices, supplies, and services. For purposes of this section, prosthesis includes any repair or replacement of the device and may be furnished only by an accredited facility in comprehensive prosthetic services, or a credentialed clinician who is certified or licensed.

(b) "Prosthetics" means the science and practice of evaluation, measuring, designing, fabricating, assembling, fitting, aligning, adjusting, or servicing, as well as providing the initial training necessary to accomplish the fitting of, a prosthesis through the replacement of external parts of a human body lost due to amputation or congenital deformities or absences. The practice of prosthetics also includes the generation of an image, form, or mold that replicates the patient's body segment and that requires rectification of dimensions, contours, and volumes for use in the design and fabrication of a socket to accept a residual anatomic limb to, in turn, create an artificial appendage that is designed either to support body weight or to improve or restore function or anatomical appearance, or both. Involved in the practice of prosthetics is observational gait analysis and clinical assessment of the requirements necessary to refine and mechanically fix the relative position of various parts of the prosthesis to maximize function, stability, and safety of the patient. The practice of prosthetics includes providing and continuing patient care in order to

assess the prosthetic device's effect on the patient's tissues and to assure proper fit and function of the prosthetic device by periodic evaluation.

(c) "Orthosis" means:

(1) an external medical device that is custom-fabricated or custom-fitted to a specific patient based on the patient's unique physical condition and is applied to a part of the body to correct a deformity, provide support and protection, restrict motion, improve function, or relieve symptoms of a disease, syndrome, injury, or postoperative condition and is deemed medically necessary by a prescribing physician or licensed health care prescriber who has authority in this state to prescribe orthotic and prosthetic devices, supplies, and services; and

(2) any repair or replacement of the device that is furnished by an accredited facility in comprehensive orthotic services, or by a credentialed clinician who is certified or licensed.

(d) "Orthotics" means:

(1) the science and practice of evaluating, measuring, designing, fabricating, assembling, fitting, adjusting, or servicing and providing the initial training necessary to accomplish the fitting of an orthotic device for the support, correction, or alleviation of a neuromuscular or musculoskeletal dysfunction, disease, injury, or deformity;

(2) evaluation, treatment, and consultation;

(3) basic observation of gait and postural analysis;

(4) assessing and designing orthosis to maximize function and provide support and alignment necessary to prevent or correct a deformity or to improve the safety and efficiency of mobility and locomotion;

(5) continuing patient care to assess the effect on the patient's tissues; and

(6) proper fit and function of the orthotic device by periodic evaluation.

(e) "Accredited facility" means any entity that is accredited by the American Board for Certification in Orthotics Prosthetics and Pedorthics (ABC), by the Board for Orthotist/Prosthetist Certification (BOC), by the Joint Commission (JC), or by the Commission on Accreditation of Rehabilitation Facilities (CARF) and that provides comprehensive orthotic and prosthetic devices or services.

Subd. 2. **Coverage.** (a) A health plan shall provide coverage for orthotic and prosthetic devices, supplies, and services to the extent that coverage is provided under federal laws for health insurance for the aged and disabled under sections 1832, 1833, 1834, Social Security Act (United States Code, title 42, sections 1395k, 1395l, and 1395m), but only to the extent consistent with this section. Coverage may be limited to the orthotic or prosthetic devices, supplies, and services that are the most appropriate model that is determined medically necessary by the prescribing physician or licensed health care prescriber who has authority in this state to prescribe orthotic and prosthetic devices, supplies, and services, and includes the design, fabrication, material and component selection, and measurements, fittings, static and dynamic alignments and device maintenance, including repair of the device to restore or maintain the ability to complete activities of daily living and essential job-related activities and that is not solely for comfort, convenience, or recreation.

(b) Orthotic and prosthetic device coverage under this section may only be subject to the annual or lifetime dollar maximum that applies generally to all terms and services covered under the plan.

(c) Reimbursement for orthotic and prosthetic devices, supplies, and services must be equal to the reimbursement of other contracted medical services between an accredited provider and a health plan or state-funded medical insurance plan.

(d) Coverage for orthotic and prosthetic devices, supplies, and services must not be subject to any limitations for preexisting conditions.

(e) Coverage for orthotic and prosthetic devices, supplies, and services must include complex and emerging technologies as well as standards of care, as deemed medically necessary and acceptable to the covered individual, pursuant to the prescribing provider's professional judgment provided that the technology and standards of care comply with accepted treatment modalities.

Subd. 3. **Prior authorization.** A health plan may require prior authorization for orthotic and prosthetic devices, supplies, and services in the same manner and to the same extent as prior authorization is required for any other covered benefit.

Subd. 4. **Repair or replacement.** The coverage under this section shall include repair or replacement of an orthotic or prosthetic device that is medically necessary by a prescribing physician or licensed health care provider who has the authority in this state to prescribe orthotic and prosthetic devices, supplies, and services to restore or maintain the ability to complete activities of daily living or essential job-related activities and that is not solely for comfort, convenience, or recreation. Repair or replacement due to the covered individual's neglect, misuse, or abuse is not covered.

Subd. 5. **Accredited provider.** Orthotic and prosthetic devices, supplies, and services must be provided by an accredited provider in comprehensive orthotic or prosthetic services and prescribed by a licensed physician or licensed health care provider who has the authority in this state to prescribe orthotic and prosthetic devices, supplies, and services.

Sec. 2. **EFFECTIVE DATE.**

This act is effective August 1, 2010, and applies to all health plans issued or renewed to provide coverage for Minnesota residents on or after that date."

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

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 2912: A bill for an act relating to human services; amending children's mental health policy provisions; making a technical change to community health workers; amending Minnesota Statutes 2008, section 260C.157, subdivision 3; Minnesota Statutes 2009 Supplement, sections 245.4885, subdivisions 1, 1a; 256B.0625, subdivision 49; 256B.0943, subdivision 9.

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

Page 6, after line 8, insert:

"Sec. 5. Minnesota Statutes 2008, section 256B.761, is amended to read:

256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.

(a) Effective for services rendered on or after July 1, 2001, payment for medication management provided to psychiatric patients, outpatient mental health services, day treatment services, home-based mental health services, and family community support services shall be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the 50th percentile of 1999 charges.

(b) Effective July 1, 2001, the medical assistance rates for outpatient mental health services provided by an entity that operates: (1) a Medicare-certified comprehensive outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1, 1993, with at least 33 percent of the clients receiving rehabilitation services in the most recent calendar year who are medical assistance recipients, will be increased by 38 percent, when those services are provided within the comprehensive outpatient rehabilitation facility and provided to residents of nursing facilities owned by the entity.

(c) The commissioner shall establish three levels of payment for mental health diagnostic assessment, based on three levels of complexity. The aggregate payment under the tiered rates must not exceed the projected aggregate payments for mental health diagnostic assessment under the previous single rate. The new rate structure is effective January 1, 2011, or upon federal approval, whichever is later.

Page 7, line 29, before "chemical" insert "co-occurring emotional disturbance and"

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 3083: A bill for an act relating to human services; providing county mandate relief; repealing diversionary work program and family stabilization services; making technical and conforming changes; modifying the Children and Community Services Act plan; amending Minnesota Statutes 2008, sections 119B.011, subdivision 20; 119B.03, subdivisions 3, 4; 256J.08, subdivision 65; 256J.626, subdivisions 2, 3; 256J.751, subdivision 2; 256M.01; 256M.30, subdivisions 1, 5; 256M.80, subdivision 2; 393.07, subdivision 10a; Minnesota Statutes 2009 Supplement, section 256J.621; repealing Minnesota Statutes 2008, sections 119B.011, subdivision 10a; 256J.08, subdivision 24b; 256J.575, subdivisions 1, 2, 5, 8; 256J.95, subdivisions 1, 2, 4, 5, 6, 7, 8, 9, 10, 14, 15, 16, 17, 18, 19; Minnesota Statutes 2009 Supplement, sections 256J.575, subdivisions 3, 4, 6, 7; 256J.95, subdivisions 3, 11, 12, 13.

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

Page 1, delete lines 15 and 16

Page 2, delete sections 5 and 6

Page 3, delete section 7

Page 3, delete article 2

Amend the title as follows:

Page 1, line 2, delete "repealing"

Page 1, delete line 3

Page 1, line 4, delete everything before "modifying"

Amend the title numbers accordingly

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

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 2974: A bill for an act relating to health; amending provisions for electronic health record technology; providing for administrative penalties; appropriating money; amending Minnesota Statutes 2009 Supplement, section 62J.495, subdivisions 1a, 3; proposing coding for new law in Minnesota Statutes, chapter 62J.

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

Page 2, after line 34, insert:

"Sec. 3. Minnesota Statutes 2009 Supplement, section 62J.497, subdivision 4, is amended to read:

Subd. 4. **Development and use of uniform formulary exception form.** (a) The commissioner of health, in consultation with the Minnesota Administrative Uniformity Committee, shall develop by July 1, 2009, a uniform formulary exception form that allows health care providers to request exceptions from group purchaser formularies using a uniform form. Upon development of the form, all health care providers must submit requests for formulary exceptions using the uniform form, and all group purchasers must accept this form from health care providers.

(b) No later than January 1, 2011, the uniform formulary exception form must be accessible and submitted by health care providers, and accepted and processed by group purchasers, through secure electronic transmissions. ~~Facsimile shall not be considered secure electronic transmissions.~~

Sec. 4. Minnesota Statutes 2009 Supplement, section 62J.497, subdivision 5, is amended to read:

Subd. 5. **Electronic drug prior authorization standardization and transmission.** (a) The commissioner of health, in consultation with the Minnesota e-Health Advisory Committee and the Minnesota Administrative Uniformity Committee, shall, by February 15, 2010, identify an outline on how best to standardize drug prior authorization request transactions between providers and group purchasers with the goal of maximizing administrative simplification and efficiency in preparation for electronic transmissions.

(b) By January 1, 2014, the Minnesota Administrative Uniformity Committee shall develop the

standard companion guide by which providers and group purchasers will exchange standard drug authorization requests using electronic data interchange standards, if available, with the goal of alignment with standards that are or will potentially be used nationally.

(c) No later than January 1, ~~2011~~ 2015, drug prior authorization requests must be accessible and submitted by health care providers, and accepted by group purchasers, electronically through secure electronic transmissions. Facsimile shall not be considered electronic transmission."

Page 6, after line 2, insert:

"(c) Members of the Health Information Exchange Oversight Board shall not be employed by, or serve on the board of directors of any entity subject to oversight by the board. No member of the oversight board may participate in deliberations or vote on any matter before the board that will or is likely to result in direct measurable economic gain to the member or to the member's employer. The Health Information Exchange Oversight Board shall develop a conflict of interest policy that allows the Health Information Exchange Oversight Board to:

- (1) perform its duties with professionalism and integrity;
- (2) maintain the public's confidence and trust; and
- (3) avoid all real or potential conflicts of interest and situations that give the appearance of a conflict of interest."

Page 6, line 3, delete "(c)" and insert "(d)"

Page 6, line 9, delete "(d)" and insert "(e)"

Page 6, line 12, delete "(e)" and insert "(f)"

Page 6, after line 16, insert:

"(g) The Health Information Exchange Oversight Board may disclose data classified as protected nonpublic or confidential under this paragraph if the Health Information Exchange Oversight Board and the commissioner jointly determine that disclosing the data will protect the health or safety of patients."

Page 6, line 17, delete "(f)" and insert "(h)"

Page 6, delete lines 21 to 24

Page 7, line 25, delete "transaction"

Page 7, line 26, delete "necessary to support" and insert "for the transmission of"

Page 9, line 18, after "plan" insert "to the Health Information Exchange Oversight Board"

Page 12, line 9, after "the" insert "commissioner in consultation with the"

Page 14, delete lines 15 to 17

Page 14, line 18, delete "(5)" and insert "(4)"

Page 14, line 20, delete "(6)" and insert "(5)"

Page 14, line 23, delete "(7)" and insert "(6)"

Page 14, line 26, delete "(8)" and insert "(7)"

Page 14, line 28, delete "organizations" and insert "exchange service providers"

Page 15, line 19, delete "or" and insert a comma and after "revocation" insert ", or administrative penalty"

Page 15, line 26, delete "amount" and insert "nature and/or amount"

Page 16, line 4, delete "legislature" and insert "chairs of the senate and house of representatives committees having jurisdiction over health information policy issues"

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

H.F. No. 3111 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				3111	2622

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 3111 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3111, the first engrossment; and insert the language after the enacting clause of S.F. No. 2622, the second engrossment; further, delete the title of H.F. No. 3111, the first engrossment; and insert the title of S.F. No. 2622, the second engrossment.

And when so amended H.F. No. 3111 will be identical to S.F. No. 2622, and further recommends that H.F. No. 3111 be given its second reading and substituted for S.F. No. 2622, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2639, 2927, 2822, 184, 2616, 2847, 2846, 2852, 2465, 2549, 2722, 2470, 2559, 2855, 2946, 987, 2494, 3009, 2185, 3027 and 2912 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 3111 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Olseen introduced—

S.F. No. 3148: A bill for an act relating to taxation; property; electric generation facility; modifying the in-lieu payment agreement; amending Minnesota Statutes 2009 Supplement, section 272.02, subdivision 92.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senator Vickerman introduced—

S.F. No. 3149: A bill for an act relating to local government; regulating subdivision development contracts; amending Minnesota Statutes 2008, section 462.358, subdivision 2a.

Referred to the Committee on State and Local Government Operations and Oversight.

Senators Olseen and Erickson Ropes introduced—

S.F. No. 3150: A bill for an act relating to veterans; appropriating money for grants to counties for county veterans service officer interns.

Referred to the Committee on Finance.

Senator Tomassoni introduced—

S.F. No. 3151: A bill for an act relating to occupations and professions; modifying deposit requirements for cosmetology license payments; amending Minnesota Statutes 2009 Supplement, section 155A.25, subdivision 1.

Referred to the Committee on Finance.

Senator Rest introduced—

S.F. No. 3152: A bill for an act relating to judicial selection; requiring merit selection for all justices and judges; modifying certain requirements related to the Commission on Judicial Selection; amending Minnesota Statutes 2008, section 480B.01, subdivisions 1, 2, 3, 4, 11.

Referred to the Committee on State and Local Government Operations and Oversight.

Senator Rest introduced–

S.F. No. 3153: A bill for an act relating to education finance; clarifying that a school district is not required to provide educational services to students without disabilities from other states; amending Minnesota Statutes 2008, section 125A.515.

Referred to the Committee on Finance.

Senator Limmer introduced–

S.F. No. 3154: A bill for an act relating to motor vehicles; authorizing issuance of special veterans plates for recipient of silver star or bronze star; amending Minnesota Statutes 2008, section 168.123, subdivisions 1, 2.

Referred to the Committee on Transportation.

Senators Johnson and Gerlach introduced–

S.F. No. 3155: A bill for an act relating to commerce; authorizing use and sale of incandescent light bulbs manufactured in Minnesota; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce and Consumer Protection.

Senator Murphy introduced–

S.F. No. 3156: A bill for an act relating to transportation; appropriating funds for State Patrol tax compliance and vehicle crimes investigations; amending Laws 2009, chapter 36, article 1, sections 1; 5, subdivisions 1, 3.

Referred to the Committee on Finance.

Senator Gerlach introduced–

S.F. No. 3157: A bill for an act relating to elections; allowing corporations to make independent expenditures; amending Minnesota Statutes 2008, sections 10A.12, subdivision 5; 10A.27, subdivision 13; 211B.01, subdivision 3; 211B.15, subdivisions 2, 3, 17; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 2008, section 72A.12, subdivision 5.

Referred to the Committee on State and Local Government Operations and Oversight.

Senator Vandever introduced–

S.F. No. 3158: A bill for an act relating to game and fish; modifying issuing fees; amending Minnesota Statutes 2008, section 97A.485, subdivision 6.

Referred to the Committee on Finance.

Senator Saxhaug introduced–

S.F. No. 3159: A bill for an act relating to game and fish; removing deer, moose, and elk stand height restrictions; amending Minnesota Statutes 2008, section 97B.325; repealing Minnesota Statutes 2008, sections 97B.511; 97B.515, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Senators Sheran, Latz and Rest introduced–

S.F. No. 3160: A bill for an act relating to state lands; authorizing conveyance of certain surplus state land; authorizing acquisition of certain land.

Referred to the Committee on Environment and Natural Resources.

Senator Jungbauer introduced–

S.F. No. 3161: A bill for an act relating to transportation; appropriating money or reducing appropriations for certain transportation, Metropolitan Council, and public safety activities or programs; modifying provisions relating to transportation projects, contracts, and a highway emergency relief account; repealing provisions regulating the transportation of hazardous materials; amending Minnesota Statutes 2008, sections 161.04, by adding a subdivision; 161.3426, subdivision 3, by adding a subdivision; 174.02, by adding subdivisions; repealing Minnesota Statutes 2008, sections 13.721, subdivision 4; 221.0355, subdivisions 1, 2, 3, 4, 5, 6, 7, 7a, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18.

Referred to the Committee on Finance.

Senator Fischbach introduced–

S.F. No. 3162: A bill for an act relating to environment; providing for property acquisition from petroleum tank fund proceeds; amending Minnesota Statutes 2008, section 115C.08, subdivision 1; Minnesota Statutes 2009 Supplement, section 115C.08, subdivision 4.

Referred to the Committee on Environment and Natural Resources.

Senator Moua introduced–

S.F. No. 3163: A bill for an act relating to data practices; classifying data received from law enforcement agencies in other states; proposing coding for new law in Minnesota Statutes, chapter 13.

Referred to the Committee on Judiciary.

Senator Murphy introduced–

S.F. No. 3164: A bill for an act relating to public safety; corrections; establishing guidelines for administration and funding of sentence to service programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 631.

Referred to the Committee on Judiciary.

Senator Vickerman introduced—

S.F. No. 3165: A bill for an act relating to the operation of state government; agriculture and veterans affairs; changing certain appropriations; requiring tree care and tree trimming company registration; changing and clarifying certain programs; appropriating money; amending Minnesota Statutes 2008, section 18G.07; Minnesota Statutes 2009 Supplement, sections 190.19, subdivision 2a; 198.003, subdivision 4a; Laws 2007, chapter 45, article 1, section 3, subdivisions 4, as amended, 5, as amended; Laws 2009, chapter 94, article 1, section 3, subdivision 5; article 3, section 2, subdivision 3.

Referred to the Committee on Finance.

Senator Skoe introduced—

S.F. No. 3166: A resolution urging Congress to adopt legislation delaying certain regulation of greenhouse gas emissions.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senators Lourey, Olseen, Robling, Vickerman and Gerlach introduced—

S.F. No. 3167: A bill for an act relating to local government; providing for town meeting minutes; amending Minnesota Statutes 2008, section 365.55.

Referred to the Committee on State and Local Government Operations and Oversight.

Senators Senjem, Hann and Rosen introduced—

S.F. No. 3168: A bill for an act relating to greenhouse gas emissions; repealing a prohibition on constructing coal plants or importing electricity generated from coal unless a statewide plan to reduce greenhouse gas emissions from electricity generation is enacted; amending Minnesota Statutes 2008, section 216H.02, subdivision 4; repealing Minnesota Statutes 2008, section 216H.03.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senator Jungbauer introduced—

S.F. No. 3169: A bill for an act relating to transportation; requiring consultation by Minnesota Department of Transportation on roundabout design; amending Minnesota Statutes 2008, section 161.162, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 161.

Referred to the Committee on Transportation.

Senators Ortman; Olson, G.; Dille and Robling introduced—

S.F. No. 3170: A bill for an act relating to economic development; expanding the economic

development grant program to certain small cities in the metropolitan area; amending Minnesota Statutes 2008, section 116J.431, subdivision 1.

Referred to the Committee on Finance.

Senators Wiger and Stumpf introduced–

S.F. No. 3171: A bill for an act relating to education; requiring legislative authority for developing shared common assessments; amending Minnesota Statutes 2009 Supplement, section 120B.30, subdivision 1.

Referred to the Committee on Education.

Senators Anderson, Olseen, Carlson, Doll and Dibble introduced–

S.F. No. 3172: A bill for an act relating to energy; amending size threshold for certain small energy generation projects; amending Minnesota Statutes 2008, section 216B.164, subdivisions 3, 4, 6.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senators Ortman, Hann, Saltzman and Olson, G. introduced–

S.F. No. 3173: A bill for an act relating to education; authorizing charter schools to borrow money; creating obligations for debt repayment; amending Minnesota Statutes 2008, sections 126C.52, by adding a subdivision; 126C.53; proposing coding for new law in Minnesota Statutes, chapter 126C.

Referred to the Committee on Finance.

Senators Gerlach, Vickerman, Sparks, Murphy and Scheid introduced–

S.F. No. 3174: A bill for an act relating to liquor; amending license fees for manufacturers; amending Minnesota Statutes 2008, section 340A.301, subdivision 6.

Referred to the Committee on Commerce and Consumer Protection.

Senator Anderson introduced–

S.F. No. 3175: A bill for an act relating to indoor air quality; requiring indoor ice arenas to have electronic air monitoring devices; requiring that grants to construct and renovate indoor ice arenas require an electronic air monitoring device in the facility; requiring reports; amending Minnesota Statutes 2008, sections 144.1222, by adding a subdivision; 240A.09.

Referred to the Committee on Environment and Natural Resources.

Senators Murphy, Skogen, Erickson Ropes, Dille and Skoe introduced–

S.F. No. 3176: A bill for an act relating to transportation; making various clarifying and technical changes related to financial assistance for public transit; establishing requirements

governing federal aid; modifying requirements governing local share of transit provider operating costs; amending reporting requirements; amending Minnesota Statutes 2008, sections 174.22, by adding a subdivision; 174.23, subdivision 1; 174.24, subdivisions 2, 3, 3b, by adding a subdivision; 174.247; Minnesota Statutes 2009 Supplement, section 174.24, subdivision 5.

Referred to the Committee on Finance.

Senators Ingebrigtsen, Pariseau and Skogen introduced—

S.F. No. 3177: A bill for an act relating to game and fish; limiting number of experimental and special management waters designated for northern pike; proposing coding for new law in Minnesota Statutes, chapter 97C.

Referred to the Committee on Environment and Natural Resources.

Senators Ingebrigtsen, Pariseau, Skogen and Stumpf introduced—

S.F. No. 3178: A bill for an act relating to game and fish; eliminating dark house spearing license; amending Minnesota Statutes 2008, sections 97A.441, subdivision 1; 97A.475, subdivision 6; 97C.301, subdivision 3; Minnesota Statutes 2009 Supplement, sections 97A.473, subdivision 1; 97A.4742, subdivision 1; 97A.475, subdivision 7; repealing Minnesota Statutes 2008, section 97A.451, subdivision 7; Minnesota Statutes 2009 Supplement, section 97A.473, subdivisions 2a, 2b, 5a.

Referred to the Committee on Environment and Natural Resources.

Senators Dibble, Higgins, Murphy, Berglin and Foley introduced—

S.F. No. 3179: A bill for an act relating to finance; establishing an alcohol use health and safety impact fund; imposing an impact fee; providing for interfund transfers; proposing coding for new law in Minnesota Statutes, chapters 16A; 297G.

Referred to the Committee on Commerce and Consumer Protection.

Senator Sparks introduced—

S.F. No. 3180: A bill for an act relating to alcohol; allowing malt liquor or spirits tastings; amending Minnesota Statutes 2008, section 340A.419, as amended.

Referred to the Committee on Commerce and Consumer Protection.

Senator Hann introduced—

S.F. No. 3181: A bill for an act relating to education; prohibiting participation in Race to the Top grant program.

Referred to the Committee on Education.

Senator Dibble introduced—

S.F. No. 3182: A bill for an act relating to energy; requiring Public Utility Commission's decisions to further goals of state energy efficiency and renewable energy; modifying showings required in certificate of need process; requiring a study; amending Minnesota Statutes 2008, sections 216B.03; 216B.16, subdivision 3; 216B.243, subdivisions 3, 3a, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senator Torres Ray introduced—

S.F. No. 3183: A bill for an act relating to early childhood education; modifying child care assistance provider rates; amending Minnesota Statutes 2008, section 119B.13, subdivision 3a.

Referred to the Committee on Finance.

Senator Saxhaug introduced—

S.F. No. 3184: A bill for an act relating to state lands; authorizing public and private sales of certain tax-forfeited land.

Referred to the Committee on Environment and Natural Resources.

Senator Saxhaug introduced—

S.F. No. 3185: A bill for an act relating to finance; providing a grant for a proposed plasma-biomass plant in Lake of the Woods County; appropriating money.

Referred to the Committee on Finance.

Senator Skoe introduced—

S.F. No. 3186: A bill for an act relating to veterans; authorizing placement of a plaque in the court of honor on the Capitol grounds to honor American Indian veterans from this state.

Referred to the Committee on State and Local Government Operations and Oversight.

Senator Skoe introduced—

S.F. No. 3187: A bill for an act relating to game and fish; requiring landowner notification of traps and snares in certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 97B.

Referred to the Committee on Environment and Natural Resources.

Senator Koering introduced—

S.F. No. 3188: A bill for an act relating to human services; providing a rate increase for an ICF/MR facility in Morrison County.

Referred to the Committee on Finance.

Senator Wiger introduced—

S.F. No. 3189: A bill for an act relating to education; including open-ended items on statewide high school assessments; amending Minnesota Statutes 2009 Supplement, section 120B.30, subdivision 1.

Referred to the Committee on Education.

Senator Rummel introduced—

S.F. No. 3190: A bill for an act relating to public officials; changing a definition in the campaign finance and public disclosure law; amending Minnesota Statutes 2009 Supplement, section 10A.01, subdivision 35.

Referred to the Committee on State and Local Government Operations and Oversight.

Senators Cohen, Erickson Ropes, Moua, Marty and Bakk introduced—

S.F. No. 3191: A bill for an act proposing an amendment to the Minnesota Constitution, article I, by adding a section; providing for sexual equality under the law.

Referred to the Committee on Judiciary.

Senators Gimse and Ingebrigtsen introduced—

S.F. No. 3192: A bill for an act relating to motor vehicles; authorizing issuance of special retired emergency medical technician license plates; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

Senators Gimse and Ingebrigtsen introduced—

S.F. No. 3193: A bill for an act relating to motor vehicles; authorizing issuance of special retired firefighter license plates; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

Senator Foley introduced—

S.F. No. 3194: A bill for an act relating to public safety; making the crime of criminal abuse of a vulnerable adult a registrable offense under the predatory offender registration law; amending Minnesota Statutes 2009 Supplement, section 243.166, subdivision 1b.

Referred to the Committee on Judiciary.

Senator Foley introduced–

S.F. No. 3195: A bill for an act relating to public safety; increasing the criminal penalty for assaulting a vulnerable adult; providing criminal penalties; amending Minnesota Statutes 2008, sections 609.2231, by adding a subdivision; 609.224, subdivision 2.

Referred to the Committee on Judiciary.

Senator Erickson Ropes introduced–

S.F. No. 3196: A bill for an act relating to game and fish; modifying disability level for veterans receiving licenses without a fee; amending Minnesota Statutes 2008, section 97A.441, subdivisions 5, 6, 6a.

Referred to the Committee on Environment and Natural Resources.

Senators Koch, Johnson, Ortman, Limmer and Senjem introduced–

S.F. No. 3197: A bill for an act relating to taxation; individual income and property tax refund; providing a checkoff for general fund contributions; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes.

Senator Tomassoni introduced–

S.F. No. 3198: A bill for an act relating to employment; providing new requirements for employers in the early warning system; applying new penalties for any employer failing to comply with the Worker Adjustment and Retraining Notification Act, United States Code, title 29, section 2101; enhancing oversight authority to the commissioner of employment and economic development; amending Minnesota Statutes 2008, sections 116J.035, by adding subdivisions; 116L.976, subdivision 1, by adding a subdivision; repealing Minnesota Statutes 2008, section 181.74, subdivision 1.

Referred to the Committee on Business, Industry and Jobs.

Senator Berglin introduced–

S.F. No. 3199: A bill for an act relating to human services; modifying the commissioner's duties related to the state medical review team; amending Minnesota Statutes 2009 Supplement, section 256.01, subdivision 29.

Referred to the Committee on Health, Housing and Family Security.

Senator Berglin introduced–

S.F. No. 3200: A bill for an act relating to finance; establishing an alcohol health and judicial impact fund; imposing an alcohol health and judicial impact fee; amending Minnesota Statutes 2008, sections 295.75, subdivisions 2, 11; 297G.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 16A; 297G.

Referred to the Committee on Commerce and Consumer Protection.

Senators Berglin and Rosen introduced—

S.F. No. 3201: A bill for an act relating to health; establishing a controlled substances registration; modifying the controlled substances prescription electronic reporting system; appropriating money; amending Minnesota Statutes 2008, sections 152.01, by adding a subdivision; 152.10; 152.11, subdivisions 1, 2, 2a, 2b, 2c, 2d; 152.12, subdivisions 1, 2, 3; 152.125, subdivisions 2, 3, 4; 152.126, as amended; repealing Minnesota Statutes 2008, section 152.12, subdivisions 4, 5.

Referred to the Committee on Health, Housing and Family Security.

Senators Murphy, Jungbauer, Dibble and Carlson introduced—

S.F. No. 3202: A bill for an act relating to traffic regulations; providing that pedestrian bypassing railroad signal is unlawful; imposing a penalty; amending Minnesota Statutes 2008, section 169.26, by adding a subdivision.

Referred to the Committee on Transportation.

Senators Lourey, Skogen, Fobbe and Chaudhary introduced—

S.F. No. 3203: A bill for an act relating to natural resources; providing for private use registration for snowmobiles; amending Minnesota Statutes 2008, section 84.82, subdivision 3, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Senator Sparks introduced—

S.F. No. 3204: A bill for an act relating to commerce; regulating fraternal benefit society risk-based capital; making adjustments to dollar amounts as required by state law; providing a method to periodically update Minnesota Statutes to reflect the current dollar amounts as adjusted; amending Minnesota Statutes 2008, sections 47.59, subdivisions 3, 6; 56.12; 56.125, subdivision 2; 56.131, subdivisions 2, 6; 64B.19, by adding a subdivision; 325G.22, subdivision 1; 510.02, subdivision 1; 550.37, subdivisions 4, 4a, 6, 10, 12a, 23, 24; proposing coding for new law in Minnesota Statutes, chapter 64B.

Referred to the Committee on Commerce and Consumer Protection.

Senator Bonoff introduced—

S.F. No. 3205: A bill for an act relating to higher education; providing information on textbook prices to students; amending Minnesota Statutes 2008, sections 135A.25, by adding a subdivision; 136F.58, by adding a subdivision.

Referred to the Committee on Higher Education.

Senators Koch, Fischbach, Vandever and Pariseau introduced—

S.F. No. 3206: A bill for an act relating to economic development; expanding the Minnesota investment fund; removing a restriction on construction mitigation pilot program grants; amending Minnesota Statutes 2008, section 116J.8731, subdivisions 1, 4; Minnesota Statutes 2009 Supplement, section 116J.8731, subdivision 3; Laws 2009, chapter 78, article 1, section 3, subdivision 2.

Referred to the Committee on Finance.

Senator Lourey introduced—

S.F. No. 3207: A bill for an act relating to human services; modifying definitions in sex offender program; amending Minnesota Statutes 2008, section 246B.01, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 246B.01, subdivisions 1a, 1b, 2a, 2d; 246B.02; 246B.03, subdivisions 2, 3; 246B.04, subdivision 3; 246B.05, subdivision 1; 246B.06, subdivisions 1, 6, 7, 8; 246B.07, subdivisions 1, 2; 246B.08; 246B.09; 246B.10.

Referred to the Committee on Judiciary.

Senator Lourey introduced—

S.F. No. 3208: A bill for an act relating to health; modifying definition of approved accrediting organization; amending Minnesota Statutes 2008, section 144.55, subdivision 2.

Referred to the Committee on Health, Housing and Family Security.

Senator Higgins introduced—

S.F. No. 3209: A bill for an act relating to public safety; enacting Minnesota Homeland Security and Emergency Management Act of 2010; making administrative, programmatic, technical, and clarifying changes; amending Minnesota Statutes 2008, sections 12.01; 12.02; 12.03, subdivisions 1a, 2a, 4, 10, by adding a subdivision; 12.04; 12.09; 12.13; 12.14; 12.21; 12.22, subdivision 1; 12.221; 12.24, subdivision 2; 12.25, subdivision 5; 12.27; 12.28; 12.29; 12.301; 12.31; 12.331; 12.34, subdivision 3; 12.35, subdivision 4; 12.38; 12.43.

Referred to the Committee on Judiciary.

Senator Chaudhary introduced—

S.F. No. 3210: A bill for an act relating to natural resources; modifying provisions for wetland value replacement plans; amending Minnesota Statutes 2008, section 103G.2242, subdivisions 2a, 9, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Senators Marty, Sieben, Fobbe and Torres Ray introduced—

S.F. No. 3211: A bill for an act relating to open meetings; requiring open meetings to be recorded and made available to the general public; proposing coding for new law in Minnesota Statutes,

chapter 13D.

Referred to the Committee on State and Local Government Operations and Oversight.

Senators Marty and Torres Ray introduced–

S.F. No. 3212: A bill for an act relating to health; preserving the effectiveness of medically important antibiotics used in the treatment of human and animal diseases; prohibiting the disposal of prescription drugs containing antibiotics; prohibiting the nontherapeutic use of animal feed containing certain antibiotics; establishing a surcharge on all commercial feeds sold that contain antibiotics; requiring a label on prescription drugs containing antibiotics; amending Minnesota Statutes 2008, sections 25.33, by adding subdivisions; 151.212, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 25; 115.

Referred to the Committee on Health, Housing and Family Security.

Senator Sparks introduced–

S.F. No. 3213: A bill for an act relating to commerce; requiring debit cards to be issued as PIN-based cards and transactions made with those cards to be processed as PIN-based transactions; providing a moratorium on implementation of certain standards; proposing coding for new law in Minnesota Statutes, chapter 47.

Referred to the Committee on Commerce and Consumer Protection.

Senators Hann and Olson, G. introduced–

S.F. No. 3214: A bill for an act relating to education; authorizing the Board of Teaching to amend its licensure rules to permit a tiered teacher licensure structure, revised institutional and program approval requirements, and revised special education licensure requirements; amending Minnesota Statutes 2009 Supplement, section 122A.09, subdivision 4.

Referred to the Committee on Education.

Senators Rest, Bonoff, Carlson and Murphy introduced–

S.F. No. 3215: A bill for an act relating to state government; establishing statewide telework requirements; proposing coding for new law in Minnesota Statutes, chapter 43A.

Referred to the Committee on State and Local Government Operations and Oversight.

Senator Dahle introduced–

S.F. No. 3216: A bill for an act relating to energy; providing for reporting and disclosure by certain propane dealers; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senator Rummel introduced–

S.F. No. 3217: A bill for an act relating to energy; directing Department of Commerce to adopt conservation improvement program standards pertaining to appliance efficiency jurisdictions; authorizing commissioner of commerce to allow appliances meeting certain efficiency standards to be eligible for participation in utility conservation improvement programs; amending Minnesota Statutes 2008, section 216B.241, by adding a subdivision.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senator Moua introduced–

S.F. No. 3218: A bill for an act relating to children; requiring appointment of a guardian ad litem in certain family law proceedings; providing for family screening and therapeutic management in cases involving parental allegations of sexual abuse; modifying provisions governing child maltreatment investigations; providing for a working group to develop screening tools; amending Minnesota Statutes 2008, sections 518.165, subdivision 2, by adding a subdivision; 626.556, subdivisions 10, 14; Minnesota Statutes 2009 Supplement, section 626.556, subdivision 2.

Referred to the Committee on Judiciary.

Senator Dibble introduced–

S.F. No. 3219: A bill for an act relating to energy; requiring electric utilities to annually submit informational smart grid development and implementation plans to Public Utilities Commission; amending Minnesota Statutes 2008, section 216B.16, by adding a subdivision.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senator Doll introduced–

S.F. No. 3220: A bill for an act relating to energy; modifying definition of energy efficiency to include ways to decrease consumption of delivered fuels; amending Minnesota Statutes 2008, section 216B.241, subdivision 1.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senator Doll introduced–

S.F. No. 3221: A bill for an act relating to energy; authorizing municipalities to make energy efficiency and renewable energy improvements; amending Minnesota Statutes 2008, section 429.021, subdivision 1.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senator Langseth introduced–

S.F. No. 3222: A bill for an act relating to capital investment; appropriating money for higher education asset preservation and replacement; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senator Cohen, for the Committee on Finance, introduced—

S.F. No. 3223: A bill for an act relating to the financing of state government; making supplemental appropriations and reductions in appropriations for higher education, environment and natural resources, energy, agriculture, veterans affairs, economic development, transportation, public safety, judiciary, and state government; modifying certain statutory provisions and laws; providing for certain programs; fixing and limiting fees; authorizing rulemaking; requiring reports; authorizing the sale of state bonds; increasing sentences for predatory sex offenders; appropriating money; amending Minnesota Statutes 2008, sections 15.06, subdivision 8; 16B.03; 43A.08, subdivision 1; 45.013; 80A.46; 80A.65, subdivision 1; 84.01, subdivision 3; 97A.061, subdivision 1; 116.03, subdivision 1; 116J.01, subdivision 5; 116J.035, subdivision 4; 136A.1701, subdivisions 4, 7; 136A.29, subdivision 9; 136A.69, subdivisions 1, 3, 4; 141.255; 161.04, by adding a subdivision; 174.02, subdivision 2; 241.01, subdivision 2; 297I.06, subdivision 3; 477A.12, subdivision 1; Minnesota Statutes 2009 Supplement, sections 45.30, subdivision 6; 136F.98, subdivision 1; Laws 2009, chapter 78, article 1, section 3, subdivision 2; Laws 2009, chapter 83, article 1, sections 10, subdivision 4; 11; Laws 2009, chapter 95, article 1, sections 3, subdivisions 6, 12, 21; 4, subdivision 4, as amended; 5, subdivision 2; repealing Minnesota Statutes 2008, sections 43A.08, subdivision 1b; 103G.705, subdivision 2; 136A.1701, subdivision 5; 136A.69, subdivision 2; 141.255, subdivision 3.

Referred to the Committee on Taxes.

MOTIONS AND RESOLUTIONS

Senator Clark moved that her name be stricken as chief author, shown as a co-author, and the name of Senator Michel be added as chief author to S.F. No. 487. The motion prevailed.

Senator Robling moved that her name be stricken as a co-author to S.F. No. 2226. The motion prevailed.

Senator Rest moved that the name of Senator Fobbe be added as a co-author to S.F. No. 2413. The motion prevailed.

Senator Marty moved that the name of Senator Erickson Ropes be added as a co-author to S.F. No. 2819. The motion prevailed.

Senator Jungbauer moved that the name of Senator Erickson Ropes be added as a co-author to S.F. No. 2847. The motion prevailed.

Senator Lourey moved that the name of Senator Erickson Ropes be added as a co-author to S.F. No. 2852. The motion prevailed.

Senator Sparks moved that the name of Senator Erickson Ropes be added as a co-author to S.F. No. 2857. The motion prevailed.

Senator Sheran moved that the name of Senator Erickson Ropes be added as a co-author to S.F. No. 2867. The motion prevailed.

Senator Sparks moved that the name of Senator Erickson Ropes be added as a co-author to S.F. No. 2964. The motion prevailed.

Senator Murphy moved that the name of Senator Erickson Ropes be added as a co-author to S.F. No. 2973. The motion prevailed.

Senator Bakk moved that the names of Senators Bonoff and Stumpf be added as co-authors to S.F. No. 2980. The motion prevailed.

Senator Marty moved that the name of Senator Erickson Ropes be added as a co-author to S.F. No. 3020. The motion prevailed.

Senator Ingebrigtsen moved that his name be stricken as a co-author to S.F. No. 3044. The motion prevailed.

Senator Prettner Solon moved that the name of Senator Rosen be added as a co-author to S.F. No. 3081. The motion prevailed.

Senator Senjem moved that the name of Senator Stumpf be added as a co-author to S.F. No. 3087. The motion prevailed.

Senator Wiger moved that the names of Senators Clark, Rummel and Olson, G. be added as co-authors to S.F. No. 3110. The motion prevailed.

Senator Rummel moved that the name of Senator Clark be added as a co-author to S.F. No. 3119. The motion prevailed.

Senator Skogen moved that the name of Senator Fobbe be added as a co-author to S.F. No. 3135. The motion prevailed.

Senator Berglin moved that S.F. No. 2337 be withdrawn from the Committee on Health, Housing and Family Security and re-referred to the Committee on Finance. The motion prevailed.

Senator Berglin moved that S.F. No. 3029 be withdrawn from the Committee on Health, Housing and Family Security and re-referred to the Committee on Finance. The motion prevailed.

Senator Saxhaug moved that S.F. No. 2691, No. 30 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Senator Bonoff introduced –

Senate Resolution No. 156: A Senate resolution honoring Sergeant Charles Schauss of the Minnetonka Police Department on the occasion of his retirement.

Referred to the Committee on Rules and Administration.

Senators Rest, Dibble, Bakk, Frederickson and Anderson introduced –

Senate Resolution No. 157: A Senate resolution supporting the extinguishing of all nonessential lighting for the hour between 8:30 and 9:30 p.m. on March 28, 2010, to conserve energy as part of Earth Hour and recognizing March 28, 2010, as Earth Hour Day in Minnesota.

Referred to the Committee on Rules and Administration.

Senator Dibble introduced –

Senate Resolution No. 158: A Senate resolution congratulating James C. Kemp for induction into the 2009 National 4-H Hall of Fame as an Excellence Honoree.

Referred to the Committee on Rules and Administration.

Senator Olseen moved that S.F. No. 2949 be withdrawn from the Committee on Finance and re-referred to the Committee on State and Local Government Operations and Oversight. The motion prevailed.

Senator Doll moved that S.F. No. 3095 be withdrawn from the Committee on Commerce and Consumer Protection, given a second reading, and placed on General Orders. The motion prevailed.

S.F. No. 3095 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

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

CONSENT CALENDAR

S.F. No. 2743: A bill for an act relating to health; modifying a hospital construction moratorium; amending Minnesota Statutes 2009 Supplement, section 144.551, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Kubly	Pappas	Sieben
Bakk	Fobbe	Langseth	Pariseau	Skoe
Berglin	Foley	Latz	Parry	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	Moua	Rummel	Vickerman
Dahle	Johnson	Murphy	Saltzman	Wiger
Dibble	Jungbauer	Olseen	Saxhaug	
Dille	Kelash	Olson, G.	Scheid	
Doll	Koch	Olson, M.	Senjem	
Erickson Ropes	Koering	Ortman	Sheran	

So the bill passed and its title was agreed to.

S.F. No. 2183: A bill for an act relating to highways; designating the Corporal Johnathan Benson

Memorial Highway in the city of North Branch; amending Minnesota Statutes 2008, section 161.14, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Kubly	Pappas	Sieben
Bakk	Fobbe	Langseth	Pariseau	Skoe
Berglin	Foley	Latz	Parry	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	Moua	Rummel	Vickerman
Dahle	Johnson	Murphy	Saltzman	Wiger
Dibble	Jungbauer	Olseen	Saxhaug	
Dille	Kelash	Olson, G.	Scheid	
Doll	Koch	Olson, M.	Senjem	
Erickson Ropes	Koering	Ortman	Sheran	

So the bill passed and its title was agreed to.

S.F. No. 2602: A bill for an act relating to eminent domain; providing for discharge of a portion of an easement acquired by condemnation; amending Minnesota Statutes 2008, section 117.225.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Kubly	Pappas	Sieben
Bakk	Fobbe	Langseth	Pariseau	Skoe
Berglin	Foley	Latz	Parry	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	Moua	Rummel	Vickerman
Dahle	Johnson	Murphy	Saltzman	Wiger
Dibble	Jungbauer	Olseen	Saxhaug	
Dille	Kelash	Olson, G.	Scheid	
Doll	Koch	Olson, M.	Senjem	
Erickson Ropes	Koering	Ortman	Sheran	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

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

CALENDAR

H.F. No. 2706: A bill for an act relating to certified public accountants; clarifying licensing requirements; amending Minnesota Statutes 2008, sections 3.972, subdivision 1; 6.66; 110A.32, subdivision 2; 144A.05; 367.36, subdivision 1; 385.06, subdivision 2; 412.222; 412.591, subdivision 3; 471.49, subdivision 10; 471.6985, subdivision 2; 515B.3-121; Minnesota Statutes 2009 Supplement, section 297E.06, subdivision 4; repealing Minnesota Rules, part 8122.0150, subpart 7.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 568: A bill for an act relating to civil law; extending civil immunity to municipalities that donate public safety equipment; amending Minnesota Statutes 2008, section 466.03, by adding a subdivision.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 2856: A bill for an act relating to commerce; making changes in required continuing education of real estate brokers and salespersons; amending Minnesota Statutes 2008, sections 82.29, subdivision 4; 82.33, subdivision 4; Minnesota Statutes 2009 Supplement, section 82.32.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 2, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Johnson Limmer

So the bill passed and its title was agreed to.

S.F. No. 2372: A bill for an act relating to veterans; clarifying the role of the commissioner and Department of Veterans Affairs in providing certain resources for the county veterans service offices; amending Minnesota Statutes 2008, sections 197.60, subdivision 1; 197.601; 197.605; 197.606; 197.609, subdivisions 1, 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Kubly	Pappas	Sieben
Bakk	Fobbe	Langseth	Pariseau	Skoe
Berglin	Foley	Latz	Parry	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	Moua	Rummel	Vickerman
Dahle	Johnson	Murphy	Saltzman	Wiger
Dibble	Jungbauer	Olseen	Saxhaug	
Dille	Kelash	Olson, G.	Scheid	
Doll	Koch	Olson, M.	Senjem	
Erickson Ropes	Koering	Ortman	Sheran	

So the bill passed and its title was agreed to.

S.F. No. 2439: A bill for an act relating to commerce; prohibiting the use of live check solicitations; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Senjem Vandever

So the bill 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 Order of Business of Messages From the House.

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. 2700, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2700 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted March 11, 2010

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2700

A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; authorizing the sale and issuance of state bonds; cancelling and modifying previous appropriations; appropriating money; amending Minnesota Statutes 2008, sections 16A.105; 16A.501; 16A.66, subdivision 2; 103F.161, subdivisions 1, 3; 103F.515, by adding a subdivision; 116J.435, as amended; 174.50, subdivisions 6, 7; 256E.37, subdivisions 1, 2; Minnesota Statutes 2009 Supplement, sections 16A.647, subdivisions 1, 5; 16A.86, subdivision 3a; Laws 2005, chapter 20, article 1, sections 19, subdivision 4; 23, subdivision 12, as amended; Laws 2006, chapter 258, sections 5, subdivision 3; 8, subdivision 4; 17, subdivision 5; 21, subdivision 14, as amended; Laws 2008, chapter 152, article 2, section 3, subdivision 2; Laws 2008, chapter 179, sections 5, subdivision 4; 7, subdivisions 8, 27; 21, subdivision 9; Laws 2008, chapter 365, sections 4, subdivision 3; 5, subdivision 2; 24, subdivision 2; 25; Laws 2009, chapter 93, article 1, sections 11, subdivision 5; 20; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; repealing Laws 2009, chapter 93, article 1, section 45.

March 9, 2010

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. 2700 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. 2700 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, money appropriated in this act for a capital program or project may be used to pay state agency staff

costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

SUMMARY

<u>University of Minnesota</u>	\$	<u>100,001,000</u>
<u>Minnesota State Colleges and Universities</u>		<u>239,920,000</u>
<u>Education</u>		<u>7,780,000</u>
<u>Minnesota State Academies</u>		<u>2,500,000</u>
<u>Perpich Center for Arts Education</u>		<u>1,373,000</u>
<u>Natural Resources</u>		<u>126,254,000</u>
<u>Pollution Control Agency</u>		<u>14,275,000</u>
<u>Board of Water and Soil Resources</u>		<u>27,500,000</u>
<u>Zoological Garden</u>		<u>21,000,000</u>
<u>Administration</u>		<u>11,175,000</u>
<u>Amateur Sports Commission</u>		<u>8,450,000</u>
<u>Military Affairs</u>		<u>11,900,000</u>
<u>Public Safety</u>		<u>15,000,000</u>
<u>Transportation</u>		<u>156,227,000</u>
<u>Metropolitan Council</u>		<u>79,100,000</u>
<u>Health</u>		<u>15,000,000</u>
<u>Human Services</u>		<u>51,625,000</u>
<u>Veterans Affairs</u>		<u>13,900,000</u>
<u>Corrections</u>		<u>23,829,000</u>
<u>Employment and Economic Development</u>		<u>121,965,000</u>
<u>Public Facilities Authority</u>		<u>57,000,000</u>
<u>Housing Finance Agency</u>		<u>10,000,000</u>
<u>Minnesota Historical Society</u>		<u>13,757,000</u>
<u>Bond Sale Expenses</u>		<u>1,079,000</u>
<u>Cancellations</u>		<u>(27,562,000)</u>
<u>TOTAL</u>	\$	<u>1,103,048,000</u>
<u>Bond Proceeds Fund (General Fund Debt Service)</u>		<u>936,937,000</u>
<u>Bond Proceeds Fund (User Financed Debt Service)</u>		<u>66,148,000</u>
<u>Maximum Effort School Loan Fund</u>		<u>5,780,000</u>

<u>State Transportation Fund</u>	66,000,000
<u>Trunk Highway Fund Bond Proceeds Account</u>	32,945,000
<u>Trunk Highway Fund</u>	22,800,000
<u>Bond Proceeds Cancellations</u>	(9,062,000)
<u>Trunk Highway Bond Proceeds Cancellations</u>	(18,500,000)

APPROPRIATIONS

Sec. 2. UNIVERSITY OF MINNESOTA

Subdivision 1. Total Appropriation **\$ 100,001,000**

To the Board of Regents of the University of Minnesota for the purposes specified in this section.

Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR) 56,000,000

To be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 3. Twin Cities Campus

(a) Folwell Hall 23,000,000

To design, renovate, furnish, and equip the interior of Folwell Hall for teaching and research space for College of Liberal Arts programs.

(b) Physics and Nanotechnology 4,000,000

To predesign and design a new building to house the research branch of the physics program and the Center for Nanostructure Applications. This appropriation is not available until the board of regents has certified to the commissioner of management and budget that the building will not be built within the area impacted by vibration or magnetic resonance caused by light rail transit on Washington Avenue.

Subd. 4. Duluth Campus

American Indian Learning Resource Center6,667,000

To design, construct, furnish, and equip an American Indian Learning Resource Center.

Subd. 5. Itasca Biological Station**New Biological Station and Lakeside Lab Renovation**3,667,000

To predesign, design, construct, furnish, and equip a new biological station and renovate the classroom in the historic lakeside laboratory at the University of Minnesota facility in Itasca State Park.

Subd. 6. Laboratory Renovation6,667,000

To design, renovate, furnish, and equip research laboratories on the Crookston, Duluth, Morris, and Twin Cities campuses.

Subd. 7. University Share

Except for Higher Education Asset Preservation and Replacement (HEAPR) under subdivision 2, the appropriations in this section are intended to cover approximately two-thirds of the cost of each project. The remaining costs must be paid from university sources.

Subd. 8. Unspent Appropriations

Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the Board of Regents must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Regents must report by February 1 of each even-numbered year to the chairs of the house of representatives and senate committees with jurisdiction over capital investments and higher education finance, and to the chairs of the house of representatives Ways and Means and Finance Committees and the senate

Finance Committee, on how the remaining money has been allocated or spent.

Sec. 3. MINNESOTA STATE COLLEGES AND UNIVERSITIES

Subdivision 1. Total Appropriation **\$ 239,920,000**

To the Board of Trustees of the Minnesota State Colleges and Universities for the purposes specified in this section.

Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR) **52,000,000**

To be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 3. Alexandria Technical College

Main Building Renovation and Addition **200,000**

To design the library, student services, and student commons building and to complete design for an infill addition to it.

Subd. 4. Anoka Ramsey Community College, Coon Rapids

(a) Fine Arts Building Renovation **5,357,000**

To complete design and to renovate, furnish, and equip the Fine Arts classroom and lab building.

(b) Bioscience and Allied Health Addition **400,000**

To complete design of a Bioscience and Allied Health addition and renovation to support Science Technology and Math (STEM) and nursing program initiatives.

Subd. 5. Dakota County Technical College

Transportation and Emerging Technologies Lab **300,000**

To complete design of the transportation and emerging technologies classrooms, laboratories, and related spaces.

Subd. 6. Hennepin Technical College, Eden Prairie, Brooklyn Park

Learning Resource and Student Services Renovation

10,566,000

To renovate, furnish, and equip existing space at the Brooklyn Park and Eden Prairie campuses for a Library and Learning Resource Center and student services with an addition and new entrances at both campuses.

Subd. 7. Lake Superior College

Health Science Center

12,098,000

To construct, furnish, and equip a new Health and Science Center addition and to design renovation of existing spaces.

Subd. 8. Metropolitan State University

Classroom Center

5,860,000

To construct, furnish, and equip technology-enhanced classrooms and academic offices located above the power plant building. This appropriation includes money to demolish the power plant annex to enable the new construction.

Subd. 9. Minneapolis Community and Technical College

Workforce Program Renovation

12,990,000

To complete design and to renovate, furnish, and equip instructional space, support space, and infrastructure for workforce programs.

Subd. 10. Minnesota State Community and Technical College, Moorhead

Library and Classroom Addition

5,448,000

To complete design and to construct, furnish, and equip a classroom and library addition, and to demolish obsolete space.

Subd. 11. Minnesota State University, Mankato**Clinical Science Building Design**1,908,000

To design for construction a Clinical Science Building.

Subd. 12. Minnesota State University, Moorhead**Livingston Lord Library and Information Technology Renovation**14,901,000

To complete design and to renovate, furnish, and equip Livingston Lord Library.

Subd. 13. Minnesota West Community and Technical College, Canby**Wind Turbine Training Facility**200,000

For preliminary engineering and design of a commercial scale wind turbine for the wind energy technology program.

Subd. 14. NHED Mesabi Range Community and Technical College, Eveleth**Shop Space Addition**5,477,000

To construct, furnish, and equip shop space for the industrial mechanical technology and carpentry programs. This appropriation includes funding for renovation of existing space for Americans with Disabilities Act (ADA) compliance.

Subd. 15. NHED Mesabi Range Community and Technical College, Virginia**Iron Range Engineering Program Facilities**3,000,000

To predesign, design, construct, furnish, and equip an addition to and renovation of existing space for laboratories, flexible classrooms, and office space for the engineering program on the Virginia campus.

Subd. 16. Normandale Community College

Academic Partnership Center and Student Services1,000,000

To design a new building for classrooms and offices and to design renovation of the Student Services Building.

Subd. 17. North Hennepin Community College**(a) Bioscience and Health Careers Center Addition**600,000

To complete design of a new building for Bioscience and Health Careers Center laboratory and classroom space.

(b) Center for Business and Technology14,782,000

To construct, furnish, and equip an addition to the Center for Business and Technology and to renovate existing space for classrooms and related space.

Subd. 18. Ridgewater Community Technical College, Willmar**Technical Instruction Renovation**14,300,000

To design, renovate, furnish, and equip classroom and existing instructional lab space and construct an addition for circulation; and to demolish obsolete space.

Subd. 19. Rochester Community Technical College**Workforce Center Colocation**8,500,000

To complete the design and to construct, furnish, and equip an addition to the Heintz Center at Rochester Community and Technical College and to renovate the heating, ventilating, and air conditioning systems. The addition will house the Rochester Area Work Force Center. The board of trustees must consult with the commissioner of employment and economic development on the design of the renovations and addition. The board must enter into a lease agreement with the commissioner of employment and economic development for use of the work

force center. The lease agreement must provide that lease payments made by the commissioner will pay for the college's reasonable costs in support of the work force center.

This appropriation is in addition to the appropriation in Laws 2008, chapter 179, section 3, subdivision 23.

Subd. 20. South Central College, Faribault 13,360,000

Classroom Renovation and Addition

To complete design and to construct, furnish, and equip an addition, and to renovate space for classrooms, a learning resource center, related spaces, and laboratories.

Subd. 21. Southwest Minnesota State University

Science Lab Renovation 200,000

To complete design of the Science and Math building renovation.

Subd. 22. St. Cloud State University

Integrated Science and Engineering Laboratory Facility 42,334,000

To complete design and to construct, furnish, and equip Integrated Science and Engineering Laboratory Facility.

Subd. 23. St. Cloud Technical College

Allied Health Center Renovation 5,421,000

To complete design and to renovate, furnish, and equip an Allied Health Center.

Subd. 24. **Classroom Initiatives and Demolition** 3,883,000

To design, renovate, furnish, and equip classrooms and academic space and demolish obsolete space at the following campuses: Central Lakes College, Brainerd; Minnesota State Community Technical College, Wadena

and Moorhead; Minnesota West Community Technical College, Pipestone; Northland Community Technical College, Thief River Falls; Pine Technical College, Pine City; and Rochester Community Technical College, Rochester.

Campuses may use internal and nonstate money to increase the size of the projects.

Subd. 25. Science, Technology, Engineering, and Math Initiatives

4,835,000

To design, renovate, furnish, and equip science laboratories and classrooms at the following campuses: Bemidji State University; Century College; Minnesota State Community and Technical College, Moorhead; Minnesota State University, Moorhead; Northeast Higher Education District, Hibbing College, Itasca Community College, and Mesabi Range Eveleth; Northwest Technical College; South Central College, North Mankato.

Campuses may use internal and nonstate money to increase the size of the projects.

Subd. 26. Debt Service

(a) Except as provided in paragraph (b), the board shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section. After each sale of general obligation bonds, the commissioner of management and budget shall notify the board of the amounts assessed for each year for the life of the bonds.

(b) The board need not pay debt service on bonds sold to finance higher education asset preservation and replacement. Where a nonstate match is required, the debt service is due on a principal amount equal to one-third of the total project cost, less the match committed before the bonds are sold. For the workforce center colocation project at Rochester Community and Technical College, the board shall pay the debt service

on \$1,079,000 of the principal amount of state bonds sold to finance the project. The commissioner of employment and economic development shall pay the debt service on \$5,262,000 of the principal amount of state bonds sold to finance the project, in the manner provided in Minnesota Statutes, section 16A.643.

(c) The commissioner of management and budget shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of management and budget by December 1 each year. If the board fails to make a payment when due, the commissioner of management and budget shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of management and budget shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

Subd. 27. Unspent Appropriations

(a) Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the board must use any money remaining in the appropriation for that project for higher asset preservation and replacement (HEAPR) under Minnesota Statutes, section 135A.046. The Board of Trustees must report by February 1 of each even-numbered year to the chairs of the house of representatives and senate committees with jurisdiction over capital investment and higher education finance, and to the chairs of the house of

representatives Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

(b) The unspent portion of an appropriation for a project in this section that is complete is available for higher education asset preservation and replacement under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under subdivision 27 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 4. **EDUCATION**

Subdivision 1. **Total Appropriation**

\$ 7,780,000

To the commissioner of education for the purposes specified in this section.

Subd. 2. **Independent School District No. 38, Red Lake**

5,780,000

From the maximum effort school loan fund for a capital loan to Independent School District No. 38, Red Lake, as provided in Minnesota Statutes, sections 126C.60 to 126C.72, to design, construct, furnish, and equip renovation of existing facilities and construction of new facilities.

The project paid for with this appropriation includes a portion of the renovation and construction identified in the review and comment performed by the commissioner of education under the capital loan provisions of Minnesota Statutes, section 126C.69. This portion includes renovation and construction of a single kitchen and cafeteria to serve the high school and middle school, a receiving area and dock and adjacent drives, utilities, and grading.

Before any capital loan contract is approved under this authorization, the district must

provide documentation acceptable to the commissioner on how the capital loan will be used. If any portion of the appropriation remains after completion of the identified project components, the district may, with the commissioner's approval, use the money for other items identified in the review and comment submission.

Subd. 3. Library Accessibility and Improvement Grants

2,000,000

For library accessibility and improvement grants under Minnesota Statutes, section 134.45.

Sec. 5. MINNESOTA STATE ACADEMIES

Subdivision 1. Total Appropriation

\$ 2,500,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation

2,000,000

For asset preservation on both campuses of the academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Independent Living Housing

500,000

To predesign, design, construct, furnish, and equip independent living housing on the Academy for the Blind campus. The project will be conducted in collaboration with the carpentry class of South Central College of Faribault and provide housing for students 18 to 21 years of age in the nontraditional student component of the Academy Plus Transition program.

Sec. 6. PERPICH CENTER FOR ARTS EDUCATION

Subdivision 1. Total Appropriation

\$ 1,373,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Alpha Building Demolition755,000To demolish the Alpha Building.**Subd. 3. Delta Dorm Windows**489,000To install new windows in the Delta Dormitory, completing the building's renovations.**Subd. 4. Storage Building**129,000To construct a storage building on the site of the demolished Alpha Building.**Sec. 7. NATURAL RESOURCES****Subdivision 1. Total Appropriation****\$ 126,254,000**To the commissioner of natural resources for the purposes specified in this section.The appropriations in this section are subject to the requirements of the natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.**Subd. 2. Natural Resources Asset Preservation**1,000,000For the renovation of state-owned facilities and recreational assets operated by the commissioner of natural resources that can be substantially completed within 12 months after the effective date of this section, to be spent in accordance with Minnesota Statutes, section 84.946. The commissioner may use this appropriation to replace buildings if, considering the embedded energy in the building, that is the most energy-efficient and carbon-reducing method of renovation.**Subd. 3. Flood Hazard Mitigation Grants**63,500,000(a) For the state share of flood hazard mitigation grants for publicly owned capital

improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

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

(c) This appropriation includes money for the following county and municipal projects: Ada, Afton, Austin, Borup, Breckenridge, Clay County, Climax, Crookston, Felton, Georgetown, Granite Falls, Halstad, Hendrum, Inver Grove Heights, Montevideo, Moorhead, Nielsville, Oakport Township, Oslo, Perley, Roseau, Rushford, and Shelly.

(d) This appropriation includes money for the following watershed district projects: Brandt Angus, Middle-Snake-Tamarac Rivers Watershed District; Fountain Lake, Shell Rock River Watershed District; Grand Marais Creek, Red Lake Watershed District; Hay Creek-Norland, Roseau Watershed District; Manston Slough, Buffalo-Red River Watershed District; North Ottawa, Bois de Sioux Watershed District; Red Path, Bois de Sioux Watershed District; Springbrook, Two Rivers Watershed District; Thief River Falls, County Ditch No. 1, Red Lake Watershed District; Upper Becker Dams, Wild Rice Watershed District; and Upper South Branch, Buffalo-Red River Watershed District.

(e) The commissioner may spend money and make grants for land acquisition, predesign, design, and engineering for the Fargo-Moorhead metropolitan diversion project proposed by the United States Army Corps of Engineers, but must not spend money or make grants for construction of the diversion channel until an implementation plan for mitigation of downstream impacts has been developed, or April 1, 2012, whichever occurs first. The mitigation plan must ensure that the project will not make downstream flooding worse than it would have been without the project.

(f) For any project listed in this subdivision

that the commissioner determines is not ready to proceed or does not expend all the money allocated to it, the commissioner may allocate that project's money to a project on the commissioner's priority list.

(g) To the extent that the cost of a project exceeds two percent of the median household income in the municipality, Oakport Township, or Clay County multiplied by the number of households in the municipality, Oakport Township, or Clay County, this appropriation is also for the local share of the project.

(h) For the purpose of determining any local match required for the Moorhead project and other municipal Red River flood hazard mitigation projects, the projects include all bondable flood hazard mitigation activities occurring under Department of Natural Resources flood hazard mitigation grants after April 2009 and bondable flood hazard mitigation projects resulting from the United States Army Corps of Engineers Fargo-Moorhead Metropolitan Feasibility Study.

(i) The commissioner shall report quarterly to the chairs of the senate and house of representatives committees on finance, ways and means, and capital investment, and to the chairs of the senate and house of representatives committees and divisions with jurisdiction over natural resources policy and budget on the previous quarter's expenditure of the appropriation in this subdivision.

Subd. 4. Groundwater Monitoring and Observation Wells

1,000,000

To install new publicly owned groundwater level observation wells to monitor the Mount Simon aquifer and assess groundwater for water supply planning in the south and central regions of the state. This appropriation may also be used to seal existing obsolete

monitoring wells in the Mount Simon region that are no longer functional.

Subd. 5. Dam Renovation and Removal

4,750,000

To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515.

This appropriation includes money for the following projects:

(a) Byllesby Dam, Dakota and Goodhue Counties

(b) Champlin Mill Pond Dam, Hennepin County

(c) Clayton Lake Dam, Pine County

(d) Drayton Dam, Kittson County

(e) Hallock Dam, Kittson County

(f) Lake Bronson Dam, Kittson County

(g) Lanesboro Dam, Fillmore County

(h) Milaca Dam, Mille Lacs County

(i) Montevideo Dam, Chippewa County

(j) Pike River Dam, St. Louis County

(k) \$750,000 is for a grant to the Three Rivers Park District to renovate the Coon Rapids Dam. This appropriation is not available until the commissioner determines that an amount sufficient to complete the project is committed to the project.

Notwithstanding Minnesota Statutes, section 16A.69, subdivision 2, upon the award of final contracts for the completion of a project listed in this subdivision, the commissioner may transfer the unencumbered balance in the project account to any other dam renovation or removal project on the commissioner's priority list.

**Subd. 6. Wildlife and Aquatic Management Area
Land Acquisition and Improvement**

1,000,000

To acquire land in fee for wildlife management area and aquatic management area purposes and for improvements of a capital nature to develop, protect, or improve habitat and facilities on wildlife management areas under Minnesota Statutes, section 86A.05, subdivisions 8 and 14.

Subd. 7. RIM Critical Habitat Match

3,000,000

To provide the state match for the critical habitat private sector matching account under Minnesota Statutes, section 84.943. This appropriation must be used only to acquire fee title.

**Subd. 8. Scientific and Natural Area Acquisition
and Development**

4,500,000

To acquire in fee the Hastings Sand Coulee in Dakota County, and other lands identified by the commissioner as targeted sites for potential acquisition for scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5, and for protection and improvements of a capital nature in scientific and natural areas. Not less than five percent of this appropriation is for restoration.

Subd. 9. Forests for the Future

500,000

To acquire conservation easements as described under Minnesota Statutes, chapter 84C, on private forest lands and within Forest Legacy Areas established under United States Code, title 16, section 2103c. The conservation easements must guarantee public access, including hunting and fishing.

Subd. 10. State Forest Land Reforestation

3,000,000

To increase reforestation activities to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2,

including planting, seeding, site preparation, and purchasing native seeds and native seedlings; and for timber stand improvement.

Subd. 11. Forest Roads and Bridges

1,000,000

For reconstruction, resurfacing, replacement, and construction of state forest roads and bridges under Minnesota Statutes, section 89.002.

Subd. 12. Shade Tree Program

3,000,000

For grants to cities, counties, townships, and park and recreation boards in cities of the first class for the planting of publicly owned shade trees on public land to provide environmental benefits; replace trees lost to forest pests, disease or storm; or to establish a more diverse community forest better able to withstand disease and forest pests. The commissioner must give priority to grant requests to remove and replace trees with active infestations of emerald ash borer. For purposes of this appropriation, "shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes with minimal to residual timber value and no intent to harvest the tree for its wood. Any tree planted with funding under this subdivision must be a species native to Minnesota.

Subd. 13. State Park Rehabilitation

4,659,000

For rehabilitation projects within state parks established under Minnesota Statutes, section 85.012, as identified in the January 20, 2010, list of projects titled "State Park Development Projects - 12 month completion possible," including: at the Soudan Underground Mine, water treatment system and lab building, and new discharge pipeline; at Minneopa, safety improvements to the historic pedestrian bridge; at Itasca, repaving the wilderness drive and improvements to the beach area amphitheater; at Fort Ridgely, office consolidation into the historic museum building; at Whitewater and

Mille Lacs Kathio, new RV sanitary dump stations; at Lake Maria, road paving and rehabilitation; and at all parks, campground electrical upgrades. Up to one percent of this appropriation may be used for project predesign for next funding cycle. Most of the appropriation in this subdivision must be spent within 12 months after the effective date of this section.

Subd. 14. State Park and Recreation Area Acquisition

2,150,000

To acquire from willing sellers private lands for the following state parks established under Minnesota Statutes, section 85.012: land within William O'Brien State Park and land near Split Rock Lighthouse State Park that provides a view of the lighthouse; and land within Cuyuna Country State Recreation Area, established under Minnesota Statutes, section 85.013.

Subd. 15. State Park and Recreation Area Development

For projects within state parks established under Minnesota Statutes, section 85.012, and state recreation areas established under Minnesota Statutes, section 85.013.

This appropriation includes money for the following projects:

(a) Cuyuna Country State Recreation Area

1,250,000

(b) Glendalough State Park

350,000

To develop a trail within Glendalough State Park.

Subd. 16. State Trail Rehabilitation

4,000,000

(a) To renovate state trails established under Minnesota Statutes, section 85.015, according to the commissioner's priorities and as provided in Minnesota Statutes, section 84.946. Most of the appropriation in this subdivision must be spent within 12 months

after the effective date of this section. This appropriation is for the following trails:

- (1) Gateway Trail;
- (2) Luce Line Trail;
- (3) Munger Trail;
- (4) Paul Bunyan Trail; and
- (5) Root River Trail.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another state trail project. The chairs of the house of representatives and senate committees with jurisdiction over environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

(b) This appropriation may also be used to renovate the Alborn-Pengilly Railroad ATV Trail.

Subd. 17. State Trail Acquisition and Development

21,423,000

To acquire land for and to construct and renovate state trails under Minnesota Statutes, section 85.015.

Up to \$1,000,000 is for the Blazing Star Trail.

Up to \$1,000,000 is for the Browns Creek Trail.

Up to \$2,000,000 is for the Casey Jones Trail.

Up to \$2,000,000 is to design, acquire land for, and develop the Camp Ripley/Veterans State Trail, established in new Minnesota Statutes, section 85.015, subdivision 28, in conjunction with the United States Department of Defense and the Minnesota Department of Transportation.

Up to \$1,000,000 is for the Cuyuna Lakes Trail.

Up to \$2,000,000 is for the Gateway Trail.

Up to \$1,000,000 is for the Gitchi-Gami Trail.

Up to \$2,000,000 is to acquire and develop a five-mile bituminous extension of the Glacial Lakes State Trail in the city of New London to Sibley State Park, in the CSAH 40 corridor, for bicycle and pedestrian use.

Up to \$1,300,000 is to acquire and develop the segment of the Goodhue Pioneer Trail between the cities of Zumbrota and Goodhue.

Up to \$1,500,000 is for the Heartland Trail extension.

Up to \$2,373,000 is for paving the Luce Line Trail and developing a parallel horse trail between the city of Winsted and city of Cedar Mills. The trail between the city of Winsted and city of Cedar Mills must be available for multiple uses, including hiking, biking, horseback riding, snowmobiling, cross-country skiing, and inline skating. Notwithstanding Minnesota Statutes, section 84.8712, subdivision 1, snowmobiles with metal traction devices may be used on the portion of the Luce Line Trail paved with this appropriation. The commissioner of natural resources shall ensure that all drainage tile passing under the Luce Line Trail can be maintained and provide for adequate crossing locations for farmers with construction standards that allow for large machinery to cross the trail.

Up to \$550,000 is for the Mill Towns Trail.

Up to \$400,000 is for the Minnesota River Trail.

Up to \$1,800,000 is for the Paul Bunyan Trail.

Up to \$1,500,000 is for the Shooting Star Trail.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another state trail project. The chairs of the house of representatives

and senate committees with jurisdiction over environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

Subd. 18. Regional Trails

500,000

For matching grants under Minnesota Statutes, section 85.019, subdivision 4b.

For a grant to Aitkin County to acquire land for and to construct segments of the Northwoods Regional All-Terrain Vehicle Trail.

Subd. 19. Trail Connections

3,292,000

For matching grants under Minnesota Statutes, section 85.019, subdivision 4c.

\$55,000 is for a grant to Carlton County to make safety improvements on the Soo Line Trail in Moose Lake, including restoring decking, railings, and approaches of the trestles on the trail.

\$512,000 is for a grant to the city of Granite Falls to renovate the Roebling suspension pedestrian bridge over the Minnesota River in Granite Falls.

\$175,000 is for a grant to the city of Hibbing to acquire land, predesign, design, construct, and resurface the Carey Lake Bike Trail which follows 25th Street (Dupont Road) east to the Carey Lake Park in Hibbing, St. Louis County.

\$1,000,000 is for a grant to the city of Rochester to acquire the DM&E Pine Island spur right-of-way to connect to the Douglas State Trail.

\$800,000 is for a grant to the Rocori Trail Board to acquire, design, and construct phase 1 of the Rocori Trail, from Richmond to the east side of the Sauk River into Cold Spring, connecting the Glacial Lakes State Trail to the Beaver Island Trail and Lake Wobegon Trail.

\$250,000 is for a grant to Stearns County to develop the 26-mile Dairyland Trail connecting to the Lake Wobegon Trail.

\$500,000 is for a grant to the city of Walker for phases 2 and 3 of the Shingobee Trail Connection to the Paul Bunyan State Trail.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another trail connection project in this subdivision. The chairs of the house of representatives and senate committees with jurisdiction over the environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

Subd. 20. St. Mathias Trail Paving - Fort Ripley

50,000

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

Subd. 21. Rum River Buffer and Bridge Replacement

130,000

For a grant to the city of Milaca to demolish and remove the pedestrian bridge over the Rum River between Rec Park and Forest Hill cemetery in the city of Milaca, and to design, engineer, construct, and install a new accessible pedestrian bridge in the same location. The project must remove the pillars in the river and the new bridge must not have pillars in the river. This appropriation is not available until the city has agreed to develop a 100-foot-wide permanent buffer on the east side of the river that will protect the river where currently there is no appropriate buffer.

Subd. 22. Fort Snelling Upper Bluff

1,200,000

For a grant to Hennepin County to conduct emergency building stabilization at Fort Snelling Upper Bluff. This appropriation is not available until the commissioner of management and budget has determined that Hennepin County has entered into appropriate

agreements to use Sentence to Serve labor for the project that will train the Sentence to Serve laborers in the skills needed for the work.

Subd. 23. Lake Superior Campground Expansion

1,000,000

For a grant to the city of Two Harbors to design and construct an expansion of the Burlington Bay Campground.

Subd. 24. Unspent Appropriations

The unspent portion of an appropriation, but not to exceed ten percent of the appropriation, for a project in this section that is complete, other than an appropriation for flood hazard mitigation, is available for asset preservation under Minnesota Statutes, section 84.946. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred for asset preservation.

Sec. 8. POLLUTION CONTROL AGENCY

Subdivision 1. Total Appropriation

\$ 14,275,000

To the Pollution Control Agency for the purposes specified in this section.

Subd. 2. Closed Landfill Cleanup

8,700,000

To design and construct remedial systems and acquire land at landfills throughout the state in accordance with the closed landfill program under Minnesota Statutes, sections 115B.39 to 115B.42. The agency must follow the agency priorities. Entities administering projects undertaken with funds in this subdivision must conform to occupational safety and health standards under federal law and Minnesota Statutes, chapter 182, and report to the legislature any violations.

Subd. 3. Capital Assistance Program

5,575,000

For the solid waste capital assistance grants program under Minnesota Statutes, section

115A.54, except that the \$2,000,000 limit on the total amount of the grant is waived for these projects.

(1) \$500,000 is for a grant to Becker County to design and construct a waste transfer facility. This amount includes 75 percent of the cost of the transfer station and 50 percent of the cost of the material recovery facility. The counties using this facility must agree to achieve a 60 percent recycling rate and an organics recovery rate of 15 percent by 2025. This grant is not available until the agency determines that an amount sufficient to complete the project is committed to it from nonstate sources.

(2) \$5,075,000 is for a grant to the city of Perham in Otter Tail County to design, construct, furnish, and equip a material recovery facility at the Perham Resource Recovery Facility. The counties using this facility must agree to achieve a 60 percent recycling rate and an organics recovery rate of 15 percent by 2025.

Sec. 9. BOARD OF WATER AND SOIL RESOURCES

Subdivision 1. Total Appropriation

\$ 27,500,000

To the Board of Water and Soil Resources for the purposes specified in this section.

Subd. 2. RIM Conservation Reserve

25,000,000

(a) To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands; restore and enhance rivers and streams, riparian lands, and associated uplands in order to protect soil and water quality; support fish and wildlife habitat; reduce flood damage; and provide other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this appropriation, except that the board may establish alternative payment rates for easements and practices to establish restored

native prairies, as defined in Minnesota Statutes, section 84.02, subdivision 7, and to protect uplands. Of this appropriation, up to ten percent may be used to implement the program.

The board may give priority to the area designated for relief and recovery from the flooding that occurred on or after August 18, 2007, in the area of southeast Minnesota designated under Presidential Declaration of Major Disaster DR-1717.

At least \$2,000,000 of this amount is available for use by the Cedar River and Turtle Creek Watershed Districts in Freeborn, Mower, Dodge, and Steele Counties to restore wetlands and reduce flooding in the Austin area.

Up to \$8,000,000 of this amount is available for use in Minnesota counties in the Red River Basin to restore wetlands and reduce flooding.

Up to \$500,000 is for use in the Rum River watershed.

Up to \$2,000,000 is for use in Area II.

\$7,500,000 is for use in the seven-county metropolitan area.

Up to \$400,000 is for a grant to the Freeborn County Soil and Water Conservation District for use in the Minnesota portion of the Bear Lake watershed.

(b) The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration, including overseeding and harvesting of native prairie vegetation for use for energy production in a manner that does not devalue the natural habitat, water quality benefits, or carbon sequestration functions of the area enrolled in the easement. This shall occur after seed production and minimize impacts on wildlife. Of this appropriation, up to five

percent may be used for restoration, including overseeding. The board must submit to the legislative committees with jurisdiction over environment finance and capital investment an interim report on this program by October 1, 2010, and a final report by February 1, 2011.

Subd. 3. Wetland Replacement Due to Public Road Projects

2,500,000

To acquire land for wetland restoration or preservation to replace wetlands drained or filled as a result of the repair or reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The board shall give priority consideration to establishing wetland credits in the seven-county metropolitan area in partnership with the Minneapolis Park and Recreation Board and the sculpture garden project.

The provisions of Minnesota Statutes, section 103F.515, apply to this appropriation, except that the board may establish alternative payment rates for easements and practices to establish restored native prairies, as defined in Minnesota Statutes, section 84.02, subdivision 7, and to protect uplands.

The purchase price paid for acquisition of land, fee, or perpetual easement must be the fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, and nonprofit organizations or fee owners to acquire land and restore and create wetlands and to acquire existing wetland banking credits. Acquisition of or the conveyance of land may be in the name of the political subdivision.

Sec. 10. MINNESOTA ZOOLOGICAL GARDEN

Subdivision 1. Total Appropriation

\$ 21,000,000

To the Minnesota Zoological Garden Board
for the purposes specified in this section.

Subd. 2. Asset Preservation and Improvement 6,000,000

For capital asset preservation improvements
and betterments to infrastructure and exhibits
at the Minnesota Zoo, to be spent in
accordance with Minnesota Statutes, section
16B.307.

Subd. 3. Master Plan 15,000,000

To design, construct, furnish, and equip phase
I of the Heart of the Zoo entry, Visitor Center,
and Environmental Education Center.

This appropriation is not available until the
city of St. Paul certifies to the commissioner
of management and budget that it has
sufficient financing to complete phase 2
renovation of exhibits at the Como Zoo.

Sec. 11. **ADMINISTRATION**

Subdivision 1. Total Appropriation **\$ 11,175,000**

To the commissioner of administration for the
purposes specified in this section.

**Subd. 2. Capital Asset Preservation and
Replacement Account (CAPRA)** 2,000,000

To be spent in accordance with Minnesota
Statutes, section 16A.632.

Subd. 3. Asset Preservation 8,075,000

For asset preservation projects in properties
managed by the commissioner. This
appropriation must be spent in accordance
with Minnesota Statutes, section 16B.307.

\$1,250,000 is to design, construct, furnish,
and equip phase 1 of Capitol campus security
upgrades.

\$75,000 is to predesign renovation of the
Governor's residence on Summit Avenue in
St. Paul.

Subd. 4. Cooperative Local Facilities Grants1,000,000

For grants to counties, cities, towns, and school districts to construct or renovate cooperative local facilities under new Minnesota Statutes, section 16B.355.

Subd. 5. Veterans, Firefighters, and Police Memorial - Eagan100,000

For a grant to the city of Eagan to design and construct a memorial to those in the military, firefighters, and police who have died in the line of duty.

Sec. 12. AMATEUR SPORTS COMMISSION**Subdivision 1. Total Appropriation****\$ 8,450,000**

To the Minnesota Amateur Sports Commission for the purposes specified in this section.

Subd. 2. Women's Hockey Center - Blaine950,000

To predesign, design, construct, furnish, and equip a women's locker room, training room, and education display at the National Sports Center Super Rink in Blaine.

Subd. 3. National Volleyball Center - Rochester4,000,000

For a grant to the city of Rochester to design, construct, furnish, and equip the phase 2 expansion of the National Volleyball Center in Rochester, designated by the Minnesota Amateur Sports Commission as a regional amateur sports center, subject to Minnesota Statutes, section 16A.695.

Subd. 4. Northwestern Minnesota Regional Sports Center - Moorhead3,500,000

For a grant to the city of Moorhead to design, construct, furnish, and equip the Northwestern Minnesota Regional Sports Center.

This appropriation is not available until the

commissioner has determined that at least an equal amount has been committed to the project from nonstate sources. The match may include in-kind contributions, and may include contributions made since January 1, 2007.

Sec. 13. **MILITARY AFFAIRS**

Subdivision 1. **Total Appropriation** \$ **11,900,000**

To the adjutant general for the purposes specified in this section.

Subd. 2. **Asset Preservation** 4,000,000

For asset preservation improvements and betterments of a capital nature at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Facility Life Safety Improvements** 1,000,000

For life safety improvements and to correct code deficiencies at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 4. **Facility ADA Compliance** 900,000

For Americans with Disabilities Act (ADA) alterations to existing National Guard Training and Community Centers in locations throughout the state, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 5. **Cedar Street Armory Renovation** 5,000,000

To design and renovate the Cedar Street Armory in St. Paul, including mechanical, electrical, building envelope, and life safety improvements.

Subd. 6. **Camp Ripley Troop Support Facility** 1,000,000

To complete design, renovation, furnishing, and equipping of the Troop Support Facility at Camp Ripley, including but

not limited to: window replacement, interior floor installation and finishings, air conditioning, upgrade of electrical, data, and telecommunication systems, and kitchen installation.

Subd. 7. Unspent Appropriations.

The unspent portion of an appropriation for a project under this section that has been completed may be used for any other purpose permitted under Minnesota Statutes, section 16B.307.

Sec. 14. PUBLIC SAFETY

Subdivision 1. Total Appropriation

\$ 15,000,000

To the commissioner of public safety, or other named agency, for the purposes specified in this section.

Subd. 2. Emergency Management Training Facility - Camp Ripley

6,000,000

To the commissioner of administration to design, construct, furnish, and equip an emergency vehicle operator's course at Camp Ripley.

Nonmilitary public safety personnel from Minnesota must be given access to the facility.

Subd. 3. State Emergency Operations Center

2,250,000

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

The commissioner of administration must consult with the commissioner of public safety in the predesign and design. This appropriation is not available until the commissioner has reported to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety policy and finance, capital investment, finance, and

ways and means, how the Arden Hills site will be adequately accessible in the event of a disaster that adversely affects major transportation corridors.

Subd. 4. East Metro Regional Fire Training Facility - Maplewood

3,000,000

For a grant to the city of Maplewood to acquire land, prepare a site including environmental work, predesign, design, and construct the East Metro Regional Fire Training Facility in Ramsey County, within the city of Maplewood.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

Subd. 5. Emergency Operations Center and Fire Training Facility - Minneapolis

750,000

For a grant to the city of Minneapolis to complete design and construction of an Emergency Operations Center and Fire Training Facility in the city of Minneapolis.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

Subd. 6. Marshall - Minnesota Emergency Response and Industry Training Center (MERIT)

1,000,000

For a grant to the city of Marshall to acquire land, predesign, design, construct, furnish, and equip the expansion of the Minnesota Emergency Response and Industry Training Center (MERIT Center) in Marshall, Lyon County. The project includes acquiring approximately 80 acres of land for expanded facilities that will include a driving course, classrooms and offices, skid pad, and training simulators for driving, hand gun shooting, and driving education. This appropriation is not available until the commissioner determines that at least an equal amount is committed to

the project from nonstate sources.

Subd. 7. Public Safety Facility - Princeton

2,000,000

For a grant to the city of Princeton to design, construct, furnish, and equip a new public safety building to be the headquarters for emergency operations for the city and to house equipment used to respond to regional emergencies.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources.

Sec. 15. TRANSPORTATION

Subdivision 1. Total Appropriation

\$ 156,227,000

To the commissioner of transportation for the purposes specified in this section.

Subd. 2. Local Bridge Replacement and Rehabilitation

66,000,000

This appropriation is from the bond proceeds account in the state transportation fund to match federal money and to replace or rehabilitate local deficient bridges as provided in Minnesota Statutes, section 174.50. To the extent practicable, the commissioner shall expend the funds as provided under Minnesota Statutes, section 174.50, subdivisions 6c and 7, paragraph (c).

Political subdivisions may use grants made under this subdivision to construct or reconstruct bridges, including but not limited to:

(1) matching federal aid grants to construct or reconstruct key bridges;

(2) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a;

(3) paying the costs to abandon an existing

bridge that is deficient and in need of replacement, but where no replacement will be made; and

(4) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge determined by the commissioner to be deficient, if the commissioner determines that construction of the road or street is more economical than replacement of the existing bridge.

\$1,800,000 is for a grant to the city of Fergus Falls to renovate the Tower Road bridge.

Up to \$10,000,000 is for a grant to Hennepin County for phase 2 of the project for the removal of the existing Canadian Pacific Railway bridge and crib wall structure supporting the roadway, construction of a retaining wall structure to support Lowry Avenue, and construction of an extension of phase 1, the construction and replacement of the Lowry Avenue Bridge carrying County State-Aid Highway 153 across the Mississippi River in Minneapolis.

\$7,000,000 is for a grant to the city of Minneapolis to construct a bridge for St. Anthony Parkway over the Northtown Rail Yard.

By November 1, 2010, the commissioner of management and budget, subject to approval of the commissioner of transportation, shall implement a grant administration method for grants provided under Minnesota Statutes, sections 174.50 and 174.52. The grant administration method must:

(1) not require a separate grant agreement for each project funded in whole or in part from general obligation grants;

(2) provide for efficient audits concerning state bond-financed property;

(3) ensure that all uses of the state bond-financed property will not cause the interest on the state general obligation bonds

to be or become subject to federal income taxation for any reason; and

(4) otherwise comply with Minnesota Statutes, section 16A.695, the Minnesota Constitution, and all commissioner's orders.

By November 1, 2010, the commissioners of management and budget and transportation shall jointly submit a report on the grant administration method to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over transportation policy and finance and capital investment. At a minimum, the report must briefly summarize the grant administration method being implemented, provide a copy of any model grant agreement, and provide recommendations, if any, for legislative changes.

Subd. 3. Greater Minnesota Transit

2,500,000

For capital assistance for greater Minnesota transit systems to be used for transit capital facilities under Minnesota Statutes, section 174.24, subdivision 3c. Money from this appropriation may be used to pay up to 80 percent of the nonfederal share of these facilities.

\$520,000 is for a grant to the city of Northfield to design, construct, furnish, and equip a multimodal hub to serve as a transfer station, park and ride, intercity hub and trailhead, providing connections to Mill Towns State Trail, bike paths, and sidewalks within the city of Northfield.

Subd. 4. Rail Service Improvement

2,000,000

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

Subd. 5. Minnesota Valley Railroad Track Rehabilitation

5,000,000

For a grant to the Minnesota Valley Regional Rail Authority to rehabilitate and make capital improvements to railroad track from east of Gaylord to Winthrop. A grant under this subdivision is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62.

Subd. 6. Northstar Commuter Rail Extension to St. Cloud

1,000,000

To match federal money for environmental analysis, design, engineering, and acquisition of real property or interests in real property to extend the Northstar commuter rail line from Big Lake to the St. Cloud area.

Subd. 7. Railroad Grade Warning Devices Replacement

2,500,000

(a) To design, construct, and equip the replacement of active highway railroad grade crossing warning devices that have reached the end of their useful life.

(b) \$900,000 is for a grant to the city of Grand Rapids to make at-grade railroad crossing improvements in the city. The project includes closing at-grade crossings at 12th Avenue West and 5th Avenue East along with at-grade crossing improvements on and adjacent to 19th Avenue West and 3rd Avenue East under City Projects 2003-6 and 2010-3. Crossing improvements include but are not limited to concrete crossings, railroad cross arms and signals, and street and utility improvements necessary to facilitate the crossing closures and improvements including design and construction engineering. This appropriation is not subject to the requirements of the commissioner to receive funding under paragraph (a) or under the department's rail grade crossing improvement program. This appropriation is not available until the commissioner of management and budget has determined that at least \$2,400,000 has

been committed, including expenditures prior to July 1, 2010, to the project from nonstate sources.

Subd. 8. Port Development Assistance

3,000,000

For grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned.

Subd. 9. Range Regional Airport

3,700,000

For a grant to the Chisholm-Hibbing Airport Authority for site preparation and to predesign, design, and construct a multiuse hangar and maintenance and storage facilities.

Subd. 10. Duluth Airport Terminal

11,700,000

For a grant to the city of Duluth to predesign, design, construct, furnish, and equip phase 2 of the new terminal facilities at the Duluth International Airport as phase 2 of the airport terminal project is described for purposes of the federal aviation administration project grant.

This appropriation is not available until the commissioner determines that at least an equal amount is committed to the project from nonstate sources.

Subd. 11. Thief River Falls Airport

2,097,000

For a grant to the city of Thief River Falls to design, construct, furnish, and equip a multipurpose hangar at the Thief River Falls Regional Airport in Pennington County. This appropriation is not available until the commissioner determines that a match from other sources of at least \$699,000 is committed to the project.

Subd. 12. Rochester Maintenance Facility

26,430,000

This appropriation is from the bond proceeds account in the trunk highway fund.

To prepare a site for and design, construct, furnish, and equip a new maintenance facility in Rochester.

Subd. 13. **Arden Hills Training Center** 6,500,000

This appropriation is from the bond proceeds account in the trunk highway fund.

To design and construct an addition to the Arden Hills Training Center.

Subd. 14. **Maple Grove Truck Station** 15,800,000

This appropriation is from the trunk highway fund.

To design and construct a new truck station in Maple Grove.

Subd. 15. **Little Falls Truck Station** 3,300,000

This appropriation is from the trunk highway fund.

To design and construct a new truck station in Little Falls.

Subd. 16. **Maplewood Bridge Crew Building** 3,000,000

This appropriation is from the trunk highway fund.

To design and construct a new building for the metro bridge crew.

Subd. 17. **Design** 700,000

This appropriation is from the trunk highway fund for design of the new Willmar district headquarters vehicle storage facility and the new Plymouth truck station.

Subd. 18. **Hoffman Yard** 1,000,000

For environmental analysis, engineering, acquisition of real property or interests in real property, and construction relating to capacity improvements at the Hoffman Interlocking/Hoffman Yard in St. Paul as identified in the Minnesota Comprehensive

Statewide Freight and Passenger Rail Plan.

Sec. 16. METROPOLITAN COUNCIL

Subdivision 1. Total Appropriation

\$ 79,100,000

To the Metropolitan Council for the purposes specified in this section.

Subd. 2. Transit Capital Improvement Program

43,500,000

(a) To advance transit in the metropolitan area, in consultation with the Counties Transit Improvement Board. Transit way corridors include the following: Bottineau Boulevard, Cedar Avenue, Central Corridor LRT, I-35W corridor, I-94 corridor, Red Rock corridor, Riverview corridor, Robert Street corridor, Rush Line, and Southwest corridor.

The appropriation must be used first to maximize federal money for all the following projects and to fund all projects in this paragraph as follows, but not listed in rank order of priority:

(1) preliminary engineering and environmental work for the Southwest Corridor light rail line from the Hiawatha light rail in downtown Minneapolis to Eden Prairie;

(2) environmental assessment, preliminary engineering, design, right-of-way acquisition, and construction of bus shoulders and transit facilities all as part of the Cedar Avenue Bus Rapid Transit Way from Lakeville in Dakota County to Bloomington in Hennepin County;

(3) a grant to the Ramsey County Regional Railroad Authority to acquire land and structures, to renovate structures, and for design, engineering, and environmental work to complete revitalization of the Union Depot for use as a multimodal transit center in St. Paul. The center must be designed so that it facilitates a potential future connection of high-speed rail to Minneapolis;

(4) real property acquisition, environmental analysis, and engineering for and construction of a park-and-ride facility for the Red Rock Corridor Transit Way;

(5) environmental work, engineering, acquisition of real property or interests in real property, and design and construction of a park-and-ride facility in the city of Woodbury for the I-94 Corridor Transit Way;

(6) a grant to the Hennepin County Regional Rail Authority for environmental analysis, engineering, design, acquisition of real property or interests in real property, and site preparation for the Minneapolis Transportation Interchange Facility located in the vicinity of the confluence of the Hiawatha light rail line and the Northstar commuter rail line. The interchange must be designed so that it facilitates a potential future connection of passenger or commuter rail to the Union Depot in St. Paul. The amount of the grant may not exceed the amount spent under this appropriation for park-and-ride facilities; and

(7) to design, construct, furnish, and equip improvements to property along the Central Corridor light rail tracks as they pass the State Capitol on University Avenue in St. Paul; money used for this purpose is not part of the Central Corridor light rail transit project budget.

(b) The remainder of the appropriation must be used to implement any of the following capital improvements, which are not listed in rank order of priority, to be selected by the Metropolitan Council after consultation with the Counties Transit Improvement Board and after consultation with other stakeholders as appropriate. The council shall seek geographic balance in the allocation of this appropriation where possible. The remainder of the appropriation is for:

(1) environmental studies, engineering, real property acquisition, and construction of passenger facilities for the Robert Street

Corridor Transit Way along a corridor on or parallel to U.S. Highway 52 and Robert Street from within the city of St. Paul to Dakota County Road 42 in Rosemount;

(2) environmental analysis and project development for the Bottineau Boulevard Transit Way corridor from the Target Ballpark station in downtown Minneapolis to the vicinity of the Target development in northern Brooklyn Park or the Arbor Lakes retail area in Maple Grove;

(3) real property acquisition for and construction of a park-and-ride facility in the vicinity of the intersection of County Road 14 and Interstate Highway 35E for the Rush Line Transit Way;

(4) a grant to the Anoka County Regional Rail Authority for environmental analysis, design, engineering, acquisition of real property or interests in real property, and construction of related infrastructure and other improvements of a capital nature for the Foley Boulevard Northstar commuter rail station;

(5) a grant to Hennepin County for design of a transit station in the Lake Street area at marked Interstate Highway 35W in the city of Minneapolis;

(6) to predesign, design, construct, furnish, and equip a parking lot and transit station shelter on land owned by the city of Rosemount in the city's downtown area. The parking lot will have approximately 100 spaces for vehicles; and

(7) a grant to the Ramsey County Regional Railroad Authority for environmental work and preliminary engineering for bus rapid transit in the Riverview corridor between the east side of St. Paul and the Minneapolis-St. Paul International Airport and the Mall of America.

Subd. 3. Metropolitan Cities Inflow and Infiltration Grants

3,000,000

For grants to cities within the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the Metropolitan Council's metropolitan sanitary sewer disposal system. To be eligible for a grant, a city must be identified by the Metropolitan Council as a contributor of excessive inflow or infiltration. Grants from this appropriation are for up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection systems. The council must award grants based on applications from eligible cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council.

Subd. 4. Metropolitan Regional Parks and Trails Capital Improvements

(a) Metropolitan Council Priorities

10,500,000

For the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. Priority must be given to park rehabilitation and land acquisition projects. This appropriation must not be used to purchase easements.

(b) Como Zoo

11,000,000

For a grant to the city of St. Paul to predesign, design, construct, furnish, and equip phase 2 renovation of exhibits at the Como Zoo.

(c) Minneapolis Sculpture Garden

2,000,000

For a grant to the Minneapolis Park and Recreation Board to predesign, design, and

begin construction of the renovation of the Minneapolis Sculpture Garden, which displays art owned by the Walker Art Center, subject to Minnesota Statutes, section 16A.695. The complete renovation will include improving irrigation, drainage, the parking lot, security, granite substructures, concrete, and fixtures, in order to update them with more ecologically sustainable options that are less expensive to maintain; increasing physical accessibility in accordance with the Americans with Disabilities Act; transplanting and replacing trees and plant materials; and improving the mechanical plant, piping, and flooring of the Cowles Conservatory to permit its flexible reuse in a way that is more ecologically sustainable and less expensive to maintain.

(d) Old Cedar Avenue Bridge

2,000,000

For a grant to the city of Bloomington to renovate the Old Cedar Avenue Bridge for bicycle commuters and recreational users. The city of Bloomington must consult with the city of Eagan and Dakota County on the renovation.

This appropriation is added to the appropriation in Laws 2008, chapter 365, section 4, subdivision 3, as amended by this act.

(e) Phalen-Keller Regional Park

1,100,000

For grants to the city of St. Paul and Ramsey County for improvements to the Phalen-Keller Regional Park, including design, engineering, and construction for channel restoration and other associated channel improvements between Phalen, Keller, and Round Lakes, renovation of the waterfall on the northwest shore of Lake Phalen and addition of lighting and landscaping along the path near the waterfall, and design and construction of a paved off-road trail between Roselawn Avenue and County Road B connecting use areas within

Keller Regional Park and to Phalen Regional Park and the Gateway State Trail.

(f) Rock Island Bridge Park and Trail Development

1,000,000

For a grant to the city of Inver Grove Heights for park and trail development on the west bank of the Mississippi River in Dakota County at the site of Mississippi River Bridge JAR 5600, commonly known as the Rock Island Bridge. Any park or trails developed with this appropriation must connect with any local, regional, or state trails in the vicinity, and the historic Rock Island Bridge.

(g) Springbrook Nature Center

2,000,000

For a grant to the city of Fridley to predesign, design, construct, furnish, and equip the redevelopment and expansion of the Springbrook Nature Center. No nonstate match is required.

(h) Theodore Wirth Olympic Training Center

1,000,000

For a grant to the Minneapolis Park and Recreation Board to predesign, design, construct, furnish, and equip, at Theodore Wirth Regional Park in Golden Valley, Hennepin County, a winter recreation center, including warming and training areas and maintenance facilities, for developing Olympic-caliber athletes.

(i) Veterans Memorial Parks

2,000,000

For a grant to the Minneapolis Park and Recreation Board to: (1) design and construct an appropriate monument in Sheridan Veterans Memorial Park on the Mississippi River in Minneapolis to memorialize the war service of Minnesota veterans of all wars; and (2) match money provided by Hennepin County to restore the flagpole monument and plaza, and make other infrastructure improvements of a capital nature for the Veterans of World War I Victory Memorial Parkway, consistent with Hennepin County's

planned infrastructure improvements.

Sec. 17. **HEALTH**

Subdivision 1. **Total Appropriation**

\$ 15,000,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Gillette Children's Specialty Healthcare**

10,000,000

For a grant to Ramsey County to design, construct, furnish, and equip capital improvements to the hospital facility operated by Gillette Children's Specialty Healthcare, subject to Minnesota Statutes, section 16A.695. A management contract or use agreement with respect to the facility must require that it be used to carry out a governmental program, including but not limited to providing health care.

This appropriation is intended to cover approximately one-sixth of the \$62,000,000 total project cost. It is not available until the commissioner has determined that an amount sufficient to complete the project has been committed from nonstate sources.

If this state bond financed property is sold, and notwithstanding Minnesota Statutes, section 16A.695, subdivision 3, clause (2), the net proceeds must be applied as follows: first, to pay the state the amount of state bond proceeds used to acquire or better the property; and second, any remaining amount must be paid to Ramsey County, or its successor in interest in the property. When the sale is complete and the sale proceeds have been applied as provided in this subdivision, section 16A.695 no longer applies to the property and the property is no longer state bond financed property.

Subd. 3. **Hyperbaric Oxygen Chamber**

5,000,000

For a grant to Hennepin County for Hennepin County Medical Center to design, construct, furnish, and equip the relocation of a

hyperbaric oxygen facility on the Hennepin County Medical Center campus.

Sec. 18. **HUMAN SERVICES**

Subdivision 1. Total Appropriation

\$ 51,625,000

To the commissioner of administration, or another named agency, for the purposes specified in this section.

Subd. 2. Asset Preservation

2,000,000

For asset preservation improvements and betterments of a capital nature at Department of Human Services facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Early Childhood Learning and Child Protection Facilities

2,000,000

To the commissioner of human services for grants under Minnesota Statutes, section 256E.37, to construct and rehabilitate early childhood learning and child protection facilities.

Subd. 4. Remembering With Dignity

125,000

To the commissioner of human services for grave markers or memorial monuments for unmarked graves on public land of deceased residents of state hospitals or regional treatment centers.

Subd. 5. Minnesota Sex Offender Program Treatment Facilities - Moose Lake

47,500,000

To complete design for and to construct, furnish, and equip phase 2 of the Minnesota sex offender treatment program at Moose Lake.

Subd. 6. Sex Offender Treatment Center; Facilities Study

The commissioner of human services, in consultation with the commissioners of

corrections and administration, shall study the potential for using existing vacant or underused state facilities, including regional treatment centers, for the sex offender treatment program or for other programs or services administered by the Department of Human Services. The study must analyze the feasibility, time required, and cost of making the building and infrastructure changes necessary for the program. The study must also examine the current civil commitment policies of the state, sex offender treatment, and possible legislation to change determinate sentencing for sex offenders. The study must include a review of how other states use civil commitment for sex offenders. The commissioner shall submit a report on the study, with specific recommendations, to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over capital investment, human services policy and finance, and public safety policy and finance by January 15, 2011.

Sec. 19. VETERANS AFFAIRS

Subdivision 1. Total Appropriation

\$ 13,900,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation

4,000,000

For asset preservation improvements and betterments of a capital nature at veterans homes statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Luverne Veterans Home Entrance Enclosure

450,000

To design, construct, and furnish a new enclosure attached to the front entrance of the Luverne Veterans Home; re-engineer the circle drive parking lot adjoining the entrance to increase visitor parking capacity; and provide day room and lounge space on either

side of the entrance.

Subd. 4. Minneapolis Veterans Home

9,450,000

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

Sec. 20. CORRECTIONS

Subdivision 1. Total Appropriation

\$ 23,829,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation

8,000,000

For improvements and betterments of a capital nature at Minnesota correctional facilities statewide, in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. ARMER Radio System Migration

5,800,000

To design, construct, furnish, and equip the Allied Radio Matrix for Emergency Response (ARMER) system migration into all state correctional facilities, including, but not limited to, building and radio site improvements, installation of fixed antenna systems and repeaters, and installation of master control dispatch console equipment.

Subd. 4. Minnesota Correctional Facility - Oak Park Heights

(a) Exterior Intrusion Detection System Upgrade

3,529,000

To replace and improve the current perimeter detection system with a comprehensive system that will use current technology and provide essential components of effective and reliable escape detection at Minnesota's maximum security correctional facility, including but not limited to installation of a

new sensor coil system, improved lighting, cameras, recording devices, and renovations of existing facilities required to accommodate the technology and functionality of the new system.

(b) Security System Upgrade

6,500,000

To replace and upgrade existing facility security systems and components with new fully integrated systems throughout the prison, including renovations of existing facilities required to accommodate the technology and functionality of the new systems.

Subd. 5. Unspent appropriations

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 16B.307, at the same correctional facility as the project for which the original appropriation was made. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 21. EMPLOYMENT AND ECONOMIC DEVELOPMENT

Subdivision 1. Total Appropriation

\$ 121,965,000

To the commissioner of employment and economic development for the purposes specified in this section.

Subd. 2. Greater Minnesota Business Development Infrastructure Grant Program

10,000,000

For grants under Minnesota Statutes, section 116J.431.

\$1,000,000 is for a grant to the city of North Branch in Chisago County to complete the predesign, design, and construction of a main water line loop, including connections

and a main sanitary sewer line with a lift station, in the city of North Branch. The trunk water main loop connection line will provide adequate water volume and pressure for fire protection and suppression for industrial users at the ESSBY Business Park, while the trunk sewer line is required to provide sanitary sewer service to property along the water main loop.

\$200,000 is for a matching grant to the Board of Trustees of the Minnesota State Colleges and Universities for Pine Technical College to design, construct, furnish, and equip an entrepreneurship and technology business incubator at Pine Technical College. This appropriation is not available until the board determines that at least an equal match has been committed from nonstate sources, including a grant from the United States Economic Development Administration.

\$285,000 is for a grant to the Voyageurs National Park Clean Water Joint Powers Board to predesign a wastewater collection and treatment facility located in the Voyageurs National Park area.

Subd. 3. Innovative Business Development Public Infrastructure Grant Program

4,000,000

For grants under Minnesota Statutes, section 116J.435.

Subd. 4. Redevelopment Account

5,000,000

For purposes of the redevelopment account under Minnesota Statutes, sections 116J.571 to 116J.575.

\$2,000,000 is for a grant to the city of Lake Elmo. \$1,000,000 must be used to design and construct an expansion of the city's water pumping, storage, and distribution system to provide approximately 1,000 additional service hookups and replace a city well lost to contamination by perfluorochemicals (PFC's). \$1,000,000 must be used to design and construct the extension of a

16-inch sanitary sewer force main from the Metropolitan Council interceptor on Interstate Highway 94 to 30th Street to the proposed southern edge of the Lake Elmo Village area. This appropriation is not available until the council has determined that at least an equal amount has been committed to the project from nonstate sources.

Notwithstanding Minnesota Statutes, section 16A.642, grant number RDGP-06-0007-0-FY07, awarded in September 2006 to the city of Tower from an appropriation to the redevelopment account in Laws 2005, chapter 20, article 1, section 23, subdivision 11, is available until June 30, 2013.

Subd. 5. Bemidji - Headwaters Science Center

475,000

For a grant to the city of Bemidji to predesign and design the Headwaters Science Center, subject to Minnesota Statutes, section 16A.695.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources.

Subd. 6. Chatfield - Potter Center for the Arts

2,200,000

For a grant to the Chatfield Economic Development Authority for site preparation and to predesign, design, construct, furnish, and equip the renovation of Potter Memorial Auditorium and adjacent structures in the city of Chatfield as the Potter Center for the Arts. The economic development authority may enter into leases and management agreements with the city and other entities to provide the programs in the center, subject to Minnesota Statutes, section 16A.695.

Subd. 7. Duluth Zoo

200,000

For a grant to the city of Duluth for asset preservation and exhibit renewal at the Duluth Zoo that is needed for the zoo to achieve

accreditation. No match is required.

Subd. 8. Hennepin County

Minnesota African American History Museum and Cultural Center

840,000

For a grant to Hennepin County to predesign, design, construct, furnish, and equip the renovation of an historic mansion for the Minnesota African American History Museum and Cultural Center in Minneapolis, subject to Minnesota Statutes, section 16A.695.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

Subd. 9. Mankato - Civic Center and All Seasons Arenas

12,000,000

For a grant to the city of Mankato to design, construct, furnish, and equip the expansion of the Civic Center auditorium, including a performing arts theater, and the remodelling and expansion of the Civic Center and All Seasons arenas, which must include the Southern Minnesota Women's Hockey Exposition Center, for joint use by the city and Minnesota State University, Mankato.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources.

Subd. 10. Minneapolis - Granary Road Storm Water Infrastructure

4,000,000

For a grant to the city of Minneapolis to acquire land for, and to predesign, design, and construct, storm water and roadway infrastructure for phase 2 of the proposed Granary Road between 17th Avenue SE and 25th Avenue SE in Minneapolis.

This appropriation is not available until the

commissioner has determined that at least an equal amount has been committed to the project from nonstate sources.

Subd. 11. Minneapolis - Orchestra Hall

16,000,000

For a grant to the city of Minneapolis to predesign, design, construct, furnish, and equip the renovation of Orchestra Hall at its current downtown Minneapolis location, including \$2,000,000 for Peavey Plaza. The city of Minneapolis may operate a performing arts center and adjacent property for public recreation and may enter into a lease or management agreement for the improved facilities, subject to Minnesota Statutes, section 16A.695.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

Subd. 12. Ramsey County - Rice Street Bioscience Corridor

5,000,000

For a grant to Ramsey County to reconstruct the Rice Street bridge where it crosses marked Trunk Highway 36 in Ramsey County, and for other improvements of a capital nature to publicly owned infrastructure to support bioscience business development.

Subd. 13. Rochester - Mayo Civic Center Complex

28,000,000

For a grant to the city of Rochester to design, construct, furnish, and equip the renovation and expansion of the Mayo Civic Center Complex.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

Subd. 14. St. Cloud - Civic Center Expansion

13,000,000

For a grant to the city of St. Cloud to predesign, design, construct, furnish, and

equip an expansion to the St. Cloud Civic Center, including a parking facility and skyway connection.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources.

Subd. 15. St. Louis County - Arrowhead Regional Event Facilities

250,000

For a grant to St. Louis County as the fiscal agent to provide and improve event facilities in the Arrowhead region as provided in this subdivision. The facilities must have a cooperative agreement to provide training, exhibition, and competition centers for the five community colleges of the Northeast Higher Education District. The St. Louis County Board of Commissioners shall make grants to the cities included in this subdivision, and the cities will retain title to the facilities. Grants may include the following projects:

(a) Hibbing Memorial Building

To predesign and design a new addition to the Hibbing Memorial Building. This request includes the American Disabilities Act compliance requirements for the Hibbing Memorial Building to serve as a regional facility for veterans, seniors, and community events.

(b) Mountain Iron Arrowhead Event Center

To predesign and design a new Arrowhead event facility in the city of Mountain Iron.

Subd. 16. St. Paul

(a) Asian Pacific Cultural Center

5,000,000

For a grant to the St. Paul Housing and Redevelopment Authority, to construct, furnish, and equip an Asian-Pacific Cultural Center, subject to Minnesota Statutes, section

16A.695. The appropriation does not require a local match.

(b) Ordway Center for the Performing Arts

16,000,000

For a grant to the city of St. Paul to design, construct, furnish, and equip a concert hall of approximately 1,100 seats and support spaces at the Ordway Center for the Performing Arts, subject to Minnesota Statutes, section 16A.695.

Sec. 22. PUBLIC FACILITIES AUTHORITY

Subdivision 1. Total Appropriation

\$ 57,000,000

To the Public Facilities Authority for the purposes specified in this section.

Subd. 2. State Match For Federal Grants

30,000,000

(a) To match federal grants for the clean water revolving fund under Minnesota Statutes, section 446A.07, and the drinking water revolving fund under Minnesota Statutes, section 446A.081.

(b) \$10,800,000 of this appropriation shall provide matching funds for the drinking water revolving fund to match the 2011 and 2012 federal grants, with the balance to be made available to the clean water revolving fund.

(c) This appropriation must be used for qualified capital projects.

Subd. 3. Wastewater Infrastructure Funding Program

27,000,000

For grants to eligible municipalities under the wastewater infrastructure funding program under Minnesota Statutes, section 446A.072.

Up to \$2,800,000 may be used as a grant to the city of Williams to undertake corrective action on a system built since 2001 with federal money from USDA Rural Economic and Community Development. This grant is not subject to the 2010 or 2011 project

priority list nor to the limitations on grant amounts set forth in Minnesota Statutes, section 446A.072, subdivision 5a.

Sec. 23. MINNESOTA HOUSING FINANCE AGENCY

\$ 10,000,000

To the Minnesota Housing Finance Agency for transfer to the housing development fund to finance the costs to rehabilitate, or to replace units lost in a fire, to preserve public housing under Minnesota Statutes, section 462A.202, subdivision 3a. For purposes of this section, "public housing" means housing for low-income persons and households financed by the federal government and owned and operated by the public housing authorities and agencies formed by cities and counties. Eligible public housing authorities must have a public housing assessment system rating of standard or above. Priority must be given to proposals that maximize federal or local resources to finance the capital costs. The priority in Minnesota Statutes, section 462A.202, subdivision 3a, for projects to increase the supply of affordable housing and the restrictions of Minnesota Statutes, section 462A.202, subdivision 7, do not apply to this appropriation.

Sec. 24. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation

\$ 13,757,000

To the Minnesota Historical Society for the purposes specified in this section.

Subd. 2. Historic Sites Asset Preservation

3,400,000

For capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

Subd. 3. County and Local Preservation Grants

1,000,000

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in Minnesota Statutes, section 138.0525.

\$150,000 is for a grant to the city of South St. Paul to renovate the historically significant 1941 Navy Hangar at 310 Airport Road at Fleming Field in the city to meet life safety and building code requirements, subject to Minnesota Statutes, section 16A.695. No local match is required for this grant.

Subd. 4. Oliver H. Kelley Farm Historic Site

9,357,000

To complete design and to construct, furnish, and equip the renovation of the Oliver H. Kelley Farm Historic Site, including the site's visitor center and other essential visitor services and site operations facilities.

Sec. 25. BOND SALE EXPENSES

\$ 1,079,000

(a) \$1,064,000 is from the bond proceeds fund to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

(b) \$15,000 is from the bond proceeds account in the trunk highway fund to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, section 167.50, subdivision 4.

Sec. 26. BOND SALE AUTHORIZATION.

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$1,003,085,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. **Maximum effort school loan fund.** To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$5,780,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the

maximum effort school loan fund.

Subd. 3. **Transportation fund.** To provide the money appropriated in this act from the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$66,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Subd. 4. **Trunk highway fund bond proceeds account.** To provide the money appropriated in this act from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$32,945,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be credited to the bond proceeds account in the trunk highway fund.

Sec. 27. CANCELLATIONS; BOND SALE AUTHORIZATIONS REDUCED.

Subdivision 1. **Bureau of Criminal Apprehension.** \$525,000 of the appropriation in Laws 2002, chapter 374, article 11, section 7, subdivision 3, as amended by Laws 2002, chapter 393, section 90, for construction of the Bureau of Criminal Apprehension building in Saint Paul, is canceled. The bond sale authorization in Laws 2002, chapter 374, article 11, section 17, is reduced by \$525,000.

Subd. 2. **Administration; property acquisition.** \$5,131.83 of the appropriation in Laws 2002, chapter 374, article 11, section 7, subdivision 4, for property acquisition, is canceled. The bond sale authorization in Laws 2002, chapter 374, article 11, section 17, is reduced by \$5,131.83.

Subd. 3. **Human services.** \$23,642.57 of the appropriation in Laws 2002, chapter 374, article 11, section 11, for Department of Human Services asset preservation, is canceled. The bond sale authorization in Laws 2002, chapter 374, article 11, section 17, is reduced by \$23,642.57.

Subd. 4. **CAPRA.** \$101,485.07 of the appropriation in Laws 2002, chapter 393, section 13, subdivision 2, for the capital asset preservation and replacement account, is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by \$101,485.07.

Subd. 5. **Administration.** \$1,041.79 of the appropriation in Laws 2002, chapter 393, section 13, subdivision 3, for electrical utility infrastructure in the capitol complex, is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by \$1,041.79.

Subd. 6. **Health and agriculture laboratory.** \$10,701.71 of the appropriation in Laws 2002, chapter 393, section 13, subdivision 6, for health and agriculture lab, is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by \$10,701.71.

Subd. 7. **Minnesota state academies.** \$8,730.46 of the appropriation in Laws 2002, chapter 393, section 6, for asset preservation, is canceled. The bond sale authorization in Laws 2002, chapter 393,

section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by \$8,730.46.

Subd. 8. **Human services.** \$5,829.55 of the appropriation in Laws 2002, chapter 393, section 22, subdivision 2, for systemwide roof renovation and replacement, is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by \$5,829.55.

Subd. 9. **Human services.** \$53,695.76 of the appropriation in Laws 2002, chapter 393, section 22, subdivision 3, for asset preservation, is canceled. Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by \$53,695.76.

Subd. 10. **Human services.** \$77,034.74 of the appropriation in Laws 2002, chapter 393, section 22, subdivision 4, for demolition, is canceled. Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by \$77,034.74.

Subd. 11. **Human services.** \$8,873.69 of the appropriation in Laws 2002, chapter 393, section 22, subdivision 6, as amended by Laws 2005, chapter 20, article 1, section 43, for the Fergus Falls Regional Treatment Center, is canceled. Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by \$8,873.69.

Subd. 12. **Human services.** \$3,498 of the appropriation in Laws 2002, chapter 393, section 22, subdivision 7, for the St. Peter Regional Treatment Center, is canceled. Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by \$3,498.

Subd. 13. **Veterans Homes Board.** \$8,022.83 of the appropriation in Laws 2002, chapter 393, section 23, subdivision 2, for asset preservation, is canceled. Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by \$8,022.83.

Subd. 14. **Veterans Homes Board.** \$2,000 of the appropriation in Laws 2002, chapter 393, section 23, subdivision 3, for the Hastings Veterans Home utility infrastructure, is canceled. Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by \$2,000.

Subd. 15. **Phalen Boulevard.** \$201,486 of the appropriation in Laws 2003, First Special Session chapter 20, article 1, section 12, subdivision 6, for a grant to the city of St. Paul for the Phalen Boulevard project, is canceled. The bond sale authorization in Laws 2003, First Special Session chapter 20, article 1, section 16, as amended by Laws 2008, chapter 179, section 28, is reduced by \$201,486.

Subd. 16. **Perpich Center for Arts Education.** \$1.12 of the appropriation in Laws 2005, chapter 20, article 1, section 4, subdivision 2, for asset preservation, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by \$1.12.

Subd. 17. **Perpich Center for Arts Education.** \$7,480.88 of the appropriation in Laws 2005,

chapter 20, article 1, section 4, subdivision 3, for the Beta Building, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by \$7,480.88.

Subd. 18. **Administration.** \$28,261.71 of the appropriation in Laws 2005, chapter 20, article 1, section 13, subdivision 4, for capitol area parking, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by \$28,261.71.

Subd. 19. **Capitol Area Architectural and Planning Board.** \$14,140.75 of the appropriation in Laws 2005, chapter 20, article 1, section 14, subdivision 2, for capitol interior renovation, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by \$14,140.75.

Subd. 20. **Veterans Homes Board.** \$1,863.57 of the appropriation in Laws 2005, chapter 20, article 1, section 21, subdivision 3, for the Luverne home, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by \$1,863.57.

Subd. 21. **Veterans Homes Board.** \$25,720 of the appropriation in Laws 2005, chapter 20, article 1, section 21, subdivision 5, as amended by Laws 2005, First Special Session chapter 7, section 5, for predesign of a home in Willmar, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by \$25,720.

Subd. 22. **Minnesota Correctional Facility - Stillwater.** \$1,003,283.99 of the appropriation in Laws 2005, chapter 20, article 1, section 22, subdivision 3, for new segregation unit, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by \$1,003,283.99.

Subd. 23. **Minnesota Correctional Facility - Willow River.** \$962.09 of the appropriation in Laws 2005, chapter 20, article 1, section 22, subdivision 4, paragraph (a), for an activities building, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by \$962.09.

Subd. 24. **Minnesota correctional facility - beds.** \$853 of the appropriation in Laws 2005, chapter 20, article 1, section 22, subdivision 4, paragraph (b), for additional beds at Willow River, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by \$853.

Subd. 25. **Institute of Nanotechnology.** \$600,000 of the appropriation in Laws 2005, chapter 20, article 1, section 23, subdivision 11, as amended by Laws 2006, chapter 171, section 1, and Laws 2008, chapter 179, section 57, for a grant to the city of Rushford for the Institute of Nanotechnology, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by \$600,000.

Subd. 26. **Veterans Homes Board.** \$7,770.30 of the appropriation in Laws 2006, chapter 258, section 19, subdivision 5, for the Luverne addition, is canceled. The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, as amended by Laws 2007, chapter 45, article 3, section 6, and Laws 2008, chapter 179, section 28, is reduced by \$7,770.30.

Subd. 27. **Department of Natural Resources facility damage.** \$2,283,263 of the appropriation in Laws 2007, First Special Session chapter 2, article 1, section 5, subdivision 2, to rehabilitate and replace state facilities and restore natural resources in the flood damaged area, is canceled. The bond sale authorization in Laws 2007, First Special Session chapter 2, article 1, section 15, subdivision 1, is reduced by \$2,283,263.

Subd. 28. **Department of Transportation; Urban Partnership Agreement.** \$9,000,000 of the appropriation in Laws 2008, chapter 152, article 2, section 3, subdivision 4, for the urban partnership agreement, is canceled. The trunk highway bond sale authorization in Laws 2008, chapter 152, article 2, section 7, subdivision 1, is reduced by \$9,000,000.

Subd. 29. **Department of Transportation building.** \$9,500,000 of the appropriation in Laws 2008, chapter 152, article 2, section 5, for the exterior of the Department of Transportation building in Saint Paul, is canceled. The trunk highway bond sale authorization in Laws 2008, chapter 152, article 2, section 7, subdivision 1, is reduced by \$9,500,000.

Subd. 30. **Agriculture.** \$2,660 of the appropriation in Laws 2008, chapter 179, section 10, for the potato inspection unit building roof, is canceled. The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, as amended by Laws 2008, chapter 365, section 7, is reduced by \$2,660.

Subd. 31. **Bayport storm sewer.** \$150,000 of the appropriation in Laws 2008, chapter 179, section 22, subdivision 8, for the Bayport storm sewer, is canceled. The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, as amended by Laws 2008, chapter 365, section 7, is reduced by \$150,000.

Subd. 32. **Disaster relief.** \$3,900,000 of the appropriation in Laws 2009, chapter 93, article 2, section 3, subdivision 3, for state and local match, is canceled. The bond sale authorization in Laws 2009, chapter 93, article 2, section 13, subdivision 1, is reduced by \$3,900,000.

Subd. 33. **2009 authorizations.** (a) The bond sale authorization in Laws 2009, chapter 93, article 1, section 21, subdivision 1, is reduced by \$79,375,000.

(b) The bond sale authorization in Laws 2009, chapter 93, article 1, section 21, subdivision 2, is reduced by \$5,780,000.

Sec. 28. Minnesota Statutes 2008, section 16A.501, is amended to read:

16A.501 REPORT ON EXPENDITURE OF BOND PROCEEDS.

(a) The commissioner of management and budget must report annually to the legislature on the degree to which entities receiving appropriations for capital projects in previous omnibus capital improvement acts have encumbered or expended that money. The report must be submitted to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee by January 1 of each year.

(b) The commissioner of management and budget must report by January 15 of each year to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over capital investment, finance, and ways and means, on the amount and percentage of each agency's capital appropriation that is used to pay for the costs of staff directly attributable to capital programs or projects funded with state general obligation bond proceeds. The report must

also include information on agencies' compliance with the commissioner's policies governing the use of general obligation bond proceeds to pay staff costs and any changes to the commissioner's policies.

Sec. 29. Minnesota Statutes 2009 Supplement, section 16A.647, subdivision 1, is amended to read:

Subdivision 1. **Authority to issue.** When authorized by law to issue state general obligation bonds or state 911 revenue bonds under section 403.275, the commissioner may issue all or part of the bonds as tax credit bonds or as interest subsidy bonds or a combination of the two.

Sec. 30. Minnesota Statutes 2009 Supplement, section 16A.647, subdivision 5, is amended to read:

Subd. 5. **Sale; certain costs of issuance.** Tax credit bonds and interest subsidy bonds must be sold at a price not less than 98 percent of their stated principal amount. No state trunk highway bond may be sold for a price of less than par and accrued interest. When the commissioner determines to issue tax credit bonds or interest subsidy bonds to achieve a net present value debt service savings over tax-exempt bonds, the commissioner may issue an additional principal amount of bonds, not to exceed two percent of the principal amount of bonds otherwise authorized by law to be issued, to pay the costs of investment banking and banking services related to the sale or placement of the bonds, provided the additional issuance will not cause an increase in the general fund debt service transfer for the biennium during which the bonds are sold, as estimated by the commissioner. The proceeds are appropriated for this purpose.

Sec. 31. Minnesota Statutes 2008, section 16A.66, subdivision 2, is amended to read:

Subd. 2. **Special provisions for sale and issuance.** Refunding bonds may be sold publicly, or directly to the State Board of Investment without bids, or may be exchanged for bonds refunded by agreement with their holders. The refunding bonds must be prepared, executed, delivered, and secured in the same way as the refunded bonds. The proceeds of refunding bonds may be deposited, invested, and applied to accomplish the refunding as provided in section 475.67, subdivisions 5 to 10, and 13. Bids for the securities to be purchased for the escrow account may be secured, at the commissioner's election, either through the State Board of Investment or a suitable financial institution. The interest rate on refunding bonds may exceed that on the refunded bonds if the purpose of refunding is to extend the maturities and to reduce the amount needed annually to pay and to secure the debt.

Sec. 32. Minnesota Statutes 2008, section 16B.26, is amended to read:

16B.26 UTILITY COMPANIES, PERMITS TO CROSS STATE-OWNED LANDS.

Subdivision 1. **Easements.** (a) **Authority.** Except where the authority conferred by this section has been imposed on some other state or county office, the commissioner may grant an easement or permit over, under, or across any land owned by the state ~~for the purpose of constructing roads, streets, telephone, telegraph, and electric power lines, cables or conduits, underground or otherwise, or mains or pipe lines for gas, liquids, or solids in suspension~~ public purposes, including but not limited to, access, road, street, mass transit, telecommunication, flood protection, or utility purposes. This authority does not apply to land under the jurisdiction of the commissioner of natural resources or land obtained for trunk highway purposes.

(b) **Notice of revocation.** An easement or permit is revocable by written notice given by the commissioner if at any time its continuance will conflict with a public use of the land over, under, or upon which it is granted, or for any other reason. The notice must be in writing and is effective 90 days after the notice is sent by certified mail to the last known address of the record holder of the easement. If the address of the holder of the easement or permit is not known, it expires 90 days after the notice is recorded in the office of the county recorder of the county in which the land is located. Upon revocation of an easement, the commissioner may allow a reasonable time for the easement holder to vacate the premises affected. Notwithstanding the foregoing, the commissioner may grant to a state agency or political subdivision a permanent easement for the construction, operation, and maintenance of publicly owned infrastructure as described in paragraph (a), to have and to hold for as long as the easement area is used in accordance with the terms and conditions of the easement. If a permanent easement ceases to be used for the purposes stated in the easement or in accordance with its terms and conditions, the easement may be revoked by a written notice given by the commissioner in accordance with this paragraph.

(c) **Easement runs with land.** State land subject to an easement or permit granted by the commissioner remains subject to sale or lease, and the sale or lease does not revoke the permit or easement granted.

Subd. 2. **Land controlled by other agencies.** If the easement or permit involves land under the jurisdiction of an agency other than the Department of Administration, it is subject to the approval of the head of the agency and is subject to revocation by the commissioner as provided in this section, on request of the head of the agency.

Subd. 3. **Application.** An application for easement or permit under this section ~~must be in quadruplicate and~~ must include: a legal description of the land affected; a map showing the area affected by the easement or permit; and a detailed design of any structures to be placed on the land. The commissioner may require that the application be in another form and include other descriptions, maps, or designs. The commissioner may at any time order changes or modifications respecting construction or maintenance of structures or other conditions of the easement which the commissioner finds necessary to protect the public health and safety.

Subd. 4. **Form; duration.** The easement or permit must be in a form prescribed by the attorney general and must describe the location of the easement granted. The easement or permit continues until revoked by the commissioner, subject to change or modification as provided in this section.

Subd. 5. **Consideration; terms.** The commissioner may prescribe consideration and conditions for granting an easement or permit. Money received by the state under this section must be credited to the fund to which income or proceeds of sale from the land would be credited, if provision for the sale is made by law. Otherwise, it must be credited to the general fund.

Sec. 33. [16B.327] RECYCLING CONSTRUCTION AND DEMOLITION WASTE FROM STATE BUILDINGS; REQUIREMENT.

The commissioner shall require in contracts for the construction, renovation, or demolition of a state building that the contractor and any subcontractor must divert from deposit in a landfill and must recycle at least 50 percent of the nonhazardous construction and demolition waste, measured by tonnage or volume, produced by the project or demonstrate that the waste was delivered to construction and demolition waste recycling facilities that maintain a 50 percent annual recycling rate. This requirement applies to a project to construct, renovate, or demolish a state building that

receives funding from the bond proceeds fund after January 1, 2011, provided that:

(1) the project is located within 40 miles of a construction and demolition waste recycling facility that meets the requirements of this section and can process the applicable building materials; and

(2) for construction and renovation projects, funding from the bond proceeds fund is \$5,000,000 or more.

For the purposes of this section, "state building" means a building wholly owned or leased by a state agency, the Minnesota State Colleges and Universities, or the University of Minnesota.

Sec. 34. Minnesota Statutes 2008, section 16B.335, subdivision 1, is amended to read:

Subdivision 1. **Construction and major remodeling.** (a) The commissioner, or any other recipient to whom an appropriation is made to acquire or better public lands or buildings or other public improvements of a capital nature, must not prepare final plans and specifications for any construction, major remodeling, or land acquisition in anticipation of which the appropriation was made until the agency that will use the project has presented the program plan and cost estimates for all elements necessary to complete the project to the chair of the senate Finance Committee and the chair of the house of representatives Ways and Means Committee and the chairs have made their recommendations, and the chair of the house of representatives Capital Investment Committee is notified. "Construction or major remodeling" means construction of a new building, a substantial addition to an existing building, or a substantial change to the interior configuration of an existing building. The presentation must note any significant changes in the work that will be done, or in its cost, since the appropriation for the project was enacted or from the predesign submittal. The program plans and estimates must be presented for review at least two weeks before a recommendation is needed. The recommendations are advisory only. Failure or refusal to make a recommendation is considered a negative recommendation. The chairs of the senate Finance Committee and the house of representatives Capital Investment and Ways and Means Committees must also be notified whenever there is a substantial change in a construction or major remodeling project, or in its cost.

(b) Capital projects exempt from the requirements of this subdivision include demolition or decommissioning of state assets, hazardous material projects, utility infrastructure projects, environmental testing, parking lots, parking structures, park and ride facilities, bus rapid transit stations, light rail lines, exterior lighting, fencing, highway rest areas, truck stations, storage facilities not consisting primarily of offices or heated work areas, roads, bridges, trails, pathways, campgrounds, athletic fields, dams, floodwater retention systems, water access sites, harbors, sewer separation projects, water and wastewater facilities, port development projects for which the commissioner of transportation has entered into an assistance agreement under section 457A.04, ice centers, a local government project with a construction cost of less than \$1,500,000, or any other capital project with a construction cost of less than \$750,000.

Sec. 35. **[16B.355] COOPERATIVE LOCAL FACILITIES GRANTS.**

Subdivision 1. **Grants authorized.** The commissioner shall make grants to counties, cities, towns, and school districts to acquire, construct, or renovate public land and buildings and other public improvements of a capital nature for cooperative facilities to be owned and operated by the grantees.

Subd. 2. **Match.** A grant under this section may not be made until the commissioner has determined that at least 30 percent of the total project cost has been committed to the project from nonstate sources.

Subd. 3. **Amount.** No more than one-third of the amount appropriated by any one appropriation act may be granted to any one project.

Subd. 4. **Application.** (a) To be eligible to receive a grant, the grant application must be made to the commissioner on behalf of any combination of at least three counties, cities, towns, or school districts. The grant applicants must have entered into a joint powers agreement and formed a joint powers board under section 471.59 to govern the facilities. The joint powers board must approve the application by resolution.

(b) The grant application must demonstrate that acquisition, construction, or renovation of the cooperative facilities will improve the delivery of services by the grant applicants and will generate savings to the applicants in operating their buildings and programs.

(c) The commissioner shall prescribe and provide the application form. The application must include at least the following information:

(1) identification of the facilities;

(2) a plan for the facilities;

(3) a description of how the facilities will improve the delivery of governmental services by the applicants;

(4) a detailed estimate, along with necessary supporting evidence, of the total costs for the facilities;

(5) an estimate of the dates when the facilities for which the grant is requested will be contracted for and completed;

(6) a detailed estimate, along with necessary supporting evidence, of the savings in operating costs of buildings and programs that the project will generate;

(7) the manner in which the applicants will meet the local match requirement; and

(8) any additional information or material the commissioner prescribes.

Subd. 5. **Priority.** The commissioner, in consultation with the commissioner of management and budget and the commissioners of other state departments, as appropriate, shall give priority to projects that demonstrate a significant increase in cooperation as measured by one or more of the following criteria:

(1) improved quality, access, transparency, or level of service to citizens;

(2) fundamental change in the organization of service delivery;

(3) substantial savings in operating costs; or

(4) positive return on investment over the life of the facility.

Subd. 6. **Geographic distribution.** At least half the money provided as grants each fiscal

biennium must be for projects located outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

Sec. 36. Minnesota Statutes 2008, section 85.015, is amended by adding a subdivision to read:

Subd. 28. **Camp Ripley/Veterans State Trail.** The trail shall originate at Crow Wing State Park in Crow Wing County at the southern end of the Paul Bunyan Trail and shall extend from Crow Wing State Park westerly to the city of Pillager, then southerly along the west side of Camp Ripley, then easterly along the south side of Camp Ripley across to the east side of the Mississippi River, and then northerly through Fort Ripley to Crow Wing State Park. A second segment of the trail shall be established that shall extend in a southerly direction and in close proximity to the Mississippi River from the southeasterly portion of the first segment of the trail to the city of Little Falls, and then terminate at the Soo Line Trail in Morrison County.

Sec. 37. Minnesota Statutes 2008, section 103F.161, subdivision 3, is amended to read:

Subd. 3. **Red River basin flood mitigation projects.** Notwithstanding subdivision 2, a grant for implementation of a flood hazard mitigation project in the Red River basin that is consistent with the 1998 mediation agreement and approved by the Red River flood damage reduction work group may be for up to 75 percent of the cost of the proposed mitigation measures ~~for the Agassiz-Audubon, North Ottawa, Hay Creek, and Thief River subwatershed projects.~~

Sec. 38. Minnesota Statutes 2008, section 103F.515, is amended by adding a subdivision to read:

Subd. 10. **Use for mitigation prohibited.** Money made available under the reinvest in Minnesota reserve program may not be used for environmental regulatory or wetland mitigation purposes required under federal or state law.

Sec. 39. Minnesota Statutes 2008, section 116J.435, as amended by Laws 2009, chapter 35, sections 1 and 2, and Laws 2009, chapter 78, article 2, section 12, is amended to read:

116J.435 ~~BIOSCIENCE~~ INNOVATIVE BUSINESS DEVELOPMENT PUBLIC INFRASTRUCTURE GRANT PROGRAM.

Subdivision 1. **Creation of account.** ~~A bioscience~~ An innovative business development public infrastructure account is created in the bond proceeds fund. Money in the account may only be used for capital costs of public infrastructure for eligible ~~bioscience~~ innovative business development projects.

Subd. 2. **Definitions.** For purposes of this section:

(1) "local governmental unit" means a county, city, town, special district, public higher education institution, or other political subdivision or public corporation;

(2) "governing body" means the council, board of commissioners, board of trustees, board of regents, or other body charged with governing a local governmental unit;

(3) "public infrastructure" means publicly owned physical infrastructure in this state, including, but not limited to, wastewater collection and treatment systems, drinking water systems, storm sewers, utility extensions, telecommunications infrastructure, streets, roads, bridges, parking ramps, facilities that support basic science technology and clinical research, and research infrastructure; ~~and~~

(4) "innovative business" means a business that is engaged in, or is committed to engage in, innovation in Minnesota in one of the following: using proprietary technology to add value to a product, process, or service in a high technology field; researching or developing a proprietary product, process, or service in a high technology field; researching, developing, or producing a new proprietary technology for use in the fields of tourism, forestry, mining, transportation, or green manufacturing;

(5) "proprietary technology" means the technical innovations that are unique and legally owned or licensed by a business and includes, without limitation, those innovations that are patented, patent pending, a subject of trade secrets, or copyrighted; and

~~(4)~~ (6) "eligible project" means a—bioscience an innovative business development capital improvement project in this state, including: manufacturing; technology; warehousing and distribution; research and development; bioscience innovative business incubator; agricultural bioprocessing processing; or industrial, office, or research park development that would be used by a bioscience-based an innovative business.

Subd. 3. **Grant program established.** (a) The commissioner shall make competitive grants to local governmental units to acquire and prepare land on which public infrastructure required to support an eligible project will be located, including demolition of structures and remediation of any hazardous conditions on the land, or to predesign, design, acquire, construct, furnish, and equip public infrastructure required to support an eligible project. The local governmental unit receiving a grant must provide for the remainder of the public infrastructure costs from other sources. The commissioner may waive the requirements related to an eligible project under subdivision 2 if a project would be eligible under this section but for the fact that its location requires infrastructure improvements to residential development.

(b) The amount of a grant may not exceed the lesser of the cost of the public infrastructure or 50 percent of the sum of the cost of the public infrastructure plus the cost of the completed eligible project.

(c) The purpose of the program is to keep or enhance jobs in the area, increase the tax base, or to expand or create new economic development through the growth of new ~~bioscience~~ innovative businesses and organizations.

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a local governmental unit must include the following information in its application:

(1) a resolution of its governing body certifying that the money required to be supplied by the local governmental unit to complete the public infrastructure is available and committed;

(2) a detailed estimate, along with necessary supporting evidence, of the total development costs for the public infrastructure and eligible project;

(3) an assessment of the potential or likely use of the site for ~~bioscience~~ innovative business activities after completion of the public infrastructure and eligible project;

(4) a timeline indicating the major milestones of the public infrastructure and eligible project and their anticipated completion dates;

(5) a commitment from the governing body to repay the grant if the milestones are not realized by the completion date identified in clause (4); and

(6) any additional information or material the commissioner prescribes.

(b) The determination of whether to make a grant under subdivision 3 is within the discretion of the commissioner, subject to this section. The commissioner's decisions and application of the priorities are not subject to judicial review, except for abuse of discretion.

Subd. 5. **Priorities.** (a) If applications for grants exceed the available appropriations, grants must be made for public infrastructure that, in the commissioner's judgment, provides the highest return in public benefits for the public costs incurred. "Public benefits" include job creation, environmental benefits to the state and region, efficient use of public transportation, efficient use of existing infrastructure, provision of affordable housing, multiuse development that constitutes community rebuilding rather than single-use development, crime reduction, blight reduction, community stabilization, and property tax base maintenance or improvement. In making this judgment, the commissioner shall give priority to eligible projects with one or more of the following characteristics:

(1) the potential of the local governmental unit to attract viable ~~bioscience~~ innovative businesses;

(2) proximity to public transit if located in a metropolitan county, as defined in section 473.121, subdivision 4;

(3) multijurisdictional eligible projects that take into account the need for affordable housing, transportation, and environmental impact;

(4) the eligible project is not relocating substantially the same operation from another location in the state, unless the commissioner determines the eligible project cannot be reasonably accommodated within the local governmental unit in which the business is currently located, or the business would otherwise relocate to another state or country; and

(5) the number of jobs that will be created.

(b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate.

Subd. 6. **Cancellation of grant.** If a grant is awarded to a local governmental unit and funds are not encumbered for the grant within four years after the award date, the grant must be canceled.

Subd. 7. **Repayment of grant.** If an eligible project supported by public infrastructure funded with a grant awarded under this section is not occupied by a ~~bioscience~~ an innovative business in accordance with the grant application under subdivision 4 within five years after the date of the last grant payment, the grant recipient must repay the amount of the grant received. The commissioner must deposit all money received under this subdivision into the state treasury and credit it to the debt service account in the state bond fund.

Sec. 40. Minnesota Statutes 2008, section 174.50, subdivision 6, is amended to read:

Subd. 6. **Grant rules criteria; rulemaking.** ~~Procedures for application for grants from the fund, conditions for their administration, and criteria for priority, unless established in the laws authorizing~~

~~the grants, shall be established by rules of the Department of Transportation consistent with those laws.~~ The commissioner of transportation shall adopt rules consistent with this section that establish criteria for determining priorities and amounts of grants shall, which must be based on consideration of:

- (1) effectiveness of the project in eliminating a deficiency in the transportation system;
- (2) number of persons affected by the deficiency;
- (3) economic feasibility;
- (4) effect on optimum land use and other concerns of state and regional planning;
- (5) availability of other financing capability; and
- (6) adequacy of provision for proper operation and maintenance after construction.

Sec. 41. Minnesota Statutes 2008, section 174.50, subdivision 7, is amended to read:

Subd. 7. ~~Rules for administering funds and grants~~ **Program administration; rulemaking.**

(a) The commissioner of transportation shall develop rules, procedures for application for grants, conditions of grant administration, standards, and criteria, including bridge specifications, in cooperation with road authorities of political subdivisions, for use in the administration of funds appropriated to the commissioner and for the administration of grants to subdivisions.

(b) The maximum use of standardized bridges is encouraged. Regardless of the size of the existing bridge, a bridge or replacement bridge is eligible for assistance from the state transportation fund if a hydrological survey indicates that the bridge or replacement bridge must be ten feet or more in length.

(c) As part of the standards or rules, the commissioner shall, in consultation with local road authorities, establish a minimum distance between any two bridges that cross over the same river, stream, or waterway, so that only one of the bridges is eligible for a grant under this section. As appropriate, the commissioner may establish exceptions from the minimum distance requirement or procedures for obtaining a variance.

(d) Funds appropriated to the commissioner from the Minnesota state transportation fund shall be segregated from the highway tax user distribution fund and other funds created by article XIV of the Constitution.

Sec. 42. Minnesota Statutes 2008, section 256E.37, subdivision 1, is amended to read:

Subdivision 1. **Grant authority.** The commissioner may make grants to state agencies and political subdivisions to construct or rehabilitate facilities for early childhood programs, crisis nurseries, or parenting time centers. The following requirements apply:

(1) The facilities must be owned by the state or a political subdivision, but may be leased under section 16A.695 to organizations that operate the programs. The commissioner must prescribe the terms and conditions of the leases.

(2) A grant for an individual facility must not exceed ~~\$300,000~~ \$500,000 for each program that is housed in the facility, up to a maximum of ~~\$750,000~~ \$2,000,000 for a facility that houses

three programs or more. Programs include Head Start, School Readiness, Early Childhood Family Education, licensed child care, and other early childhood intervention programs.

(3) State appropriations must be matched on a 50 percent basis with nonstate funds. The matching requirement must apply program wide and not to individual grants.

Sec. 43. Minnesota Statutes 2008, section 256E.37, subdivision 2, is amended to read:

Subd. 2. **Grant priority.** (a) The commissioner must give priority to:

(1) projects in counties or municipalities with the highest percentage of children living in poverty;

(2) grants that involve collaboration among sponsors of programs under this section; and

(3) where feasible, grants for programs that utilize Youthbuild under sections 116L.361 to 116L.366 for at least 25 percent of each grant awarded or \$50,000 of the labor portion of the construction, whichever is less, if:

(i) the work is appropriate for Youthbuild, as mutually agreed upon by the grantee and the local Youthbuild program, considering safety and skills needed;

(ii) it is demonstrated by Youthbuild that using Youthbuild will not increase the overall cost of the project; and

(iii) eligible programs consult with appropriate labor organizations to deliver education and training.

(b) The commissioner may give priority to:

(1) projects that collaborate with child care providers, including all-day and school-age child care programs, special needs care, sick child care, nontraditional hour care, and programs that include services to refugee and immigrant families; ~~and~~

(2) grants for programs that will increase their child care workers' wages as a result of the grant; and

(3) projects that will improve the quality of early childhood programs.

Sec. 44. Minnesota Statutes 2008, section 403.275, subdivision 2, is amended to read:

Subd. 2. **Procedure; certain costs of issuance.** (a) The commissioner may sell and issue the bonds on the terms and conditions the commissioner determines to be in the best interests of the state. The bonds may be sold at public or private sale. The commissioner may enter any agreements or pledges the commissioner determines necessary or useful to sell the bonds that are not inconsistent with sections 403.21 to 403.40. Sections 16A.672 to 16A.675 apply to the bonds. The commissioner may issue all or part of the bonds as tax credit bonds or as interest subsidy bonds under section 16A.647 or a combination of the two. Except for amounts appropriated to pay the costs of investment banking and banking services under section 16A.647, the proceeds of the bonds issued under this section must be credited to a special 911 revenue bond proceeds account in the state treasury.

(b) Before the proceeds are received in the 911 revenue bond proceeds account, the commissioner of management and budget may transfer to the account from the 911 emergency

telecommunications service account amounts not exceeding the expected proceeds from the next bond sale. The commissioner of management and budget shall return these amounts to the 911 emergency telecommunications service account by transferring proceeds when received. The amounts of these transfers are appropriated from the 911 emergency telecommunications service account and from the 911 revenue bond proceeds account.

Sec. 45. Minnesota Statutes 2008, section 462A.36, subdivision 2, is amended to read:

Subd. 2. **Authorization.** (a) The agency may issue up to ~~\$30,000,000~~ \$36,000,000 of nonprofit housing bonds in one or more series to which the payments made under this section may be pledged. The nonprofit housing bonds authorized in this subdivision may be issued for the purpose of making loans, on terms and conditions the agency deems appropriate, to finance the costs of the construction, acquisition, preservation, and rehabilitation of permanent supportive housing for individuals and families who: (1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or (2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years. The bonds may also be issued to finance the costs of the construction, acquisition, preservation, and rehabilitation of foreclosed or vacant housing to be used for affordable rental housing.

(b) An insubstantial portion of the bond proceeds may be used for permanent supportive housing for individuals and families experiencing homelessness who do not meet the criteria of paragraph (a).

Sec. 46. Laws 2005, chapter 20, article 1, section 19, subdivision 4, is amended to read:

Subd. 4. **Red Rock Corridor Transit Way** 500,000

For preliminary engineering and environmental review, acquisition of real property or interests in real property, and construction of the Red Rock corridor transit way from Hastings through St. Paul to Minneapolis.

This appropriation may not be spent for capital improvements within a trunk highway right-of-way.

Sec. 47. Laws 2005, chapter 20, article 1, section 23, subdivision 12, as amended by Laws 2006, chapter 171, section 2, and Laws 2006, chapter 258, section 50, is amended to read:

Subd. 12. **Bioscience Development** 18,500,000

For grants to political subdivisions to predesign, design, acquire, construct, furnish, and equip publicly owned infrastructure required to support bioscience development in this state.

\$2,500,000 is for a grant to the city of

Worthington.

\$14,000,000 cumulatively is for grants to the counties of Ramsey and Anoka for public improvements to the portion of County Road J located within each county, and for road and bridge improvement costs at marked Trunk Highway 36 and Rice Street in Ramsey County in support of bioscience business development. This amount may be used to repay loans the proceeds of which were used for the public improvement. The grants to the individual counties shall be in amounts proportionate to the individual counties' costs associated with the public improvements.

\$2,000,000 is for bioscience business development public infrastructure grants under new Minnesota Statutes, section 116J.435.

Sec. 48. Laws 2006, chapter 258, section 5, subdivision 3, is amended to read:

Subd. 3. ~~Frechette Hall~~ Asset Preservation

25,000

~~To begin to design the renovation of Frechette Hall, including a new electrical system, new HVAC system, new windows, plumbing upgrades, removal of the fireplace and sunken seating in the commons area, addition of recreational space for students to utilize during inclement weather, and repair of the Scout Cabin. For asset preservation on either campus of the academies, to be spent in accordance with Minnesota Statutes, section 16B.307.~~

Sec. 49. Laws 2006, chapter 258, section 8, subdivision 4, is amended to read:

Subd. 4. Koochiching Renewable Energy Clean Air Project (RECAP)

2,500,000

For a grant to Koochiching County ~~to prepare a site for and~~ or the Koochiching Development Authority to design, construct, and equip a plasma torch gasification facility that converts municipal solid waste into energy and slag, reducing the need to dispose of the waste in a landfill.

After the design has been completed, this appropriation may be used for any or all or any combination of the following: (1) to upgrade an existing waste transfer station in Koochiching County to serve the facility by performing site work, construction, or placement of equipment; or (2) to prepare a site for or to construct or equip a portion of the plasma torch gasification facility.

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

Sec. 50. Laws 2006, chapter 258, section 17, subdivision 5, is amended to read:

Subd. 5. **Red Rock corridor transit way** 500,000

For preliminary engineering and environmental review, acquisition of real property or interests in real property, and construction of the Red Rock corridor transit way between Hastings and Minneapolis via St. Paul.

Sec. 51. Laws 2006, chapter 258, section 21, subdivision 4, as amended by Laws 2009, chapter 93, article 1, section 34, is amended to read:

Subd. 4. **Hibbing Wastewater Treatment Facilities** 2,500,000

To the Public Facilities Authority for a grant to the city of Hibbing for mercury treatment facilities at the south wastewater treatment plant and for wastewater and storm water infrastructure improvements. This appropriation is not available until the authority determines that at least an equal amount is committed to the project from nonstate sources.

Sec. 52. Laws 2006, chapter 258, section 21, subdivision 14, as amended by Laws 2008, chapter 179, section 66, is amended to read:

Subd. 14. **Itasca County - infrastructure** 12,000,000

For a grant to Itasca County for public

infrastructure needed to support a steel plant in Itasca County and economic development projects in the surrounding area. Grant money may be used by Itasca County and the Itasca County Regional Railroad Authority to acquire right-of-way and mitigate loss of wetlands and runoff of storm water, and to predesign, design, construct, and equip roads and rail lines; ~~and, in cooperation with Nashwauk Municipal Utility,~~ may be used by the Nashwauk Public Utilities Commission to acquire right-of-way and mitigate loss of wetlands and runoff of storm water and to predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems. If the county determines that any of the listed uses are not needed, then the grant may be used for the remaining listed uses.

The public ownership requirement contained in article XI, section 5, paragraph (a), of the Minnesota Constitution may be satisfied by way of Itasca County, the Itasca County Regional Railroad Authority, or the Nashwauk Public Utilities Commission possessing the required ownership interest even though the grant is only to Itasca County.

Up to \$4,000,000 of this appropriation may be spent before the full financing for either project has been closed.

Sec. 53. Laws 2008, chapter 152, article 2, section 3, subdivision 2, is amended to read:

Subd. 2. State Road Construction

1,717,694,000

(a) For the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts and consultant usage to support these activities. This includes the cost of actual payments to landowners for lands acquired for highway rights-of-way, payments to lessees, interest subsidies, and relocation expenses. This appropriation is in the following amounts:

(1) \$417,694,000 in fiscal year 2009, and the commissioner may use up to \$71,008,000 of this amount for program delivery;

(2) \$500,000,000 in fiscal year 2010, and the commissioner may use up to \$85,000,000 of this amount for program delivery; ~~and~~

(3) \$200,000,000 in each fiscal year for fiscal years 2011 and 2012, and the commissioner may use up to \$34,000,000 of the amount in each fiscal year for program delivery; and

(4) \$100,000,000 in each fiscal year for fiscal years 2011 through 2018 2013 through 2016, and the commissioner may use up to \$17,000,000 of the amount in each fiscal year for program delivery.

(b) Of the amount in fiscal year 2009, \$40,000,000 is for construction of interchanges involving a trunk highway, where the interchange will promote economic development, increase employment, relieve growing traffic congestion, and promote traffic safety. The amount under this paragraph must be allocated 50 percent to the department's metropolitan district, and 50 percent to districts in greater Minnesota.

(c) Of the amount in fiscal years 2009 and 2010, the commissioner shall use \$300,000,000 each year for predesign, design, preliminary engineering, right-of-way acquisition, construction, reconstruction, and maintenance of bridges in the trunk highway bridge improvement program under Minnesota Statutes, section 165.14.

(d) Of the total appropriation under this subdivision, the commissioner shall use at least \$50,000,000 for accelerating transit facility improvements on or adjacent to trunk highways.

(e) Of the total appropriation under this subdivision provided to the Department of Transportation's district 7, the commissioner shall first expend funds as necessary to accelerate all projects that (1) are on a trunk

highway classified as a medium priority interregional corridor, (2) are included in the district's long-range transportation plan, but are not included in the state transportation improvement program or the ten-year highway work plan, and (3) expand capacity from a two-lane highway to a freeway or expressway, as defined in Minnesota Statutes, section 160.02, subdivision 19. The commissioner shall establish as the highest priority under this paragraph any project that currently has a final environmental impact statement completed. The requirement under this paragraph does not change the department's funding allocation process or the amount otherwise allocated to each transportation district.

(f) The appropriation in this subdivision cancels as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management and budget shall count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are to be issued, as specified under paragraph (a), clause (1), (2), (3), or (4), respectively, and not as the date of enactment of this subdivision.

Sec. 54. Laws 2008, chapter 179, section 5, subdivision 4, is amended to read:

Subd. 4. ~~Mott Memorial Hall~~ Technology Center 100,000

To predesign the renovation of Mott Memorial Hall a technology center for the Minnesota State Academies.

Sec. 55. Laws 2008, chapter 179, section 7, subdivision 8, is amended to read:

Subd. 8. **Mississippi River Aquatic Invasive Species Barrier** 500,000

To predesign and, design, renovate, or construct an adequate barrier in the Mississippi River to prevent aquatic invasive species from migrating up river. This money may be used by the commissioner to match available federal money and money from

~~other states. The commissioner must inform and work with affected federal and state agencies and local communities along the Mississippi River before constructing the river barrier.~~

Sec. 56. Laws 2008, chapter 179, section 7, subdivision 27, is amended to read:

Subd. 27. State Trail Acquisition, Rehabilitation, and Development

15,320,000

To acquire land for and to construct and renovate state trails under Minnesota Statutes, section 85.015.

\$970,000 is for the Chester Woods Trail from Rochester to Dover.

\$700,000 is for the Casey Jones Trail.

\$750,000 is for the Gateway Trail, to replace an at-grade crossing of the Gateway Trail at Highway 120 with a grade-separated crossing.

\$1,600,000 is for the Gitchi-Gami Trail between Silver Bay and Tettegouche State Park.

\$1,500,000 is for the Great River Ridge Trail from Plainview to Elgin to Eyota.

\$1,500,000 is for the Heartland Trail.

\$500,000 is for the Mill Towns Trail from Lake Byllesby Park to Cannon Falls.

\$150,000 is for the Mill Towns Trail within the city of Faribault.

\$1,500,000 is for the Minnesota River Trail from Appleton ~~to~~ through Milan to the Marsh Lake Dam.

\$2,000,000 is for the Paul Bunyan Trail from Walker to Guthrie.

\$250,000 is for the Root River Trail from Preston to Forestville State Park.

\$100,000 is for the Root River Trail, the eastern extension.

\$250,000 is for the Root River Trail, the eastern extension Wagon Wheel.

\$550,000 is to connect the Stagecoach Trail with the Douglas Trail in Olmsted County.

\$3,000,000 is to rehabilitate state trails.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another state trail project in this subdivision. The chairs of the house and senate committees with jurisdiction over environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

Sec. 57. Laws 2008, chapter 179, section 21, subdivision 9, is amended to read:

Subd. 9. Itasca County - Steel Plant Infrastructure

28,000,000

For a grant to Itasca County for public infrastructure needed to support a steel plant in Itasca County and economic development projects in the surrounding area. Grant money may be used by Itasca County and the Itasca County Regional Railroad Authority to acquire right-of-way and mitigate loss of wetlands and runoff of storm water, and to predesign, design, construct, and equip roads and rail lines; and ~~in cooperation with~~ may be used by the Nashwauk Municipal Utility, Public Utilities Commission to acquire right-of-way and mitigate loss of wetlands and runoff of storm water and to predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems. If the county determines that any of the listed uses are not needed, then the grant may be used for the remaining listed uses.

The public ownership requirement contained in article XI, section 5, paragraph (a), of the Minnesota Constitution may be satisfied by way of Itasca County, the Itasca

County Regional Railroad Authority, or the Nashwauk Public Utilities Commission possessing the required ownership interest even though the grant is only to Itasca County.

Sec. 58. Laws 2008, chapter 365, section 4, subdivision 3, is amended to read:

Subd. 3. Old Cedar Avenue Bridge 2,000,000

For a grant to the city of Bloomington ~~for removal and replacement of~~ to renovate the old Cedar Avenue bridge for bicycle commuters and recreational users. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 8.

Sec. 59. Laws 2008, chapter 365, section 5, subdivision 2, is amended to read:

Subd. 2. Minneapolis Veterans Home Campus

(a) Building 9 Demolition 1,000,000

To demolish Building 9 ~~and~~, relocate a water main serving the campus, and make associated site improvements and modifications necessary to complete the project. This appropriation is to cover 100 percent of the cost of this portion of the project.

(b) New Nursing Facility 9,100,000

To design, construct, furnish, and equip a 100-bed nursing facility on the Minneapolis campus.

The appropriation is to cover the 35 percent state share of this portion of the project.

Sec. 60. Laws 2008, chapter 365, section 24, subdivision 2, is amended to read:

Subd. 2. Management. All lands acquired for Lake Vermilion State Park must be administered in the same manner as provided for other state parks and must be perpetually dedicated for that use. After acquisition of lands for Lake Vermilion State Park, but before any infrastructure development for the state park, public access and use, including, but not limited to, hunting, fishing, and trail use, shall continue as allowed before the acquisition. No additional restrictions may be implemented for public access and use until development of state park infrastructure commences.

Sec. 61. Laws 2008, chapter 365, section 25, is amended to read:

Sec. 25. ACQUISITION; LAKE VERMILION STATE PARK.

The commissioner of natural resources may acquire by gift or purchase the lands for Lake Vermilion State Park. Minnesota Statutes, section 84.0272, subdivision 1, does not apply to a purchase, except for the requirement that the lands be appraised. ~~The commissioner must not pay more than 12 percent above the appraised value of the land.~~

Sec. 62. Laws 2009, chapter 93, article 1, section 11, subdivision 5, is amended to read:

Subd. 5. Intercity Passenger Rail Projects

26,000,000

To implement capital improvements and betterments for intercity passenger rail projects as identified in the statewide freight and passenger rail plan under Minnesota Statutes, section 174.03, subdivision 1b, which are determined to be eligible for USDOT funding. Notwithstanding any law to the contrary, a portion or phase of an intercity passenger rail project may be accomplished with one or more state appropriations, and an intercity passenger rail project need not be completed with any one appropriation. Capital improvements and betterments include preliminary engineering, design, engineering, environmental analysis and mitigation, acquisition of land and right-of-way, and construction. The commissioner may spend a portion of this appropriation to pay for costs of agency staff directly attributable to this capital project, consistent with the accounting policies adopted by the commissioner of management and budget.

Sec. 63. Laws 2009, chapter 93, article 1, section 20, is amended to read:

Sec. 20. BOND SALE SCHEDULE.

The commissioner of finance management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2011, no more than \$1,085,281,000 \$958,113,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of finance management and budget shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section

16A.641.

Sec. 64. **LEASE REVENUE; ST. CLOUD TECHNICAL COLLEGE.**

Notwithstanding Minnesota Statutes, section 16A.695, subdivision 2, the Board of Trustees of the Minnesota State Colleges and Universities shall pay the commissioner of management and budget one-third of the lease revenue received from the property acquired for St. Cloud Technical College pursuant to Laws 2006, chapter 258, section 3, subdivision 22, paragraph (c). The commissioner shall deposit the amount received in the state bond fund to be used to pay, redeem, or defease bonds issued to finance the property in accordance with the commissioner's order authorizing their issuance. The commissioner shall credit the board's total general obligation bond debt service assessment by an amount equal to the lease revenue it receives from the board under this section.

Sec. 65. **REPEALER.**

Laws 2009, chapter 93, article 1, section 45, is repealed.

Sec. 66. **EFFECTIVE DATE.**

Except as otherwise provided, this act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; authorizing the sale of state bonds; modifying previous appropriations; appropriating money; amending Minnesota Statutes 2008, sections 16A.501; 16A.66, subdivision 2; 16B.26; 16B.335, subdivision 1; 85.015, by adding a subdivision; 103F.161, subdivision 3; 103F.515, by adding a subdivision; 116J.435, as amended; 174.50, subdivisions 6, 7; 256E.37, subdivisions 1, 2; 403.275, subdivision 2; 462A.36, subdivision 2; Minnesota Statutes 2009 Supplement, section 16A.647, subdivisions 1, 5; Laws 2005, chapter 20, article 1, sections 19, subdivision 4; 23, subdivision 12, as amended; Laws 2006, chapter 258, sections 5, subdivision 3; 8, subdivision 4; 17, subdivision 5; 21, subdivisions 4, as amended, 14, as amended; Laws 2008, chapter 152, article 2, section 3, subdivision 2; Laws 2008, chapter 179, sections 5, subdivision 4; 7, subdivisions 8, 27; 21, subdivision 9; Laws 2008, chapter 365, sections 4, subdivision 3; 5, subdivision 2; 24, subdivision 2; 25; Laws 2009, chapter 93, article 1, sections 11, subdivision 5; 20; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Laws 2009, chapter 93, article 1, section 45."

We request the adoption of this report and repassage of the bill.

House Conferees: Alice Hausman, Jean Wagenius, Loren Solberg, Bev Scalze, Larry Howes

Senate Conferees: Keith Langseth, David Tomassoni, Sandra Pappas, Paul Koering, Ann Lynch

Senator Langseth moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2700 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Senator Ortman moved that the recommendations and Conference Committee Report on H.F. No. 2700 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

The question was taken on the adoption of the Ortman motion.

The roll was called, and there were yeas 19 and nays 46, as follows:

Those who voted in the affirmative were:

Dille	Gimse	Jungbauer	Ortman	Rosen
Fischbach	Hann	Koch	Pariseau	Senjem
Frederickson	Ingebrigtsen	Limmer	Parry	Vandevveer
Gerlach	Johnson	Olson, G.	Robling	

Those who voted in the negative were:

Anderson	Dibble	Lourey	Prettner Solon	Sparks
Bakk	Doll	Lynch	Rest	Stumpf
Berglin	Erickson Ropes	Marty	Rummel	Tomassoni
Betzold	Fobbe	Metzen	Saltzman	Torres Ray
Bonoff	Foley	Moua	Saxhaug	Vickerman
Carlson	Higgins	Murphy	Scheid	Wiger
Chaudhary	Kelash	Olseen	Sheran	
Clark	Kubly	Olson, M.	Sieben	
Cohen	Langseth	Pappas	Skoe	
Dahle	Latz	Pogemiller	Skogen	

The motion did not prevail.

The question recurred on the adoption of the Langseth motion. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2700 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 49 and nays 17, as follows:

Those who voted in the affirmative were:

Anderson	Dibble	Langseth	Pappas	Sieben
Bakk	Dille	Latz	Pogemiller	Skoe
Berglin	Erickson Ropes	Lourey	Prettner Solon	Skogen
Betzold	Fobbe	Lynch	Rest	Sparks
Bonoff	Foley	Marty	Rummel	Stumpf
Carlson	Frederickson	Metzen	Saltzman	Tomassoni
Chaudhary	Higgins	Moua	Saxhaug	Torres Ray
Clark	Kelash	Murphy	Scheid	Vickerman
Cohen	Koering	Olseen	Senjem	Wiger
Dahle	Kubly	Olson, M.	Sheran	

Those who voted in the negative were:

Doll	Hann	Koch	Pariseau	Vandevveer
Fischbach	Ingebrigtsen	Limmer	Parry	
Gerlach	Johnson	Olson, G.	Robling	
Gimse	Jungbauer	Ortman	Rosen	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Cohen moved that S.F. No. 2830, No. 29 on General Orders, be stricken and re-referred

to the Committee on Finance. The motion prevailed.

RECONSIDERATION

Having voted on the prevailing side, Senator Senjem moved that the vote whereby H.F. No. 2700 was repassed by the Senate on March 11, 2010, be now reconsidered.

The question was taken on the adoption of the motion.

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

Those who voted in the affirmative were:

Bakk	Gimse	Koering	Parry	Skogen
Berglin	Hann	Langseth	Robling	Sparks
Dille	Higgins	Limmer	Rosen	Stumpf
Erickson Ropes	Ingebrigtsen	Lynch	Saltzman	Vanderveer
Fischbach	Johnson	Olson, G.	Senjem	Wiger
Frederickson	Jungbauer	Ortman	Sheran	
Gerlach	Koch	Pariseau	Sieben	

Those who voted in the negative were:

Anderson	Dahle	Latz	Olson, M.	Scheid
Betzold	Dibble	Lourey	Pappas	Skoe
Bonoff	Doll	Marty	Pogemiller	Tomassoni
Carlson	Fobbe	Metzen	Prettner Solon	Torres Ray
Chaudhary	Foley	Moua	Rest	Vickerman
Clark	Kelash	Murphy	Rummel	
Cohen	Kubly	Olseen	Saxhaug	

The motion did not prevail.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Anderson moved that S.F. No. 3175 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Health, Housing and Family Security. 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.

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 Message From the House, First Reading of House Bills, Reports of Committees and Second Reading of Senate Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 3108.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted March 11, 2010

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 3108: A bill for an act relating to elections; changing and clarifying certain provisions; amending Minnesota Statutes 2008, sections 201.016, subdivision 1a; 201.061, subdivision 1; 201.11; 201.12; 201.121, subdivision 3; 201.13; 201.14; 201.15, subdivisions 1, 2; 201.155; 201.171; 203B.02, subdivision 3; 203B.04, subdivision 1; 203B.06, subdivisions 1, as amended, 5; 203B.081, as amended; 203B.16, subdivision 2; 203B.19; 203B.227; 204B.04, subdivision 2; 204B.135, subdivision 4; 204B.14, by adding a subdivision; 204B.18, subdivision 1; 204B.22, subdivisions 1, 2; 204B.24; 204B.27, subdivisions 2, 3; 204B.28, by adding a subdivision; 204B.38; 204C.02; 204C.04, subdivision 1; 204C.06, subdivision 1; 204C.08; 204C.09, subdivision 1; 204C.12, subdivision 2; 204C.13, subdivision 2; 204C.24, subdivision 1; 204C.28, subdivisions 1, 2; 204C.33, subdivision 1; 204C.35, subdivisions 2, 3; 204C.36, subdivisions 3, 4; 204C.37; 204D.04, subdivision 2; 204D.09, subdivision 2; 204D.10, subdivision 1; 204D.17; 204D.19; 204D.20, subdivision 1; 205.065, subdivision 1, as amended; 205.07, subdivision 1, by adding a subdivision; 205.13, subdivisions 1, 2; 205.16, subdivisions 2, 3, 4, as amended, 5, as amended; 205A.03, subdivision 2, as amended; 205A.04, subdivision 1; 205A.05, subdivision 1; 205A.07, subdivisions 3, as amended, 3a, as amended, 3b, as amended; 205A.11, subdivision 3; 206.57, subdivision 6; 208.03; 365.51, subdivision 1; 375.101, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapters 201; 204D; 205; 205A; 373; repealing Minnesota Statutes 2008, sections 3.22; 204B.22, subdivision 3; 204D.10, subdivision 2; 206.57, subdivision 7; 206.805, subdivision 2; 206.91.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2388, now on the Calendar.

REPORTS OF COMMITTEES

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

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 2874: A bill for an act relating to state government; streamlining state government; abolishing the Department of Employment and Economic Development and the Department of Labor and Industry; downsizing the Department of Commerce; establishing a task force; requiring

establishment of an employee participation committee before agency restructuring; requiring reports.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

GOVERNMENT EFFICIENCY REORGANIZATION

Section 1. **REORGANIZATION; GOALS.**

The legislature finds that it is desirable to reorganize state services relating to business and employment to achieve the following goals:

(1) sustainable economic development throughout all regions of the state and all sectors of the economy to ensure the economic well-being of the state's residents;

(2) growth of the economy of this state that consistently exceeds the national average;

(3) improved delivery of services, including greater efficiency and transparency;

(4) citizen participation in all relevant decision-making processes and at meaningful points in the processes;

(5) best position the state, its workforce, its business community, and its educational system to meet the needs of a competitive, global, and dynamic economy;

(6) optimal coordination between the state's postsecondary higher education institutions and industry;

(7) streamline state government, including elimination of at least one state department; and

(8) increased productivity of the work force given the expected shortage of labor to remain competitive and successful in the world economy.

Sec. 2. **REORGANIZATION; OUTCOMES.**

Reorganization must achieve the following outcomes:

(1) increased citizen access to pertinent, understandable information relating to business and employment;

(2) better citizen representation, access, and information through an office of public information and advocacy;

(3) decentralization of the service delivery system combined with one-stop offering of related services for the benefit of citizens of the state as consumers of services and as persons who are subject to regulation;

(4) flattening the internal organization of the delivery system with processes designed to encourage cooperation, consensus, and participation of management and workers;

(5) the capacity to identify and capture cost savings where those savings can be made without

reducing the ability to implement the state's business and employment policy;

(6) the flexibility to enable state and local governments to coordinate and cooperate as well as identify and address existing and emerging business and employment issues of state, national, and international import;

(7) an increased use of performance-based employment measures to ensure the effective use of state dollars;

(8) increased accountability by reducing the number of executive administrators reporting directly to the governor through a variety of strategies, including elimination of at least one state department;

(9) a commitment to adequate staff development resources sufficient to implement the reorganization;

(10) increased consumer satisfaction with state services, including licensing and compliance investigations;

(11) increased employment, especially in high-wage industries projected to expand in Minnesota;

(12) reduction in labor shortages in high-wage industries;

(13) increased business development support, including numbers of start-up companies with survival rates beyond five years;

(14) reduced workplace injuries;

(15) increased development of businesses in emerging sectors, such as bioscience and other green-economy-related businesses; and

(16) appropriate use of priority-based budgeting.

Sec. 3. TASK FORCE.

Subdivision 1. **Membership.** Within 60 days after the effective date of this section, a facilitator or facilitators shall be provided by the management analysis division of the Department of Management and Budget who shall convene each of the following three groups:

(1) a group consisting of ten to 15 persons from agencies listed in section 5 who are members of the managerial plan established under Minnesota Statutes, section 43A.18, subdivision 3, appointed by the governor within 30 days after the effective date of this section;

(2) a group consisting of employees from agencies listed in section 5 who are represented by exclusive representatives, selected by the exclusive representatives of employees of those agencies within 30 days after the effective date of this section;

(3) a group consisting of up to ten persons appointed by the speaker of the house and up to ten persons appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate, including at least one person appointed by each appointing authority in each of the following categories:

- (i) a representative of labor unions;
- (ii) a representative of business;
- (iii) a representative of an institution of higher education with expertise in vocational training;
- (iv) a representative of an institution of higher education with expertise in career training;
- (v) an attorney experienced in workers' compensation law;
- (vi) a member of the financial consulting community;
- (vii) a member of the employee placement community; and
- (viii) a representative of a provider of employment services to disabled workers.

Organizations, occupations, and industries described in this clause may submit the names of persons they wish considered for appointment to the task force to the appointing authorities. The appointing authorities under this clause must complete their appointments within 30 days of the effective date of this section.

Subd. 2. **Activities.** (a) Members of the task force established in subdivision 1 shall serve as partners in changing the delivery of state services and the performance of state functions. Each group of the task force shall initially meet separately to develop its own recommendations for a governmental structure to perform the functions and provide the services affected by section 5 in furtherance of the outcomes listed in section 2. A facilitator shall assist each group. Each group must complete its recommendations by October 1, 2010. By September 1, 2010, each group shall select from its membership representatives to a joint committee, as follows:

- (1) two representatives from the group established by subdivision 1, clause (1);
- (2) three representatives from the group established by subdivision 1, clause (2); and
- (3) five representatives from the group established by subdivision 1, clause (3), who must be private citizens.

(b) The facilitator or facilitators shall convene the first meeting of the joint committee by October 1, 2010. The joint committee shall develop a recommendation for a governmental structure to perform the functions and provide the services affected by section 5 in furtherance of the goals and outcomes listed in sections 1 and 2, including ways to measure and track performances on the outcomes established in section 2. The recommendation must address ways to obtain input from local and regional governmental units in order to achieve the coordinated and cooperative outcomes required by section 2. The speaker of the house and the Subcommittee on Committees of the Committee on Rules and Administration of the senate may provide legislative staff support to the joint committee upon its request. A facilitator provided by the management analysis division shall chair meetings of the joint committee and serve as a nonvoting member. The joint committee shall submit its recommendation for reorganization to the governor and the legislature by January 15, 2011.

- (c) The joint committee expires after submission of the report.

Sec. 4. EMPLOYEE PARTICIPATION COMMITTEE.

(a) By July 1, 2010, exclusive representatives of state employees and agency heads shall establish a committee that includes representatives of state employees and employers within each affected agency. Members of the committee may also serve as members of the task force group created by section 2. Each exclusive representative of employees shall select a committee member from each of its bargaining units in each affected agency. The head of each agency shall select an employee member from each unit of employees not represented by an exclusive representative. The agency head shall also appoint one or more committee members to represent the agency. The number of members appointed by the agency head, however, may not exceed the total number of members representing bargaining units.

(b) The committee established under paragraph (a) shall:

(1) identify tasks related to agency reorganization and adopt plans for addressing those tasks;

(2) identify other employer and employee issues related to reorganization and adopt plans for addressing those issues;

(3) adopt detailed plans for providing retraining for affected employees; and

(4) guide the implementation of the reorganization.

(c) The committee must submit a copy of its plans by January 15, 2011, to the affected commissioners and to the chairs of the legislative committees with primary policy jurisdiction over state government.

(d) The committee expires after submission of the plans required under paragraph (c).

Sec. 5. ABOLITION OF AGENCIES, POWERS, AND DUTIES.

Subdivision 1. **Agencies.** The Departments of Employment and Economic Development and Labor and Industry are abolished.

Subd. 2. **Collective bargaining agreements.** Nothing in this section abrogates or modifies any rights of affected employees under terms of an agreement between an exclusive bargaining representative and the state or one of its appointing authorities.

Sec. 6. BUDGET FOR NEXT BIENNIUM.

In preparing a proposed budget for the biennium beginning July 1, 2011, the governor shall include an amount to cover the functions performed and services provided by the agencies abolished in section 5, subdivision 1. The amount allocated for those functions and services must be at least equal to the amount appropriated for those functions and services in fiscal years 2010 and 2011, adjusted for inflation as measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers all items index published by the Bureau of Labor Statistics of the United States Department of Labor. The budget must include an amount for staff development according to Minnesota Statutes, section 43A.045, and a substantial increase in overall expenditures for staff development. The budget must not require the layoff of classified employees or unclassified employees covered by a collective bargaining agreement except as provided in a plan negotiated under Minnesota Statutes, chapter 179A, that provides options to layoff for employees who would be affected. The governor's budget must be in conformance with any reorganization plan enacted by the legislature in 2011 in response to the recommendation submitted by the task force under

section 3. If no reorganization plan is enacted in 2011, the governor's budget must take into account the reorganization recommendations of the task force, as well as any additional or alternative recommendations of the governor.

Sec. 7. MANAGERIAL POSITION REDUCTIONS.

The governor must reduce the number of deputy commissioners, assistant commissioners, and positions designated as unclassified under authority of Minnesota Statutes, section 43A.08, subdivision 1a, due to the reorganization prescribed by this act by an amount that will generate savings to the general fund of \$..... in the biennium ending June 30, 2013, and \$..... in the biennium ending June 30, 2015.

Sec. 8. EFFECTIVE DATE.

(a) Sections 1 to 4 and 6 are effective the day following final enactment.

(b) Sections 5 and 7 are effective July 1, 2011. The effective date of section 5, subdivision 1, is based on the assumption that the 2011 legislature will act on the recommendations made by the joint committee under section 4 and that legislation will be enacted transferring the responsibilities of the agencies abolished in section 5, subdivision 1.

ARTICLE 2

TAXPAYERS ACCOUNTABILITY ACT

Section 1. [16C.051] REQUIREMENTS FOR CONTRACTS OVER \$100,000.

Subdivision 1. **Application.** This section applies to a contract with an estimated value of \$100,000 or more. The requirements imposed by this section are in addition to, and do not supersede, the requirements of any other applicable section of law. This section does not apply to a Department of Transportation contract that is subject to section 161.3203.

Subd. 2. **Required review.** (a) Before entering into a contract subject to this section, the agency head must prepare a comprehensive written estimate of the cost of having the same work provided in the most cost-effective manner by agency employees. The cost estimate must include all costs of having agency employees provide the work, including the cost of pension, insurance, and all other employee benefits. The cost estimate is nonpublic data, as defined in section 13.02, subdivision 9, until the day after the deadline for receipt of responses under paragraph (b).

(b) After soliciting and receiving responses, the agency head shall publicly designate the responder to which it proposes to award the contract. The commissioner shall prepare a comprehensive written estimate of the cost of the proposal based on the designated responder's bid, including costs associated with monitoring the proposed contract. If the designated responder proposes to perform any or all of the desired services outside the state, the commissioner shall include in the cost estimate, as nearly as possible, any loss of sales and income tax revenue to the state. The cost estimate must not include trade secret data which is classified as nonpublic data under section 13.37, subdivision 2.

(c) An agency may not enter into a contract subject to this section unless the agency head determines that:

(1) the cost estimated under paragraph (b) will be lower than the cost estimated under paragraph

(a);

(2) the quality of the work to be provided by the designated responder is likely to equal or exceed the quality of services that could be provided by state employees;

(3) the contract, together with other contracts to which the department is or has been a party, will not violate section 16C.08 or 16C.09, or otherwise reduce full-time equivalent positions within the department; and

(4) the proposed contract is in the public interest.

Subd. 3. **Reports.** The commissioner of administration must report to the legislature by September 1 each year, in compliance with sections 3.195 and 3.197, on implementation of this section. The report must list all contracts subject to this section that were executed or performed, whether wholly or in part, in the previous fiscal year. The report must identify, with respect to each contract: the contractor; contract amount; duration; work, provided or to be provided; the comprehensive estimate derived under subdivision 2, paragraph (a); the comprehensive estimate derived under subdivision 2, paragraph (b); the actual cost to the agency of the contractor's performance of the contract; and a statement containing the agency head's determinations under subdivision 2, paragraph (c).

Subd. 4. **Short title.** This section may be cited as the "Taxpayers Accountability Act."

Delete the title and insert:

"A bill for an act relating to state government; streamlining state government; abolishing the Department of Employment and Economic Development and the Department of Labor and Industry; establishing a task force; requiring establishment of an employee participation committee before agency restructuring; requiring reports; providing for taxpayer accountability; proposing coding for new law in Minnesota Statutes, chapter 16C."

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Amendments adopted. Report adopted.

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 1524: A bill for an act relating to labor and industry; modifying municipal enforcement provisions of State Building Code; amending Minnesota Statutes 2008, sections 326B.106, subdivision 9; 326B.16.

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

Page 3, line 5, delete "either" and insert ": (1)"

Page 3, line 6, delete ", or" and insert ": (2)"

Page 3, line 8, before the period, insert "; or (3) hiring or training their own staff"

Page 3, line 19, delete "determine" and insert "charge the fees set by section 326B.153"

Page 3, line 20, delete everything before "for"

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

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 2758: A bill for an act relating to economic development; authorizing the development of a virtual assistance network for Minnesota entrepreneurs; appropriating money.

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 ENTREPRENEUR RESOURCE VIRTUAL NETWORK (MERNV).**

The commissioner of employment and economic development shall seek sufficient private sector funding for the Office of Entrepreneurship and Small Business Development (OESBD) to develop, maintain, and market a virtual network to provide seamless access to statewide resources and expertise for entrepreneurs and existing businesses. The network must connect Minnesota entrepreneurs to available state and nonstate supported services, information, financial and technical assistance, and other resources. In developing and maintaining the network, OESBD must ensure that all listed resources meet established standards. The goal of the network is to assist in the creation of new Minnesota ventures, the growth of existing businesses, and the ability of Minnesota entrepreneurs to compete globally. To the greatest extent possible, the network should be built on and linked to existing resources designed to make business assistance resources more accessible to Minnesota businesses."

Delete the title and insert:

"A bill for an act relating to economic development; authorizing the development of a virtual assistance network for Minnesota entrepreneurs."

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

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 2944: A bill for an act relating to licensing; modifying contractor continuing education requirements; amending Minnesota Statutes 2008, section 326B.821, as amended.

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 2008, section 326B.821, as amended by Laws 2009, chapter 78, article 5, section 21, is amended to read:

326B.821 CONTINUING EDUCATION.

Subdivision 1. **Standards Purpose.** ~~The commissioner may by rule adopt standards for continuing education requirements and course and instructor approval. The purpose of this section is to establish standards for residential building contractor continuing education. The standards must include requirements for continuing education in the implementation of energy codes or energy conservation measures applicable to residential buildings and other building codes designed to conserve energy.~~

Subd. 2. **Hours.** A qualifying person of a licensee must provide proof of completion of 14 hours of continuing education per two-year licensure period ~~in the regulated industry in which the licensee is licensed.~~

Credit may not be earned if the licensee has previously obtained credit for the same course as either a student or instructor during the same licensing period.

Subd. 3. **Accessibility.** To the extent possible, the commissioner shall ensure that continuing education courses are offered throughout the state and are easily accessible to all licensees.

Subd. 4. **Renewal of approval.** The commissioner is authorized to establish a procedure for renewal of course approval.

Subd. 5. **Content.** (a) Continuing education consists of approved courses that impart appropriate and related knowledge in the ~~regulated industries~~ residential construction industry pursuant to sections 326B.802 to 326B.885 and other relevant federal and state laws, rules, and regulations. Courses may include relevant materials that are included in licensing exams subject to the limitations imposed in ~~paragraph (e)~~ subdivision 11. The burden of demonstrating that courses impart appropriate and related knowledge is upon the person seeking approval or credit.

(b) Except as required for Internet continuing education, course examinations will not be required for continuing education courses unless they are required by the sponsor.

(c) Textbooks are not required to be used for continuing education courses. If textbooks are not used, the ~~coordinator~~ sponsor must provide students with a syllabus containing, at a minimum, the course title, the times and dates of the course offering, the ~~names and addresses or~~ name, address, and telephone numbers ~~number~~ of the course ~~coordinator~~ sponsor and the name and affiliation of the instructor, and a detailed outline of the subject materials to be covered. Any written or printed material given to students must be of readable quality and contain accurate and current information.

(d) Upon completion of an approved course, licensees shall earn one hour of continuing education credit for each hour approved by the commissioner. One credit hour of continuing education is equivalent to 50 minutes of educational content. Each continuing education course must be attended in its entirety in order to receive credit for the number of approved hours. Courses may be approved for full or partial credit, and for more than one regulated industry.

Continuing education credit in an approved course shall be awarded to presenting instructors on the basis of one credit for each hour of preparation for the duration of the initial presentation, ~~which may not exceed three hours total credit for each approved course.~~ Continuing education credit may not be earned if the licensee has previously obtained credit for the same course as a licensee or as an instructor within the three years immediately prior.

(e) Courses will be approved using the following guidelines:

(1) course content must demonstrate significant intellectual or practical content and deal with matters directly related to the practice of residential construction, workforce safety, or the business of running a residential construction company. Courses may also address the professional responsibility or ethical obligations of residential contractors to homeowners and suppliers;

(2) the following courses may be automatically approved if they are specifically designed for the residential construction industry and are in compliance with paragraph (f):

(i) courses approved by the Minnesota Board of Continuing Legal Education; or

(ii) courses approved by the International Code Council, National Association of Home Building, or other nationally recognized professional organization of the residential construction industry; and

(3) courses must be presented and attended in a suitable classroom or construction setting, except for Internet education courses which must meet the requirements of subdivision 5a. Courses presented via video recording, simultaneous broadcast, or teleconference may be approved provided the sponsor is available at all times during the presentation, except for Internet education courses which must meet the requirements of subdivision 5a.

(f) The following courses will not be approved for credit:

(1) courses designed solely to prepare students for a license examination;

(2) courses in mechanical office or business skills, including typing, speed reading, or other machines or equipment. Computer courses are allowed, if appropriate and related to the regulated residential construction industry of the licensee;

(3) courses in sales promotion, including meetings held in conjunction with the general business of the licensee;

(4) courses in motivation, salesmanship, psychology, or personal time management, or communication; or

(5) courses that are primarily intended to impart knowledge of specific products of specific companies, if the use of the product or products relates to the sales promotion or marketing of one or more of the products discussed; or

(6) courses that include code provisions that have not been adopted into the State Building Code unless the course materials clarify whether or not the code provisions have been officially adopted into a future version of the State Building Code and the effective date of enforcement, if applicable.

Subd. 5a. **Internet continuing education.** (a) The design and delivery of an Internet continuing education course must be approved by the International Distance Education Certification Center (IDECC) before the course is submitted for the commissioner's approval. The IDECC approval must accompany the course submittal.

(b) An Internet continuing education course must:

(1) specify the minimum computer system requirements;

(2) provide encryption that ensures that all personal information, including the student's name, address, and credit card number, cannot be read as it passes across the Internet;

(3) include technology to guarantee seat time;

(4) include a high level of interactivity;

(5) include graphics that reinforce the content;

(6) include the ability for the student to contact an instructor within a reasonable amount of time;

- (7) include the ability for the student to get technical support within a reasonable amount of time;
 - (8) include a statement that the student's information will not be sold or distributed to any third party without prior written consent of the student. Taking the course does not constitute consent;
 - (9) be available 24 hours a day, seven days a week, excluding minimal downtime for updating and administration, except that this provision does not apply to live courses taught by an actual instructor and delivered over the Internet;
 - (10) provide viewing access to the online course at all times to the commissioner, excluding minimal downtime for updating and administration;
 - (11) include a process to authenticate the student's identity;
 - (12) inform the student and the commissioner how long after its purchase a course will be accessible;
 - (13) inform the student that license education credit will not be awarded for taking the course after it loses its status as an approved course;
 - (14) provide clear instructions on how to navigate through the course;
 - (15) provide automatic bookmarking at any point in the course;
 - (16) provide questions after each unit or chapter that must be answered before the student can proceed to the next unit or chapter;
 - (17) include a reinforcement response when a quiz question is answered correctly;
 - (18) include a response when a quiz question is answered incorrectly;
 - (19) include a final examination in which the student must correctly answer 70 percent of the questions;
 - (20) allow the student to go back and review any unit at any time, except during the final examination;
 - (21) provide a course evaluation at the end of the course. At a minimum, the evaluation must ask the student to report any difficulties caused by the online education delivery method;
 - (22) provide a completion certificate when the course and exam have been completed and the provider has verified the completion. Electronic certificates are sufficient; and
 - (23) allow the commissioner the ability to electronically review the class to determine if credit can be approved.
- (c) The final examination must be either an encrypted online examination or a paper examination that is monitored by a proctor who certifies that the student took the examination.

Subd. 6. **Course approval.** (a) Courses must be approved by the commissioner in advance and will be approved on the basis of the applicant's compliance with the provisions of this section relating to continuing education in the regulated industries. The commissioner shall make the final determination as to the approval and assignment of credit hours for courses. Courses must be at least one hour in length.

~~Individuals~~ Licensees requesting credit for continuing education courses that have not been previously approved shall, on a form prescribed by the commissioner, submit an application for approval of continuing education credit accompanied by a nonrefundable fee of ~~\$10~~ \$20 for each course to be reviewed. To be approved, courses must be in compliance with the provisions of this section governing the types of courses that will and will not be approved.

Approval will not be granted for time spent on meals or other unrelated activities. Breaks may not be accumulated in order to dismiss the class early. Classes shall not be offered by a provider to any one student for longer than eight hours in one day, excluding meal breaks.

(b) Application for course approval must be submitted 30 days before the course offering.

(c) Approval must be granted for a subsequent offering of identical continuing education courses without requiring a new application if a notice of the subsequent offering is filed with the commissioner at least 30 days in advance of the date the course is to be held. The commissioner shall deny future offerings of courses if they are found not to be in compliance with the laws relating to course approval.

Subd. 7. **Courses open to all.** All course offerings must be open to any interested individuals. Access may be restricted by the sponsor based on class size only. Courses must not be approved if attendance is restricted to any particular group of people, except for company-sponsored courses allowed by applicable law.

Subd. 8. **Course ~~coordinator~~ sponsor.** (a) Each course of study shall have at least one ~~coordinator~~ sponsor, approved by the commissioner, who is responsible for supervising the program and ensuring compliance with all relevant law. Sponsors may engage an additional approved ~~coordinator~~ sponsor in order to assist the ~~coordinator~~ sponsor or to act as a substitute for the ~~coordinator~~ sponsor in the event of an emergency or illness.

~~(b) The commissioner shall approve as a coordinator a person meeting one or more of the following criteria:~~

~~(1) at least three years of full-time experience in the administration of an education program during the five-year period immediately before the date of application;~~

~~(2) a degree in education plus two years' experience during the immediately preceding five-year period in one of the regulated industries for which courses are being approved; or~~

~~(3) a minimum of five years' experience within the previous six years in the regulated industry for which courses are held.~~

(b) Sponsors must submit an application and sworn statement stating they agree to abide by the requirements of this section and any other applicable statute or rule pertaining to residential construction continuing education.

(c) A sponsor may also be an instructor.

(d) Failure to comply with requirements may result in loss of sponsor approval for up to two years in accordance with section 326B.082.

Subd. 9. **Responsibilities.** A ~~coordinator~~ sponsor is responsible for:

(1) ensuring compliance with all laws and rules relating to continuing educational offerings governed by the commissioner;

(2) ensuring that students are provided with current and accurate information relating to the laws and rules governing their licensed activity;

(3) supervising and evaluating courses and instructors. Supervision includes ensuring that all areas of the curriculum are addressed without redundancy and that continuity is present throughout the entire course;

(4) ensuring that instructors are qualified to teach the course offering;

(5) furnishing the commissioner, upon request, with copies of course and instructor evaluations and qualifications of instructors. Evaluations must be completed by students at the time the course is offered and by ~~coordinators~~ sponsors within five days after the course offering;

(6) investigating complaints related to course offerings or instructors. A copy of the written complaint must be sent to the commissioner within ten days of receipt of the complaint and a copy of the complaint resolution must be sent not more than ten days after resolution is reached;

(7) maintaining accurate records relating to course offerings, instructors, tests taken by students if required, and student attendance for a period of three years from the date on which the course was completed. These records must be made available to the commissioner upon request. ~~In the event that a sponsor ceases operation for any reason, the coordinator is responsible for maintaining the records or providing a custodian for the records acceptable to the commissioner. The coordinator must notify the commissioner of the name and address of that person. In order to be acceptable to the commissioner, custodians must agree to make copies of acknowledgments available to students at a reasonable fee. Under no circumstances will the commissioner act as custodian of the records; In the event the sponsor ceases operations before termination of the sponsor application, the sponsor must provide to the commissioner digital copies of all course and attendance records of courses held for the previous three years;~~

~~(8) ensuring that the coordinator is available to instructors and students throughout course offerings and providing to the students and instructor the name of the coordinator and a telephone number at which the coordinator can be reached;~~

~~(9)~~ (8) attending workshops or instructional programs as reasonably required by the commissioner;

~~(10)~~ (9) providing course completion certificates within ten days of, but not before, completion of the entire course. Course completion certificates must be completed in their entirety. Course completion certificates must contain the following statement: "If you have any comments about this course offering, please mail them to the Minnesota Department of Labor and Industry." The current address of the department must be included. A ~~coordinator~~ sponsor may require payment of the course tuition as a condition for receiving the course completion certificate; and

~~(11)~~ (10) notifying the commissioner in writing within ten days of any change in the information in an application for approval on file with the commissioner.

Subd. 10. **Instructors.** (a) Each continuing education course shall have an instructor who is qualified by education, training, or experience to ensure competent instruction. Failure to have only

qualified instructors teach at an approved course offering will result in loss of course approval. ~~Coordinators~~ Sponsors are responsible to ensure that an instructor is qualified to teach the course offering.

(b) Qualified continuing education instructors must have one of the following qualifications:

~~(1) a four-year degree in any area plus two years' practical experience in the subject area being taught;~~

~~(2) five~~ four years' practical experience in the subject area being taught; ~~or~~

~~(3) (2)~~ a college or graduate degree in the subject area being taught;

(3) direct experience in the development of laws, rules, or regulations related to the residential construction industry; or

(4) demonstrated expertise in the subject area being taught.

(c) Approved instructors are responsible for:

(1) compliance with all laws and rules relating to continuing education;

(2) providing students with current and accurate information;

(3) maintaining an atmosphere conducive to learning in the classroom;

(4) verifying attendance of students, and certifying course completion;

(5) providing assistance to students and responding to questions relating to course materials; and

(6) attending the workshops or instructional programs that are required by the commissioner.

Subd. 11. **Prohibited practices for ~~coordinators~~ sponsors and instructors.** (a) In connection with an approved continuing education course, ~~coordinators~~ sponsors and instructors shall not:

(1) recommend or promote the services or practices of a particular business;

(2) encourage or recruit individuals to engage the services of, or become associated with, a particular business;

(3) use materials, ~~clothing, or other evidences of affiliation with~~ for the sole purpose of promoting a particular entity business;

(4) require students to participate in other programs or services offered by ~~the~~ an instructor, ~~coordinator~~, or sponsor;

(5) attempt, either directly or indirectly, to discover questions or answers on an examination for a license;

(6) disseminate to any other person specific questions, problems, or information known or believed to be included in licensing examinations;

(7) misrepresent any information submitted to the commissioner;

(8) fail to cover, or ensure coverage of, all points, issues, and concepts contained in the course

outline approved by the commissioner during the approved instruction; or

(9) issue inaccurate course completion certificates.

(b) ~~Coordinators~~ Sponsors shall notify the commissioner within ten days of a felony or gross misdemeanor conviction or of disciplinary action taken against an occupational or professional license held by the ~~coordinator~~ sponsor or an instructor teaching an approved course. The notification shall be grounds for the commissioner to withdraw the approval of the ~~coordinator~~ sponsor and to disallow the use of the sponsor or instructor.

Subd. 12. **Fees.** Fees for an approved course of study and related materials must be clearly identified to students. In the event that a course is canceled for any reason, all fees must be returned within 15 days from the date of cancellation. In the event that a course is postponed for any reason, students shall be given the choice of attending the course at a later date or having their fees refunded in full within 15 days from the date of postponement. If a student is unable to attend a course or cancels the registration in a course, sponsor policies regarding refunds shall govern.

Subd. 13. **Facilities.** Except for Internet education offered pursuant to subdivision 5a, each course of study must be conducted in a classroom or other facility that is adequate to comfortably accommodate the instructors and the number of students enrolled. The sponsor may limit the number of students enrolled in a course. ~~Approved courses may be held on the premises of a company doing business in the regulated area only when the company is sponsoring the course offering, or where product application is appropriate and related.~~

Subd. 14. **Supplementary materials.** An adequate supply of supplementary materials to be used or distributed in connection with an approved course must be available at the time and place of the course offering in order to ensure that each student receives all of the necessary materials. Outlines and any other materials that are reproduced must be of readable quality.

Subd. 15. **Advertising courses.** (a) Paragraphs (b) to (g) govern the advertising of continuing education courses.

(b) Advertising must be truthful and not deceptive or misleading. Courses may not be advertised ~~in any manner~~ as approved for continuing education credit unless approval has been granted in writing by the commissioner.

(c) ~~No~~ Once a course is approved, all advertisement, pamphlet, circular, or other similar materials pertaining to an approved ~~offering may be~~ course circulated or distributed in this state, ~~unless~~ must prominently display the following statement ~~is prominently displayed~~:

"This course has been approved by the Minnesota Department of Labor and Industry for (approved number of hours) hours for residential contractor continuing ~~(relevant industry)~~ education."

(d) Advertising of approved courses must be clearly distinguishable from the advertisement of other nonapproved courses and services.

(e) Continuing education courses may not be advertised before approval unless the course is described in the any advertising as "approval pending" ~~and an application for approval has been timely submitted to the commissioner and a denial has not been received.~~ The sponsor must verbally notify licensees before commencement of the course if the course has been denied credit, has not

been approved for credit, or has only been approved for partial credit by the commissioner.

(f) The number of hours for which a course has been approved must be prominently displayed on an advertisement for the course. If the course offering is longer than the number of hours of credit to be given, it must be clear that credit is not earned for the entire course.

(g) The course approval number must not be included in any advertisement.

Subd. 16. **Notice to students.** At the beginning of each approved offering, the following notice must be handed out in printed form or must be read to students:

"This educational offering is recognized by the Minnesota Department of Labor and Industry as satisfying (insert number of hours approved) hours of credit toward residential contractor continuing (~~insert appropriate industry~~) education requirements."

Subd. 17. **Audits.** The commissioner reserves the right to audit subject offerings with or without notice to the sponsor.

Subd. 18. **Falsification of reports.** A licensee, its qualified person, or an applicant found to have falsified an education report to the commissioner shall be considered to have violated the laws relating to the industry for which the person has a license and shall be subject to censure, limitation, condition, suspension, or revocation of the license or denial of the application for licensure.

The commissioner reserves the right to audit a licensee's continuing education records.

Subd. 19. **Waivers and extensions.** If a licensee provides documentation to the commissioner that the licensee or its qualifying person is unable, and will continue to be unable, to attend actual classroom course work because of a physical disability, medical condition, or similar reason, attendance at continuing education courses shall be waived for a period not to exceed one year. The commissioner shall require that the licensee or its qualifying person satisfactorily complete a self-study program to include reading a sufficient number of textbooks, or listening to a sufficient number of tapes, related to the ~~regulated~~ residential building contractor industry, as would be necessary for the licensee to satisfy continuing educational credit hour needs. The commissioner shall award the licensee credit hours for a self-study program by determining how many credit hours would be granted to a classroom course involving the same material and giving the licensee the same number of credit hours under this section. The licensee may apply each year for a new waiver upon the same terms and conditions as were necessary to secure the original waiver, and must demonstrate that in subsequent years, the licensee was unable to complete actual classroom course work. The commissioner may request documentation of the condition upon which the request for waiver is based as is necessary to satisfy the commissioner of the existence of the condition and that the condition does preclude attendance at continuing education courses.

Upon written proof demonstrating a medical hardship, the commissioner shall extend, for up to 90 days, the time period during which the continuing education must be successfully completed. Loss of income from either attendance at courses or cancellation of a license is not a bona fide financial hardship. Requests for extensions must be submitted to the commissioner in writing no later than 60 days before the education is due and must include an explanation with verification of the hardship, plus verification of enrollment at an approved course of study on or before the extension period expires.

Subd. 20. **Reporting requirements.** Required continuing education must be reported in a

manner prescribed by the commissioner. Licensees are responsible for maintaining copies of course completion certificates.

Subd. 21. **Residential building contractor, remodeler, and roofer education.** (a) ~~Each licensee must, during the licensee's first complete continuing education reporting period, complete and report one hour of continuing education relating to lead abatement rules in safe lead abatement procedures.~~

~~(b) Each licensee must, during each continuing education reporting period, complete and report one hour of continuing education relating to energy codes for or energy conservation measures applicable to residential buildings and other building codes designed to conserve energy.~~

(b) Immediately following the adoption date of a new residential code, the commissioner may prescribe that up to seven of the required 14 hours of continuing education credit per licensure period include education hours specifically designated to instruct licensees on new or existing State Building Code provisions.

Subd. 22. **Continuing education approval.** ~~(a)~~ Continuing education courses must be approved in advance by the commissioner of labor and industry. "Sponsor" means any person or entity offering approved education.

~~(b) For coordinators with an initial approval date before August 1, 2005, approval will expire on December 31, 2005. For courses with an initial approval date on or before December 31, 2000, approval will expire on April 30, 2006. For courses with an initial approval date after January 1, 2001, but before August 1, 2005, approval will expire on April 30, 2007.~~

Subd. 23. **Continuing education fees.** The following fees shall be paid to the commissioner:

(1) initial course approval, ~~\$10~~ \$20 for each hour or fraction of one hour of continuing education course approval sought. Initial course approval expires on the last day of the 24th month after the course is approved;

(2) renewal of course approval, ~~\$10~~ \$20 per course. Renewal of course approval expires on the last day of the 24th month after the course is renewed;

(3) initial coordinator approval, \$100. Initial coordinator approval expires on the last day of the 24th month after the coordinator is approved; and

(4) renewal of coordinator approval, ~~\$10~~ \$20. Renewal of coordinator approval expires on the last day of the 24th month after the coordinator is renewed.

Subd. 24. **Refunds.** All fees paid to the commissioner under this section are nonrefundable, except that an overpayment of a fee shall be returned upon proper application."

Amend the title numbers accordingly

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

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 2986: A bill for an act relating to health; specifying certain aspects of prepaid health plan contracts entered into by the commissioner of human services or county-based purchasing

plans; requiring use of certain accounting procedures; providing health care providers and others a right to audit under those contracts; providing for resolution of disputes; amending Minnesota Statutes 2008, section 256B.69, subdivisions 5i, 9, by adding a subdivision.

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 2008, section 256B.69, subdivision 5i, is amended to read:

Subd. 5i. **Administrative expenses.** (a) Managed care plan and county-based purchasing plan administrative costs for a prepaid health plan provided under this section or section 256B.692 must not exceed by more than five percent that prepaid health plan's or county-based purchasing plan's actual calculated administrative spending for the previous calendar year as a percentage of total revenue. The penalty for exceeding this limit must be the amount of administrative spending in excess of 105 percent of the actual calculated amount. The commissioner may waive this penalty if the excess administrative spending is the result of unexpected shifts in enrollment or member needs or new program requirements.

(b) Expenses listed under section 62D.12, subdivision 9a, clause (4), are not allowable administrative expenses for rate-setting purposes under this section, unless approved by the commissioner.

(c) A prepaid health plan must meet a loss ratio of not less than 93.5 percent, calculated as specified in this paragraph. The loss ratio consists of a numerator consisting only of direct expenses of providing patient care to persons covered under the program, excluding administrative expenses. The denominator consists of the total amount paid by the commissioner to the prepaid health plan, after subtraction of taxes and other mandatory government assessments directly attributable to the plan's participation as a provider in the program being reported on. Payments by the prepaid health plan to unaffiliated third parties or to providers or other entities that own, are owned by, or are under common control with the plan must be divided into patient care expenses and administrative expenses and included in the appropriate category for determination of the loss ratio.

(d) A bid submitted by a prepaid health plan may include a provision obligating the bidder to provide free services to uninsured, low-income persons as specified in the bid if necessary to meet the required loss ratio, to the extent that the loss ratio for that year would otherwise not reach 93.5 percent.

(e) Nothing in this subdivision requires the minimum loss ratio to be applied to any plan's business other than that business awarded by the commissioner, unless the plan fails to keep a separate and distinct accounting of funds received from the commissioner.

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

Sec. 2. Minnesota Statutes 2008, section 256B.69, subdivision 9, is amended to read:

Subd. 9. **Reporting.** (a) Each demonstration provider shall submit information as required by the commissioner, including data required for assessing client satisfaction, quality of care, cost, and utilization of services for purposes of project evaluation. The commissioner shall also develop methods of data reporting and collection in order to provide aggregate enrollee information on encounters and outcomes to determine access and quality assurance. Required information shall

be specified before the commissioner contracts with a demonstration provider.

(b) Aggregate nonpersonally identifiable health plan encounter data, aggregate spending data for major categories of service as reported to the commissioners of health and commerce under section 62D.08, subdivision 3, clause (a), and criteria for service authorization and service use are public data that the commissioner shall make available and use in public reports. The commissioner shall require each health plan and county-based purchasing plan to provide:

(1) encounter data for each service provided, using standard codes and unit of service definitions set by the commissioner, in a form that the commissioner can report by age, eligibility groups, and health plan; and

(2) criteria, written policies, and procedures required to be disclosed under section 62M.10, subdivision 7, and Code of Federal Regulations, title 42, part 438.210(b)(1), used for each type of service for which authorization is required.

(c) All financial reporting, including reporting of administrative expenses, under this section must be reported in compliance with generally accepted accounting principles. If the commissioner believes this paragraph would violate federal regulations, the commissioner shall promptly seek a federal waiver to permit the state to comply with this paragraph. The commissioner may accept donations to cover the cost of the waiver application.

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

Sec. 3. Minnesota Statutes 2008, section 256B.69, is amended by adding a subdivision to read:

Subd. 9c. **Rights to audit related to the loss ratio.** (a) Within 90 days after the end of each calendar year, each managed care plan used by the commissioner to provide services under this section shall furnish to each provider that furnished services during the calendar year under a contract with the plan a Web-based statement in reasonable detail setting forth the computation of the total costs and expenses used in the calculation of the minimum loss ratio as well as the amount of administrative expenses incurred in the prior calendar year.

(b) Any provider or group of providers may, at its expense and after 14 days' written notice, audit and inspect all records of the managed care plan relating to the costs and expenses which are used in the calculation of the minimum loss ratio, provided that at the end of 24 months following the end of any calendar year the plan's records shall be deemed to be conclusive, and the providers have no further rights to audit and inspect them with regard to that calendar year.

(c) In the event that an audit or inspection determines that a plan failed to satisfy the 93.5 percent loss ratio requirement, the following shall apply:

(1) the plan shall make a payment to the commissioner equal to the amount by which the plan failed to satisfy the minimum loss ratio, to be deposited in the fund from which the payments to the plan were made, as determined by the commissioner. If the commissioner cannot specify the fund, the payment shall be deposited in the health care access fund; and

(2) if the plan falls two percentage points or more short of satisfying the 93.5 percent minimum loss ratio, the plan shall reimburse the provider or group of providers for reasonable costs incurred for the audit or inspection.

(d) No plan used by the commissioner may require any provider to waive this right to audit as a condition of participation with the plan. No plan may retaliate against any provider for exercising any rights related to the audit described in this subdivision.

(e) If a plan and a provider or group of providers disagree regarding the result of an audit or inspection of records conducted under this subdivision, the commissioner shall refer the dispute to the attorney general for resolution. Each party shall pay its own expenses in connection with the process of resolving the dispute.

(f) An enrollee or group of enrollees has the right to conduct an audit and inspection of a plan's records on the same basis granted under this subdivision to health care providers.

(g) The commissioner shall describe the requirements of this subdivision in any request for proposal for services to which this subdivision applies.

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

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

Senator Stumpf from the Committee on Education, to which was referred

S.F. No. 3028: A bill for an act relating to education; providing for prekindergarten through grade 12 education, including general education, education excellence, special programs, facilities and technology, libraries, nutrition, accounting, early childhood education, and state agencies; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2008, sections 120A.41; 120B.128; 122A.14, by adding a subdivision; 122A.18, subdivisions 1, 2; 122A.23, subdivision 2; 122A.40, subdivision 5, by adding a subdivision; 122A.41, subdivisions 2, 4; 123B.75, subdivision 5; 123B.77, subdivision 1a; 126C.10, subdivision 2a; 127A.441; 127A.45, subdivisions 2, 3, 13, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 122A.09, subdivision 4; 122A.40, subdivisions 6, 8; 122A.41, subdivisions 3, 5; 124D.10, subdivision 13; Laws 2009, chapter 96, article 1, section 24; article 2, section 67; article 3, section 21; article 4, section 12; article 5, section 13; article 6, section 11; article 7, sections 3, subdivision 2; 5; proposing coding for new law in Minnesota Statutes, chapter 127A.

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

Page 1, after line 18, insert:

"Section 1. Minnesota Statutes 2009 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

- (1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000;
- (2) the budget reserve account established in subdivision 1a until that account reaches

\$653,000,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve;

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, paragraph ~~(b)~~ (c), and ~~Laws 2003, First Special Session chapter 9, article 5, section 34, as amended by Laws 2003, First Special Session chapter 23, section 20,~~ by the same amount; and

(5) to the state airports fund, the amount necessary to restore the amount transferred from the state airports fund under Laws 2008, chapter 363, article 11, section 3, subdivision 5.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter."

Page 7, line 13, delete "4,927,599,000" and insert "4,927,600,000"

Page 7, line 16, delete "\$1,366,755,000" and insert "\$1,366,775,000"

Page 7, line 17, delete "\$3,560,844,000" and insert "\$3,560,825,000"

Page 12, lines 19, 22, 26 and 29, delete "K" and insert "E"

Renumber the sections in sequence

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Amendments adopted. Report adopted.

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 2933: A bill for an act relating to human services; making changes to continuing care policy and technical provisions; amending Minnesota Statutes 2008, section 626.557, subdivision 9a; Minnesota Statutes 2009 Supplement, sections 144.0724, subdivision 11; 256B.0625, subdivision 19c; 256B.0651, by adding a subdivision; 256B.0652, subdivision 6; 256B.0659, subdivisions 10, 11, 21, 30, by adding a subdivision.

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

Page 1, line 23, delete the comma and insert a semicolon

Page 1, delete lines 24 and 25 and insert:

"(6) the person meets the nursing facility level of care criteria determined 30 days after admission or on the first quarterly assessment after admission, whichever is later; or"

Page 2, line 1, delete "(6)" and insert "(7)"

Page 2, after line 23, insert:

"Sec. 2. Minnesota Statutes 2008, section 245A.03, is amended by adding a subdivision to read:

Subd. 9. **Permitted services by an individual who is related.** Notwithstanding subdivision 2, paragraph (a), clause (1), and subdivision 7, an individual who is related to a person receiving supported living services may provide licensed services to that person if:

(1) the person who receives supported living services received these services in a residential site on July 1, 2005;

(2) the services under clause (1) were provided in a corporate foster care setting for adults and were funded by the developmental disabilities home and community-based services waiver defined in section 256B.092;

(3) the individual who is related obtains and maintains both a license under chapter 245B and an adult foster care license under Minnesota Rules, parts 9555.5105 to 9555.6265; and

(4) the individual who is related is not the guardian of the person receiving supported living services.

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

Page 3, delete section 3 and insert:

"Sec. 4. Minnesota Statutes 2009 Supplement, section 256B.0651, is amended by adding a subdivision to read:

Subd. 17. **Recipient protection.** (a) Providers of home care services must provide each recipient with a copy of the home care bill of rights under section 144A.44 at least 30 days prior to terminating services to a recipient, if the termination results from a payment withhold, a suspension of participation, or a termination of participation under section 256B.064. If a home care provider determines it is unable to continue providing services to a recipient because of an action under section 256B.064, the provider must notify the recipient, the recipient's responsible party, and the commissioner 30 days prior to terminating services to the recipient, and must assist the recipient in transitioning to another home care provider of the recipient's choice.

(b) In the event of a payment withhold from a home care provider or a suspension or termination of participation of a home care provider under section 256B.064, the commissioner may inform the Office of Ombudsman for Long-Term Care and the lead agencies for all recipients with active service agreements with the provider. At the commissioner's request, the lead agencies must contact recipients to ensure that the recipients are continuing to receive needed care, and that the recipients have been given free choice of provider if they transfer to another home care provider. In addition,

the commissioner or the commissioner's delegate may directly notify recipients who receive care from the provider that payments have been withheld or that the provider's participation in medical assistance has been suspended or terminated, if the commissioner determines that notification is necessary to protect the welfare of the recipients. For purposes of this subdivision, "lead agencies" means counties, tribes, and managed care organizations."

Page 4, after line 18, insert:

"Sec. 6. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 4, is amended to read:

Subd. 4. **Assessment for personal care assistance services; limitations.** (a) An assessment as defined in subdivision 3a must be completed for personal care assistance services.

(b) The following limitations apply to the assessment:

(1) a person must be assessed as dependent in an activity of daily living based on the person's need, on a daily basis, for:

- (i) cuing and constant supervision to complete the task; or
- (ii) hands-on assistance to complete the task; and

(2) a child may not be found to be dependent in an activity of daily living if because of the child's age an adult would either perform the activity for the child or assist the child with the activity. Assistance needed is the assistance appropriate for a typical child of the same age.

(c) Assessment for complex health-related needs must meet the criteria in this paragraph. During the assessment process, a recipient qualifies as having complex health-related needs if the recipient has one or more of the interventions that are ordered by a physician, specified in a personal care assistance care plan, and found in the following:

(1) tube feedings requiring:

- (i) a ~~gastro/jejunosomy~~ gastrojejunostomy tube; or
- (ii) continuous tube feeding lasting longer than 12 hours per day;

(2) wounds described as:

- (i) stage III or stage IV;
- (ii) multiple wounds;
- (iii) requiring sterile or clean dressing changes or a wound vac; or
- (iv) open lesions such as burns, fistulas, tube sites, or ostomy sites that require specialized care;

(3) parenteral therapy described as:

- (i) IV therapy more than two times per week lasting longer than four hours for each treatment;

or

- (ii) total parenteral nutrition (TPN) daily;

- (4) respiratory interventions including:
- (i) oxygen required more than eight hours per day;
 - (ii) respiratory vest more than one time per day;
 - (iii) bronchial drainage treatments more than two times per day;
 - (iv) sterile or clean suctioning more than six times per day;
 - (v) dependence on another to apply respiratory ventilation augmentation devices such as BiPAP and CPAP; and
 - (vi) ventilator dependence under section 256B.0652;
- (5) insertion and maintenance of catheter including:
- (i) sterile catheter changes more than one time per month;
 - (ii) clean self-catheterization more than six times per day; or
 - (iii) bladder irrigations;
- (6) bowel program more than two times per week requiring more than 30 minutes to perform each time;
- (7) neurological intervention including:
- (i) seizures more than two times per week and requiring significant physical assistance to maintain safety; or
 - (ii) swallowing disorders diagnosed by a physician and requiring specialized assistance from another on a daily basis; and
- (8) other congenital or acquired diseases creating a need for significantly increased direct hands-on assistance and interventions in six to eight activities of daily living.
- (d) An assessment of behaviors must meet the criteria in this paragraph. A recipient qualifies as having a need for assistance due to behaviors if the recipient's behavior requires assistance at least four times per week and shows one or more of the following behaviors:
- (1) physical aggression towards self or others, or destruction of property that requires the immediate response of another person;
 - (2) increased vulnerability due to cognitive deficits or socially inappropriate behavior; or
 - (3) verbally aggressive and resistive to care."

Page 5, line 5, strike "delegate" and insert "delegated"

Page 7, after line 6, insert:

"Sec. 10. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 13, is amended to read:

Subd. 13. **Qualified professional; qualifications.** (a) The qualified professional must be employed by work for a personal care assistance provider agency and meet the definition under section 256B.0625, subdivision 19c. Before a qualified professional provides services, the personal care assistance provider agency must initiate a background study on the qualified professional under chapter 245C, and the personal care assistance provider agency must have received a notice from the commissioner that the qualified professional:

(1) is not disqualified under section 245C.14; or

(2) is disqualified, but the qualified professional has received a set aside of the disqualification under section 245C.22.

(b) The qualified professional shall perform the duties of training, supervision, and evaluation of the personal care assistance staff and evaluation of the effectiveness of personal care assistance services. The qualified professional shall:

(1) develop and monitor with the recipient a personal care assistance care plan based on the service plan and individualized needs of the recipient;

(2) develop and monitor with the recipient a monthly plan for the use of personal care assistance services;

(3) review documentation of personal care assistance services provided;

(4) provide training and ensure competency for the personal care assistant in the individual needs of the recipient; and

(5) document all training, communication, evaluations, and needed actions to improve performance of the personal care assistants.

(c) Effective January 1, 2010, the qualified professional shall complete the provider training with basic information about the personal care assistance program approved by the commissioner within six months of the date hired by a personal care assistance provider agency. Qualified professionals who have completed the required ~~trainings~~ training as an employee with a worker from a personal care assistance provider agency do not need to repeat the required ~~trainings~~ training if they are hired by another agency, if they have completed the training within the last three years."

Page 9, line 7, after "occur" insert "on or after December 1, 2009, and" and delete "On or after" and insert "Effective"

Page 9, after line 12, insert:

"Sec. 13. Minnesota Statutes 2009 Supplement, section 256B.0911, subdivision 2b, is amended to read:

Subd. 2b. **Certified assessors.** (a) Beginning January 1, 2011, each lead agency shall use certified assessors who have completed training and the certification processes determined by the commissioner in subdivision 2c. Certified assessors shall demonstrate best practices in assessment and support planning including person-centered planning principals and have a common set of skills that must ensure consistency and equitable access to services statewide. Assessors must be part of a multidisciplinary team of professionals that includes public health nurses, social workers, and other professionals as defined in paragraph (b). For persons with complex health care needs,

a public health nurse or registered nurse from a multidisciplinary team must be consulted. A lead agency may choose in accordance with departmental policies to contract with a qualified, certified assessor to conduct assessments and reassessments on behalf of the lead agency.

(b) Certified assessors are persons with a minimum of a bachelor's degree in social work, nursing with a public health nursing certificate, or other closely related field with at least one year of home and community-based experience or a two-year registered nursing degree with at least three years of home and community-based experience that have received training and certification specific to assessment and consultation for long-term care services in the state."

Page 9, line 24, after "reports" insert "of alleged or suspected maltreatment"

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 2748: A bill for an act relating to human services; modifying the Minnesota family investment program provisions; amending Minnesota Statutes 2008, section 256J.24, subdivision 6; Minnesota Statutes 2009 Supplement, section 256J.425, subdivision 3.

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

Page 3, line 25, after "means" insert ": (1)"

Page 3, line 26, strike the period and delete "A" and insert "; or (2) for a person who meets the requirements of paragraph (a), clause (2), item (ii), or paragraph (a), clause (3), of this subdivision, a qualified professional has determined: (i) the person's condition significantly restricts the range of employment that the person is able to perform; or (ii) significantly interferes with the person's ability to obtain or maintain employment for 20 or more hours per week."

Page 3, delete lines 27 to 30

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 2735: A bill for an act relating to state procurement; modifying provisions governing the provision of services by rehabilitation facilities, extended employment providers, and day training and habilitation service programs; amending Minnesota Statutes 2008, section 16C.155.

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 2008, section 16C.155, is amended to read:

16C.155 JANITORIAL CONTRACTS; REHABILITATION PROGRAMS AND EXTENDED EMPLOYMENT PROVIDERS.

Subdivision 1. **Service contracts.** The commissioner of administration shall ensure that a portion of all ~~janitorial services~~ contracts for janitorial services; document imaging; document shredding; and mailing, collating, and sorting services be awarded by the state to rehabilitation programs and extended employment providers ~~listed under section 16C.15~~ that are certified by the commissioner of employment and economic development, and day training and habilitation services licensed under sections 245B.01 to 245B.08. The amount of each contract awarded under this section may exceed the estimated fair market price as determined by the commissioner for the same goods and services by up to six percent. ~~The total aggregate value of the contracts awarded to eligible providers under this section in any given year must exceed 19 percent of the total value of janitorial services all contracts for janitorial services; document imaging; document shredding; and mailing, collating, and sorting services entered into in the previous fiscal same year. The amount of each contract awarded under this section may exceed the estimated fair market price for the same goods and services by up to five percent~~ For the 19 percent requirement to be applicable in any given year, the contract amounts proposed by eligible providers must be within six percent of the estimated fair market price for at least 19 percent of the contracts awarded for the corresponding service area.

Subd. 2. **Agency notification.** (a) On an annual basis, eligible service providers shall provide the following information to the commissioner in a format prescribed by the commissioner:

- (1) the address for all locations where the service provider operates;
- (2) the name, telephone number, and e-mail address for a contact person at each location;
- (3) the capacity of the organization, by location, to provide the services identified in subdivision 1; and
- (4) the state of Minnesota vendor number for the provider.

(b) The commissioner shall annually provide notice of the contracting requirements under subdivision 1 to all state authority for local purchasing buyers, as determined by the commissioner. The list shall include the names and principal addresses of the eligible service providers and the information provided to the commissioner by eligible service providers under paragraph (a). The commissioner shall inform each authority for local purchasing buyer of:

- (1) the requirements of subdivision 1;
- (2) the policy adopted by the commissioner to implement subdivision 1;
- (3) the applicable commodity codes for each service identified in subdivision 1;
- (4) the need for each authority for local purchasing buyer to record the applicable commodity code for each contract entered under subdivision 1 and for each contract covering one of the service areas identified in subdivision 1; and
- (5) the authority granted to the authority for local purchasing buyers to contract directly with the eligible providers as provided in section 16C.10.

Subd. 3. **Contract tracking and annual report.** The commissioner shall track, by the commodity code for each service area identified in subdivision 1, each contract entered into

pursuant to this section. By February 15 of each year, the commissioner shall submit the following information for the previous fiscal year to the chairs and ranking members of the legislative committees with jurisdiction over workforce development:

(1) the value of the contracts awarded to eligible service providers for each of the applicable commodity codes; and

(2) the total value for all contracts awarded in each of the service areas identified in subdivision 1."

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 2809: A bill for an act relating to state government; creating employment guidance for using bond proceeds; requiring reports.

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

Delete everything after the enacting clause and insert:

"Section 1. [16A.697] CONTRACTING REQUIREMENTS FOR CERTAIN BOND PROCEEDS RECIPIENTS.

Subdivision 1. Use of proceeds. (a) For the purposes of this section, "bond proceeds recipient" includes:

(1) an agency under section 16A.011, subdivision 2;

(2) the Minnesota State Colleges and Universities;

(3) the University of Minnesota; or

(4) after January 1, 2012, counties, municipalities, and other political subdivisions of the state.

(b) Before a bond proceeds recipient may spend money from the bond proceeds fund established under section 16A.631, the bond proceeds recipient must require as part of any bid or proposal for a contract or agreement from any business, a plan to:

(1) recruit individuals to perform work who are unemployed, especially targeting communities experiencing disproportionately high rates of unemployment including, but not limited to, low-income, rural, and tribal communities and communities of color;

(2) recruit individuals to perform work from available training providers, including, but not limited to, opportunities industrialization centers, construction trades unions, tribal colleges or nonprofits working in tribal communities, community action partnerships, and nonprofit organizations providing pertinent job training;

(3) disseminate information about subcontract and employment opportunities generated by bond proceeds to disadvantaged groups, including, but not limited to, low-income, rural, and tribal communities and communities of color; and

(4) for building construction, renewal, and renovation projects, demonstrate the total calculated and document the actual calculated energy savings created by the project.

Subd. 2. **Reporting requirements.** (a) A bond proceeds recipient shall report electronically to the commissioner of employment and economic development a complete accounting of the following:

(1) within six months of the awarding of project contracts, and every six months thereafter until the completion of a project, the number of jobs created and retained by the project, and the total number of hours worked by individuals from low-income, rural, and tribal communities and communities of color;

(2) within six months of the awarding of project contracts, and every six months thereafter until the completion of a project, the number of workers recruited from available apprentice and training programs, including the name and location of the program, total number of hours worked, and length of job retention;

(3) within six months of the awarding of project contracts, a detailed description of contract and employment information dissemination efforts to disadvantaged groups; and

(4) within six months of the completion of building construction, renovation, and renewal projects, the total calculated and actual energy savings for the project.

(b) The commissioner of employment and economic development shall compile the data and reports submitted under paragraph (a) and shall prepare an annual summary report that shall be submitted electronically by January 15 of each year beginning in 2011 to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over capital investment and the Department of Management and Budget."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "placing certain restrictions on the use of bond"

Amend the title numbers accordingly

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 1880: A bill for an act relating to local government; reestablishing the Board of Innovation; imposing powers and duties on the board; appropriating money; amending Minnesota Statutes 2008, section 3.971, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 465.

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

Page 2, line 18, delete everything after the comma and insert "including one member appointed by the chancellor of the Minnesota State Colleges and Universities and one member appointed by

the president of the University of Minnesota;"

Page 2, line 20, delete everything after "by" and insert "the Minnesota Council of Nonprofits, including one member from an organization with statewide membership, and one member from a human services organization;"

Page 2, line 21, after the comma, insert "including one member from a foundation making statewide grants"

Page 2, line 22, delete everything before the semicolon and insert "the Minnesota Council on Foundations"

Page 2, line 23, before the period, insert ", appointed by the Minnesota Chamber of Commerce"

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 2511: A bill for an act relating to state government; establishing a collaborative governance council; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 6.

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

Delete everything after the enacting clause and insert:

"Section 1. **[6.81] COLLABORATIVE GOVERNANCE COUNCIL.**

Subdivision 1. **Establishment; purpose; membership.** (a) A collaborative governance council is established and shall include major statewide governmental entities and nongovernmental statewide organizations as provided in this subdivision. The council has 13 members, including the state auditor and one member appointed by and serving at the pleasure of each of the following:

- (1) League of Minnesota Cities;
- (2) Minnesota Association of Townships;
- (3) Association of Minnesota Counties;
- (4) Minnesota School Board Association;
- (5) American Federation of State, County, and Municipal Employees Council 5;
- (6) American Federation of State, County, and Municipal Employees Council 65;
- (7) Education Minnesota;
- (8) Service Employees International Union;
- (9) a senator appointed by the majority leader of the senate;
- (10) a senator appointed by the minority leader of the senate;

(11) a member of the house of representatives appointed by the speaker of the house; and

(12) a member of the house of representatives appointed by the house minority leader.

The appointing authorities under this section shall complete their initial appointments no later than July 1, 2010.

(b) The council shall seek input from nonmember organizations whose expertise can help inform the council's work.

(c) The state auditor shall serve as chair of the council and shall convene the first meeting by July 31, 2010. The council must meet at least quarterly.

(d) In conjunction with the state auditor's duties to recommend best practices for delivery of local government service, the state auditor shall provide staff and administrative support for the council.

(e) Members do not receive compensation or reimbursement of expenses from the council for service on the council.

(f) The term of a legislative member of the council corresponds with the term of office held by the member at the time of appointment.

Subd. 2. **Powers and duties; report.** (a) The council shall develop recommendations to the governor and the legislature designed to increase collaboration in government. These recommendations may include, but are not limited to, strategies, policies, or other actions focused on the:

(1) review of statutes, laws, and rules that slow or prevent collaboration efforts;

(2) use of collaboration to improve the delivery of governmental services;

(3) use of technology to connect entities and share information, including broadband access;

(4) modernization of financial transactions and their oversight by facilitating credit and debit card transactions, electronic funds, transfers, and electronic data interchange; and

(5) creation of model forms for joint power agreements.

(b) By February 1 of each year, the council shall submit its recommendations, including any draft legislation necessary to implement its recommendations, to the governor and to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over state and local government policy and finance and early childhood through grade 12 education policy and finance.

Subd. 3. **Expiration.** This section expires June 30, 2015.

EFFECTIVE DATE. This section is effective June 1, 2010."

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 2496: A bill for an act relating to state government; establishing the Legislative Commission for Policy Innovation and Research; proposing coding for new law in Minnesota Statutes, chapter 3.

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

Delete everything after the enacting clause and insert:

"Section 1. **TASK FORCE FOR POLICY INNOVATION AND RESEARCH.**

Subdivision 1. **Membership.** The task force for policy innovation and research includes the following 14 members:

(1) two members of the senate, including one member of the committee on finance, appointed by the majority leader;

(2) two members of the senate appointed by the minority leader;

(3) two members of the house of representatives, including one member of the committee on finance, appointed by the speaker of the house;

(4) two members of the house of representatives appointed by the minority leader of the house of representatives;

(5) one member appointed by and serving at the pleasure of each of the following:

(i) the Wilder Foundation;

(ii) the Blandin Foundation;

(iii) the Minneapolis Foundation;

(iv) the McKnight Foundation; and

(v) the Bush Foundation; and

(6) the director of the Center for the Study of Politics and Governance at the Humphrey Institute at the University of Minnesota.

The appointing authorities under this subdivision shall complete their appointments no later than August 1, 2010.

The responsible appointing authority shall fill a vacancy on the task force within 30 days after the vacancy is created.

The director of the Center for the Study of Politics and Governance at the Humphrey Institute shall serve as the chair and shall convene the first meeting of the task force no later than September 1, 2010. The members shall serve without compensation from the task force but legislative members may be reimbursed for their reasonable expenses as members of the legislature. The director of the Center for the Study of Politics and Governance at the Humphrey Institute shall assist the task force in administrative matters.

Subd. 2. **Report.** The task force shall consider methods and procedures to best provide the legislature with high quality, rigorous public policy research regarding issues and topics of concern

to the legislature. By February 1, 2011, the task force shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over state government policy and finance regarding:

- (1) a process for the selection of topics for public policy research of interest to the legislature;
- (2) recommended methods and procedures for conducting and reporting the research; and
- (3) a method to provide funding for the policy innovation and research initiative proposed by the task force.

The report shall also include any draft legislation necessary to implement the recommendations.

Subd. 3. **Expiration.** The task force expires after the submission of the report required under subdivision 2."

Amend the title as follows:

Page 1, line 2, delete "Legislative Commission" and insert "Task Force"

Amend the title numbers accordingly

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 2861: A bill for an act relating to state government; prohibiting state employees, constitutional officers, and members of the legislature from using public funds to pay for the use of lodging, training, and meeting facilities that make pornographic images available to their patrons; proposing coding for new law in Minnesota Statutes, chapter 15.

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

Delete everything after the enacting clause and insert:

"Section 1. [15.437] PREFERRED SITES FOR LODGING, MEETING, AND TRAINING FACILITIES.

Constitutional officers and members of the legislature may not use public funds to pay for the cost of lodging, training, meeting, or any other use of a facility that is not a preferred site, as defined in section 16C.156, subdivision 1. This section does not apply when a preferred site is not reasonably available and a written explanation of that circumstance is maintained with the record of payment.

Sec. 2. [16C.156] LODGING AND MEETING SPACE.

Subdivision 1. **Preference for site with clean hotel policies and procedures.** (a) An agency and its employees must use a preferred site when selecting lodging for state employees traveling on state business and when selecting facilities for conferences, meetings, education or training sessions, and similar events in Minnesota sponsored by state agencies unless:

- (1) a preferred site is not available to the employee traveling on state business within a reasonable

distance from the location where the employee is conducting state business; or

(2) the cost of the preferred site exceeds the cost for comparable services at a non-preferred site.

(b) For purposes of this section:

(1) "lodging" means a hotel or motel, lodging establishment, or resort, as those terms are defined in section 157.15;

(2) a "preferred site" is one that has adopted clean hotel policies and procedures; and

(3) "clean hotel policies and procedures" means policies and procedures to reasonably eliminate within the facility the availability of sexually explicit work or material with depictions of sexual conduct that objectifies and exploits its subjects by eroticizing domination, degradation, or violence. "Sexual conduct," "work," and "material" have the meanings defined in section 617.241, paragraphs (b), (d), and (e).

Subd. 2. **Agency solicitation documents.** All agency solicitation documents for purchase of lodging for state employees traveling on state business and for space for conferences, meetings, education or training sessions, and similar events in Minnesota sponsored by state agencies must contain the following language:

"It is the intention of the State of Minnesota to promote the prevention of sexual violence and to provide its employees and citizens participating in state business with safe work environments that are free of sexually explicit work or material that objectifies and exploits its subjects by eroticizing domination, degradation, or violence. For the purposes of: (1) providing lodging for employees traveling on state business in Minnesota; or (2) conferences, meetings, education or training activities for state employees or similar events in Minnesota sponsored by state departments or agencies, preferential consideration will be given to providers that have adopted clean hotel policies and procedures."

Subd. 3. **Centralized information.** The commissioner may offer a centralized process for state agencies and employees for identifying facilities that have adopted clean hotel policies and procedures.

Sec. 3. **REPORT.**

By February 15, 2011, the commissioner of administration, in coordination with the commissioner of health, shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over the Department of Administration regarding the commissioner's plans for and progress toward the implementation of Minnesota Statutes, section 16C.156.

Sec. 4. **EFFECTIVE DATE.**

Section 1 is effective July 1, 2011."

Delete the title and insert:

"A bill for an act relating to state government; establishing procedures for state employees to provide preference for purchasing lodging, training, and meeting services from facilities that do not offer sexually explicit materials and work to their patrons; proposing coding for new law in Minnesota Statutes, chapters 15; 16C."

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 2620: A bill for an act relating to state and local government; establishing the Commission on Service Innovation.

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

Page 1, line 11, delete "15" and insert "17"

Page 1, after line 17, insert:

"(6) one representative of the Minnesota Association of Townships;"

Page 1, line 18, delete "(6)" and insert "(7)"

Page 1, line 19, delete "(7)" and insert "(8)"

Page 1, line 20, delete "(8)" and insert "(9)"

Page 1, line 21, delete "(9)" and insert "(10)"

Page 1, line 22, delete "(10)" and insert "(11)"

Page 1, line 23, delete "(11) one representative" and insert "(12) two representatives"

Page 1, line 24, after "Employees" insert ", including one from council 5 and one from council 65"

Page 2, line 1, delete "(12)" and insert "(13)" and delete "Education Minnesota" and insert "the Minnesota Association of Professional Employees"

Page 2, line 2, delete "(13)" and insert "(14)"

Page 2, line 3, delete "(14)" and insert "(15)"

Page 2, line 4, delete "(15)" and insert "(16)"

Page 2, line 16, after the period, insert "Meetings of the commission are subject to Minnesota Statutes, chapter 13D."

Page 2, line 25, delete "shall give strong" and insert "may retain"

Page 2, line 26, delete "consideration to the retention of"

Page 2, line 29, before "monthly" insert "electronic"

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 2476: A bill for an act relating to lawful gambling; allowing the director of the Gambling Control Board flexibility in allowable expenses; amending Minnesota Statutes 2009 Supplement, section 349.12, subdivision 25.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 2516: A bill for an act relating to state government; creating the Minnesota Coalition for Innovation and Collaboration; providing for certain rule and law waivers; appropriating money; amending Minnesota Statutes 2008, section 6.80; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Rules and Administration. Report adopted.

Senator Bakk from the Committee on Taxes, to which was referred

S.F. No. 2745: A bill for an act relating to taxation; extending the deadline for withdrawal from the Green Acres program; amending Minnesota Statutes 2009 Supplement, section 273.111, subdivision 9.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 3093: A bill for an act relating to drivers' licenses; extending certain rulemaking authority of commissioner of public safety.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Report adopted.

Senator Murphy from the Committee on Transportation, to which was re-referred

S.F. No. 2664: A bill for an act relating to motor vehicles; authorizing special Bronze Star veteran's license plate; amending Minnesota Statutes 2008, section 168.123, subdivision 2.

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

Page 3, after line 10, insert:

"(k) For a veteran who is a recipient of the Silver Star medal, the plates must bear the inscription "SILVER STAR VET" and have a facsimile or an emblem of the official Silver Star medal and the letters "S" over "S" with the first letter directly over the second letter just preceding the first numeral of the special plate number."

Amend the title as follows:

Page 1, line 2, after "Star" insert "and Silver Star" and delete "plate" and insert "plates"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1524, 2758, 2944, 2933, 2735, 2861, 2476 and 2745 were read the second time.

MEMBERS EXCUSED

Senator Michel was excused from the Session of today. Senator Vandever was excused from the Session of today from 11:35 to 11:40 a.m. Senator Koering was excused from the Session of today from 12:25 to 12:50 p.m.

ADJOURNMENT

Senator Pogemiller moved that the Senate do now adjourn until 11:00 a.m., Monday, March 15, 2010. The motion prevailed.

Peter S. Wattson, Secretary of the Senate (Legislative)

