

FORTY-FIFTH DAY

St. Paul, Minnesota, Thursday, April 28, 2011

The Senate met at 10:30 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Kathleen Zielinski.

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

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

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

The President declared a quorum present.

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

REPORTS OF COMMITTEES

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

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

S.F. No. 1062: A bill for an act relating to education; allowing qualified individuals receiving a retirement annuity to serve as a coach during a sports season; amending Minnesota Statutes 2010,

section 122A.18, subdivision 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. Minnesota Statutes 2010, section 122A.48, subdivision 3, is amended to read:

Subd. 3. **Employment as substitute.** Notwithstanding the provisions of subdivision 2, a teacher who has entered into an agreement for termination of services and withdrawal from active teaching service with an early retirement incentive may be employed as a substitute teacher or coach after retirement.

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

Amend the title accordingly

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

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

S.F. No. 619: A bill for an act relating to education; authorizing a school district to create a reserve for essential uses account in the district general fund; amending Minnesota Statutes 2010, sections 179A.07, by adding a subdivision; 179A.18, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 123B.

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

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

S.F. No. 1213: A bill for an act relating to education; modifying adult education tracking system; amending Minnesota Statutes 2010, section 124D.52, subdivision 7.

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

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

S.F. No. 1167: A bill for an act relating to education; providing for policy for prekindergarten through grade 12 education, including general education, education excellence, special programs, facilities and technology, early childhood education, and student transportation; amending Minnesota Statutes 2010, sections 11A.16, subdivision 5; 119A.50, subdivision 3; 120B.15; 120B.30, subdivisions 1, 3, 4; 120B.31, subdivision 4; 120B.36, subdivisions 1, 2; 122A.16, as amended; 122A.60, subdivision 4; 123B.41, subdivisions 2, 5; 123B.57; 123B.63, subdivision 3; 123B.71, subdivision 5; 123B.72, subdivision 3; 123B.75, subdivision 5; 123B.92, subdivision 5; 124D.091, subdivision 2; 124D.10, subdivisions 3, 4, 6, 6a, 23; 124D.11, subdivision 9; 124D.86, subdivisions 1, 3; 124D.871; 125A.02, subdivision 1; 125A.51; 125A.79, subdivision 1; 126C.10, subdivision 8a; 126C.15, subdivision 2; 126C.41, subdivision 2; 126C.44; 127A.42, subdivision 2; 127A.43; 127A.45, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 124D; repealing Minnesota Statutes 2010, sections 125A.54; 126C.457.

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

Page 6, delete section 8

Page 8, delete section 10

Page 9, delete section 1

Page 10, lines 26 to 29, delete the new language

Page 16, delete section 9

Page 18, line 25, after the semicolon, insert "and"

Page 18, line 26, strike everything after "(iii)"

Page 18, line 27, strike "(iv)" and before the semicolon, insert "and has been operating continuously for at least five years but does not operate a charter school"

Page 19, line 3, strike "no more than three"

Page 20, line 23, reinstate the stricken language

Page 20, line 24, reinstate the stricken language and delete the new language and strike "2011" and insert "2012"

Page 20, line 26, reinstate the stricken language and delete the new language

Page 20, lines 27 to 32, delete the new language

Page 21, line 14, reinstate the stricken language

Page 21, lines 15 and 16, delete the new language

Page 24, delete section 13

Page 26, delete section 15

Pages 29 to 31, delete sections 17 to 21

Page 32, after line 8, insert:

"Sec. 2. Minnesota Statutes 2010, section 125A.15, is amended to read:

125A.15 PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.

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

(a) The district of residence of a child shall be the district in which the child's parent resides, if living, or the child's guardian, ~~or the district designated by the commissioner if neither parent nor guardian is living within the state.~~ If there is a dispute between school districts regarding residency, the district of residence is the district designated by the commissioner.

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

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

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

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

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

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

Page 32, line 17, delete the new language and insert ". If there is a dispute between school districts regarding residency, the district of residence is the district designated by the commissioner"

Page 32, line 18, delete everything before the period

Page 36, line 24, strike "to correct" and insert "for the correction of"

Page 37, line 7, after "inspections" insert ", the repair of unsafe outdoor playground equipment,"

Page 37, line 14, delete "automatic" and insert "automated"

Page 37, line 29, delete "to finance a" and insert a colon

Page 37, delete lines 30 to 36

Page 38, delete lines 1 to 7 and insert:

"(1) to finance a lease purchase agreement, installment purchase agreement, or other deferred payments agreement;

(2) for the construction of new facilities, remodeling of existing facilities, or the purchase of portable classrooms;

(3) for interest or other financing expenses;

(4) for energy efficiency projects under section 123B.65, for a building or property or part of a building or property used for postsecondary instruction or administration or for a purpose unrelated to elementary and secondary education;

(5) for replacement of building materials or facilities including roof, walls, windows, internal fixtures and flooring, nonhealth and safety costs associated with demolition of facilities, structural repair or replacement of facilities due to unsafe conditions, violence prevention and facility security, ergonomics; or

(6) public announcement systems and emergency communication devices, or for building and heating, ventilating and air conditioning supplies, maintenance, and cleaning activities. All assessments, investigations, inventories, and support equipment not leading to the engineering or construction of a project shall be included in the health, safety, and environmental management costs in subdivision 8, paragraph (a)."

Page 42, delete article 6

Renumber the sections and articles in sequence

Amend the title as follows:

Page 1, line 4, delete "early childhood education,"

Amend the title numbers accordingly

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

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

S.F. No. 926: A bill for an act relating to real property; expanding and defining certain residential property rights; modifying certain association vote and lien provisions of the Minnesota Common Interest Ownership Act; amending Minnesota Statutes 2010, sections 500.215; 515B.2-119; 515B.2-123; 515B.2-124; 515B.3-113; 515B.3-116; proposing coding for new law in Minnesota Statutes, chapter 500.

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 2010, section 500.215, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) This section does not prohibit limitations narrowly tailored to protect health or safety.

(b) This section does not prohibit limitations that restrict:

(1) the size of the flag to be displayed to a size customarily used on residential property;

(2) the installation and display of the flag to a portion of the residential property to which the person who displays the flag has exclusive use, provided that a limitation must not restrict the right of an owner to install a flagpole to a portion of real property to which the owner has exclusive use;
or

(3) illuminating the flag.

(c) This section does not prohibit a requirement that the flag be displayed in a legal manner under Minnesota law, that the flag be in good condition and not altered or defaced, or that the flag not be affixed in a permanent manner to that portion of property to be maintained by others or in a way that causes more than inconsequential damage to others' property. A person who causes damage is liable for the repair costs.

Sec. 2. [500.216] LIMITS ON CERTAIN RESIDENTIAL PROPERTY RIGHTS PROHIBITED; SIGNS.

Subdivision 1. Political campaign signs. (a) Any provision of any homeowners association document that limits the right of an owner or tenant of residential property to display a political campaign sign during the calendar dates specified in section 211B.045 is void and unenforceable.

(b) "Homeowners association document" includes the declaration, articles of incorporation, bylaws, and rules and regulations of:

(1) a common interest community, as defined in section 515B.1-103 (10), regardless of whether the common interest community is subject to chapter 515B; and

(2) a residential community that is not a common interest community, as defined in section 515B.1-103 (10).

Subd. 2. **Exceptions.** (a) This section does not prohibit limitations narrowly tailored to protect health or safety.

(b) This section does not prohibit limitations that restrict:

(1) the size of a sign to be displayed to a size customarily used on residential property;

(2) the installation and display of a sign to a portion of the residential property to which the person who displays the sign has exclusive use; or

(3) illuminating a sign.

(c) This section does not prohibit a requirement that a sign be displayed in a legal manner under Minnesota law, that the sign be in good condition and not altered or defaced, or that the sign not be affixed in a permanent manner to that portion of property to be maintained by another person or in a way that causes more than inconsequential damage to another person's property. A person who causes damage is liable for the repair costs.

Subd. 3. **Recovery of attorney fees.** If an owner of residential property is denied a right provided by this section, the owner is entitled to recover, from the party who denied the right, reasonable attorney fees and expenses if the owner prevails in enforcing the right. If a sign is installed or displayed in violation of an enforceable restriction or limitation, the party enforcing the restriction or limitation is entitled to recover, from the party displaying the sign, reasonable attorney fees and expenses if the enforcing party prevails in enforcing the restriction or limitation.

Subd. 4. **Applicability.** This section applies to all limitations prohibited by this section, regardless of whether the homeowners association document was executed or adopted before, on, or after August 1, 2011.

Sec. 3. Minnesota Statutes 2010, section 515B.3-116, is amended to read:

515B.3-116 LIEN FOR ASSESSMENTS.

(a) The association has a lien on a unit for any assessment levied against that unit from the time the assessment becomes due. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due. Unless the declaration otherwise provides, fees, charges, late charges, ~~fin~~es and interest charges pursuant to section 515B.3-102(a)(10), (11) and (12) are liens, and are enforceable as assessments, under this section. Fines for violations of the declaration, bylaws, and rules and regulations of the association do not become a lien and are not enforceable as assessments but may be recovered in a civil action. Recording of the declaration constitutes record notice and perfection of any assessment lien under this section, and no further recording of any notice of or claim for the lien is required.

(b) Subject to subsection (c), a lien under this section is prior to all other liens and encumbrances on a unit except (i) liens and encumbrances recorded before the declaration and, in a cooperative, liens and encumbrances which the association creates, assumes, or takes subject to, (ii) any first mortgage encumbering the fee simple interest in the unit, or, in a cooperative, any first security interest encumbering only the unit owner's interest in the unit, (iii) liens for real estate taxes and other governmental assessments or charges against the unit, and (iv) a master association lien under section 515B.2-121(h). This subsection shall not affect the priority of mechanic's liens.

(c) If a first mortgage on a unit is foreclosed, the first mortgage was recorded after June 1, 1994, and no owner or person who acquires the owner's interest in the unit redeems pursuant to chapter 580, 581, or 582, the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage or any person who acquires title to the unit by redemption as a junior creditor shall take title to the unit subject to a lien in favor of the association for unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the end of the owner's period of redemption. The common expenses shall be based upon the association's then current annual budget, notwithstanding the use of an alternate common expense plan under section 515B.3-115(a)(2). If a first security interest encumbering a unit owner's interest in a cooperative unit which is personal property is foreclosed, the secured party or the purchaser at the sale shall take title to the unit subject

to unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the first day following either the disposition date pursuant to section 336.9-610 or the date on which the obligation of the unit owner is discharged pursuant to section 336.9-622.

(d) Proceedings to enforce an assessment lien shall be instituted within three years after the last installment of the assessment becomes payable, or shall be barred.

(e) The unit owner of a unit at the time an assessment is due shall be personally liable to the association for payment of the assessment levied against the unit. If there are multiple owners of the unit, they shall be jointly and severally liable.

(f) This section does not prohibit actions to recover sums for which subsection (a) creates a lien nor prohibit an association from taking a deed in lieu of foreclosure.

(g) The association shall furnish to a unit owner or the owner's authorized agent upon written request of the unit owner or the authorized agent a statement setting forth the amount of unpaid assessments currently levied against the owner's unit. If the unit owner's interest is real estate, the statement shall be in recordable form. The statement shall be furnished within ten business days after receipt of the request and is binding on the association and every unit owner.

(h) The association's lien may be foreclosed as provided in this subsection.

(1) In a condominium or planned community, the association's lien may be foreclosed in a like manner as a mortgage containing a power of sale pursuant to chapter 580, or by action pursuant to chapter 581. The association shall have a power of sale to foreclose the lien pursuant to chapter 580.

(2) In a cooperative whose unit owners' interests are real estate, the association's lien shall be foreclosed in a like manner as a mortgage on real estate as provided in paragraph (1).

(3) In a cooperative whose unit owners' interests in the units are personal property, the association's lien shall be foreclosed in a like manner as a security interest under article 9 of chapter 336. In any disposition pursuant to section 336.9-610 or retention pursuant to sections 336.9-620 to 336.9-622, the rights of the parties shall be the same as those provided by law, except (i) notice of sale, disposition, or retention shall be served on the unit owner 90 days prior to sale, disposition, or retention, (ii) the association shall be entitled to its reasonable costs and attorney fees not exceeding the amount provided by section 582.01, subdivision 1a, (iii) the amount of the association's lien shall be deemed to be adequate consideration for the unit subject to disposition or retention, notwithstanding the value of the unit, and (iv) the notice of sale, disposition, or retention shall contain the following statement in capital letters with the name of the association or secured party filled in:

"THIS IS TO INFORM YOU THAT BY THIS NOTICE (fill in name of association or secured party) HAS BEGUN PROCEEDINGS UNDER MINNESOTA STATUTES, CHAPTER 515B, TO FORECLOSE ON YOUR INTEREST IN YOUR UNIT FOR THE REASON SPECIFIED IN THIS NOTICE. YOUR INTEREST IN YOUR UNIT WILL TERMINATE 90 DAYS AFTER SERVICE OF THIS NOTICE ON YOU UNLESS BEFORE THEN:

(a) THE PERSON AUTHORIZED BY (fill in the name of association or secured party) AND DESCRIBED IN THIS NOTICE TO RECEIVE PAYMENTS RECEIVES FROM YOU:

- (1) THE AMOUNT THIS NOTICE SAYS YOU OWE; PLUS
- (2) THE COSTS INCURRED TO SERVE THIS NOTICE ON YOU; PLUS
- (3) \$500 TO APPLY TO ATTORNEYS FEES ACTUALLY EXPENDED OR INCURRED; PLUS
- (4) ANY ADDITIONAL AMOUNTS FOR YOUR UNIT BECOMING DUE TO (fill in name of association or secured party) AFTER THE DATE OF THIS NOTICE; OR

(b) YOU SECURE FROM A DISTRICT COURT AN ORDER THAT THE FORECLOSURE OF YOUR RIGHTS TO YOUR UNIT BE SUSPENDED UNTIL YOUR CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING, OR SETTLEMENT. YOUR ACTION MUST SPECIFICALLY STATE THOSE FACTS AND GROUNDS THAT DEMONSTRATE YOUR CLAIMS OR DEFENSES.

IF YOU DO NOT DO ONE OR THE OTHER OF THE ABOVE THINGS WITHIN THE TIME PERIOD SPECIFIED IN THIS NOTICE, YOUR OWNERSHIP RIGHTS IN YOUR UNIT WILL TERMINATE AT THE END OF THE PERIOD, YOU WILL LOSE ALL THE MONEY YOU HAVE PAID FOR YOUR UNIT, YOU WILL LOSE YOUR RIGHT TO POSSESSION OF YOUR UNIT, YOU MAY LOSE YOUR RIGHT TO ASSERT ANY CLAIMS OR DEFENSES THAT YOU MIGHT HAVE, AND YOU WILL BE EVICTED. IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, CONTACT AN ATTORNEY IMMEDIATELY."

(4) In any foreclosure pursuant to chapter 580, 581, or 582, the rights of the parties shall be the same as those provided by law, except (i) the period of redemption for unit owners shall be six months from the date of sale or a lesser period authorized by law, (ii) in a foreclosure by advertisement under chapter 580, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorneys fees authorized by the declaration or bylaws, notwithstanding the provisions of section 582.01, subdivisions 1 and 1a, (iii) in a foreclosure by action under chapter 581, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorneys fees as the court shall determine, and (iv) the amount of the association's lien shall be deemed to be adequate consideration for the unit subject to foreclosure, notwithstanding the value of the unit.

(i) If a holder of a sheriff's certificate of sale, prior to the expiration of the period of redemption, pays any past due or current assessments, or any other charges lienable as assessments, with respect to the unit described in the sheriff's certificate, then the amount paid shall be a part of the sum required to be paid to redeem under section 582.03.

(j) In a cooperative, if the unit owner fails to redeem before the expiration of the redemption period in a foreclosure of the association's assessment lien, the association may bring an action for eviction against the unit owner and any persons in possession of the unit, and in that case section 504B.291 shall not apply.

(k) An association may assign its lien rights in the same manner as any other secured party."

Delete the title and insert:

"A bill for an act relating to real property; expanding and defining certain residential property rights; modifying lien provisions of the Minnesota Common Interest Ownership Act; amending Minnesota Statutes 2010, sections 500.215, subdivision 2; 515B.3-116; proposing coding for new

law in Minnesota Statutes, chapter 500."

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

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

S.F. No. 666: A bill for an act relating to real property; requiring transaction agents to disclose information on lenders for residential mortgage loans; requiring additional data in foreclosure notices; amending Minnesota Statutes 2010, section 580.025, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 58.

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

Delete everything after the enacting clause and insert:

"Section 1. **[58.162] TRANSACTION AGENTS OR SERVICERS; DISCLOSURE OF NOTE OWNER INFORMATION TO MORTGAGOR.**

Upon written request of a mortgagor, a transaction agent or servicer shall provide in writing to the mortgagor the identity, address, and telephone number of the current owner of the note secured by the mortgage, based on the transaction agent's or servicer's actual knowledge. A transaction agent or servicer must provide the information within ten business days of receipt of the request. Upon request of a mortgagor, a transaction agent or servicer must provide this information without a fee once per calendar year. In lieu of complying with this section, a transaction agent or servicer may comply with the requirements of section 6(k) of the Real Estate Settlement Procedures Act, as amended by section 1463 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, regardless of whether those acts apply to the mortgage."

Delete the title and insert:

"A bill for an act relating to real property; requiring transaction agents and servicers to disclose information on owners of notes secured by mortgages for residential mortgage loans; proposing coding for new law in Minnesota Statutes, chapter 58."

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

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

S.F. No. 249: A bill for an act relating to commerce; regulating the provision of certain goods and services of residential contractors; providing enforcement; amending Minnesota Statutes 2010, section 325E.66.

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 2010, section 325E.66, is amended to read:

325E.66 INSURANCE CLAIMS FOR RESIDENTIAL ~~ROOFING~~ CONTRACTING

GOODS AND SERVICES.

Subdivision 1. **Payment or rebate of insurance deductible.** A residential contractor providing the repair or replacement of residential roofing ~~goods and services~~ or siding to be paid by an insured from the proceeds of a property or casualty insurance policy shall not, as an inducement to the sale or provision of goods or services to an insured, advertise or promise to pay ~~or rebate~~, directly or indirectly, all or part of any applicable insurance deductible or offer to compensate an insured for providing any service to the insured. If a residential contractor violates this section, the insurer to whom the insured tendered the claim shall not be obligated to consider the estimate prepared by the residential contractor.

For purposes of this section, "residential contractor" means a residential roofer, as defined in section 326B.802, subdivision 14; a residential contractor, as defined in section 326B.802, subdivision 11; and a residential remodeler, as defined in section 326B.802, subdivision 12; and a siding contractor registered under section 326B.802, subdivision 15.

Subd. 2. ~~Violation~~ **Private remedy.** If a residential contractor violates subdivision 1, the insured or the applicable insurer may bring an action against the residential contractor in a court of competent jurisdiction for damages sustained by the insured or insurer as a consequence of the residential ~~roofer's~~ contractor's violation.

Subd. 3. **Public enforcement.** The commissioner of labor and industry shall enforce this section under sections 326B.081 to 326B.085.

Sec. 2. Minnesota Statutes 2010, section 326B.811, subdivision 1, is amended to read:

Subdivision 1. **Required.** A person who has entered into a written contract with a ~~contractor~~ residential roofer or a siding contractor registered under section 326B.802, subdivision 15, to provide ~~residential roofing~~ goods and services to be paid by the insured from the proceeds of a property or casualty insurance policy has the right to cancel the contract within 72 hours after the insured has been notified by the insurer that the claim has been denied. Cancellation is evidenced by the insured giving written notice of cancellation to the contractor at the address stated in the contract. Notice of cancellation, if given by mail, is effective upon deposit in a mailbox, properly addressed to the contractor and postage prepaid. Notice of cancellation need not take a particular form and is sufficient if it indicates, by any form of written expression, the intention of the insured not to be bound by the contract."

Amend the title numbers accordingly

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

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

S.F. No. 880: A bill for an act relating to health; changing provisions for evaluation of health coverage mandates; amending Minnesota Statutes 2010, section 62J.26.

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

Senator Michel from the Committee on Jobs and Economic Growth, to which was referred

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

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1062, 619, 1213, 1167, 666 and 249 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Hall, Olson, Kruse, Rest and Michel introduced–

S.F. No. 1325: A bill for an act relating to Hennepin County; extending authority of the county to impose a mortgage registry and deed tax; amending Minnesota Statutes 2010, section 383B.80, subdivision 4.

Referred to the Committee on Taxes.

Senator Miller introduced–

S.F. No. 1326: A bill for an act relating to public safety; expanding the list of Schedule I controlled substances to add the synthetic drug known as plant food; providing criminal penalties; amending Minnesota Statutes 2010, section 152.02, subdivision 2.

Referred to the Committee on Judiciary and Public Safety.

Senator Jungbauer introduced–

S.F. No. 1327: A bill for an act relating to manufactured home park lot rentals; establishing a new administrative remedy for violations of Minnesota Statutes, sections 327C.01 to 327C.14; amending Minnesota Statutes 2010, section 327C.01, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 327C.

Referred to the Committee on Jobs and Economic Growth.

Senators Marty, Lourey, McGuire, Torres Ray and Kubly introduced–

S.F. No. 1328: A bill for an act relating to welfare reform; enabling low-income workers to meet basic needs; reducing welfare costs to taxpayers; providing child care assistance to low-income workers; increasing working family tax credit; increasing minimum wage; reestablishing the Minnesota emergency employment development program; appropriating money; amending Minnesota Statutes 2010, sections 119B.02, subdivisions 1, 2; 119B.03, subdivisions 3, 9, 10;

119B.035, subdivisions 1, 2, 4, 5; 119B.05, subdivision 5; 119B.08, subdivision 3; 119B.09, subdivisions 4a, 7; 119B.10; 119B.11, subdivision 1; 119B.12, subdivision 2; 119B.13, subdivision 1; 119B.15; 119B.24; 177.24, subdivision 1; 290.0671, subdivision 1; repealing Minnesota Statutes 2010, sections 119B.011, subdivisions 20, 20a; 119B.03, subdivisions 1, 2, 4, 5, 6, 6a, 6b, 8; 119B.05, subdivision 1; 119B.07; 119B.09, subdivision 3; 119B.11, subdivision 4; 290.0671, subdivision 7.

Referred to the Committee on Health and Human Services.

Senators Marty, McGuire, Rest, Sieben and Lourey introduced—

S.F. No. 1329: A bill for an act relating to lobbyists; prohibiting former legislators, constitutional officers, and agency heads from lobbying for legislative or administrative action for two years after leaving office; proposing coding for new law in Minnesota Statutes, chapter 10A.

Referred to the Committee on State Government Innovation and Veterans.

Senators Marty and Goodwin introduced—

S.F. No. 1330: A bill for an act relating to legislative procedure; requiring certain conference committee communications to be open to the public; requiring budget negotiations between legislative leaders and bill and budget negotiations between the governor and legislative leaders to be open to the public; amending Minnesota Statutes 2010, section 3.055, subdivision 1.

Referred to the Committee on State Government Innovation and Veterans.

Senator Magnus introduced—

S.F. No. 1331: A bill for an act relating to agriculture; modifying the pasture exemption from feedlot requirements; amending Minnesota Statutes 2010, section 116.07, subdivision 7d.

Referred to the Committee on Agriculture and Rural Economies.

Senators Parry, Lillie and DeKruif introduced—

S.F. No. 1332: A bill for an act relating to veterans; preserving a collection of veterans license plates; directing the distribution and sale of remaining discontinued veterans plates and authorizing the use of revenues; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

Senator Berglin introduced—

S.F. No. 1333: A bill for an act relating to public safety; aligning state controlled substance schedules with federal controlled substance schedules; modifying the authority of the Board of Pharmacy to regulate controlled substances; allowing the electronic prescribing of controlled substances; amending Minnesota Statutes 2010, sections 152.01, by adding a subdivision; 152.02; 152.11, subdivisions 1, 2, 2d, 3.

Referred to the Committee on Judiciary and Public Safety.

Senator Scheid introduced—

S.F. No. 1334: A bill for an act relating to family law; providing for calculation of maintenance after child support; amending Minnesota Statutes 2010, sections 518.552, by adding a subdivision; 518A.29.

Referred to the Committee on Judiciary and Public Safety.

Senators Higgins, Sheran, Kelash and Saxhaug introduced—

S.F. No. 1335: A bill for an act relating to public health; requiring reporting by manufacturers of children's products that contain harmful chemicals; specifying treatment of harmful chemicals that are trade secrets; amending Minnesota Statutes 2010, section 13.7411, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Health and Human Services.

Senator Fischbach introduced—

S.F. No. 1336: A bill for an act relating to the city of Sauk Rapids; authorizing inclusion of certain parcels in a tax increment financing district.

Referred to the Committee on Taxes.

Senator Senjem introduced—

S.F. No. 1337: A bill for an act relating to capital investment; appropriating money for interchange at Highway 14 and Dodge County Road 15; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Gimse and Ingebrigtsen introduced—

S.F. No. 1338: A bill for an act relating to capital investment; appropriating money for improvements to the Pope/Douglas Solid Waste Management Facility; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Hall, Scheid, Higgins and Rosen introduced—

S.F. No. 1339: A bill for an act relating to children; creating the Family Reunification Act of 2011; amending Minnesota Statutes 2010, section 260C.101, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 260C.

Referred to the Committee on Judiciary and Public Safety.

MOTIONS AND RESOLUTIONS

Senator Scheid moved that the name of Senator Newman be added as a co-author to S.F. No. 429. The motion prevailed.

Senator Vandever moved that the name of Senator Wiger be added as a co-author to S.F. No. 959. The motion prevailed.

Senator Saxhaug moved that his name be stricken as a co-author to S.F. No. 1065. The motion prevailed.

Senator Howe moved that the name of Senator Kubly be added as a co-author to S.F. No. 1107. The motion prevailed.

Senator Nelson moved that the name of Senator Pappas be added as a co-author to S.F. No. 1263. The motion prevailed.

Senator Miller moved that the name of Senator Gimse be added as a co-author to S.F. No. 1296. The motion prevailed.

Senator Gazelka moved that the name of Senator Gimse be added as a co-author to S.F. No. 1309. The motion prevailed.

Senator Gerlach introduced –

Senate Concurrent Resolution No. 7: A senate concurrent resolution relating to redistricting; establishing districting principles for legislative and congressional plans.

Referred to the Committee on Rules and Administration.

SPECIAL ORDERS

Pursuant to Rule 26, Senator Koch, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. No. 978 and S.F. No. 509.

SPECIAL ORDER

H.F. No. 978: A bill for an act relating to elections; modifying certain election administration and districting procedures; amending Minnesota Statutes 2010, sections 204B.135, subdivision 1; 204B.14, subdivisions 2, 3; 204B.45, subdivision 2; 204B.46; 204C.06, subdivision 2; 206.57, subdivision 6; 375.025, subdivisions 2, 4.

Senator Chamberlain moved that the amendment made to H.F. No. 978 by the Committee on Rules and Administration in the report adopted April 27, 2011, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 978 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 509: A bill for an act relating to elections; requiring voters to provide picture identification before receiving a ballot in most situations; providing for the issuance of voter identification cards at no charge; establishing a procedure for provisional balloting; creating challenged voter eligibility list; specifying other election administration procedures; allowing use of electronic polling place rosters; setting standards for use of electronic polling place rosters; creating legislative task force on electronic roster implementation; enacting procedures related to recounts; appropriating money; amending Minnesota Statutes 2010, sections 13.69, subdivision 1; 135A.17, subdivision 2; 171.01, by adding a subdivision; 171.06, subdivisions 1, 2, 3, by adding a subdivision; 171.061, subdivisions 1, 3, 4; 171.07, subdivisions 1a, 4, 9, 14, by adding a subdivision; 171.071; 171.11; 171.14; 200.02, by adding a subdivision; 201.021; 201.022, subdivision 1; 201.061, subdivisions 3, 4, 7; 201.071, subdivision 3; 201.081; 201.121, subdivisions 1, 3; 201.171; 201.221, subdivision 3; 203B.04, subdivisions 1, 2; 203B.06, subdivision 5; 203B.121, subdivision 1; 204B.14, subdivision 2; 204B.40; 204C.10; 204C.12, subdivisions 3, 4; 204C.14; 204C.20, subdivisions 1, 2, 4, by adding a subdivision; 204C.23; 204C.24, subdivision 1; 204C.32; 204C.33, subdivision 1; 204C.37; 204C.38; 204D.24, subdivision 2; 205.065, subdivision 5; 205.185, subdivision 3; 205A.03, subdivision 4; 205A.10, subdivision 3; 206.86, subdivisions 1, 2; 209.021, subdivision 1; 209.06, subdivision 1; 211B.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 200; 201; 204C; 299A; proposing coding for new law as Minnesota Statutes, chapters 204E; 206A; repealing Minnesota Statutes 2010, sections 203B.04, subdivision 3; 204C.34; 204C.35; 204C.36; 204C.361.

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 37 and nays 26, as follows:

Those who voted in the affirmative were:

Benson	Chamberlain	DeKruif	Gerlach	Hann
Brown	Dahms	Fischbach	Gimse	Hoffman
Carlson	Daley	Gazelka	Hall	Howe

Ingebrigtsen	Limmer	Newman	Pederson	Vandev eer
Jungbauer	Magnus	Nienow	Robling	Wolf
Koch	Michel	Olson	Rosen	
Kruse	Miller	Ortman	Senjem	
Lillie	Nelson	Parry	Thompson	

Those who voted in the negative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Madam President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 626: A bill for an act relating to human services; modifying certain nursing facility provisions; amending Minnesota Statutes 2010, sections 12A.10, by adding a subdivision; 144A.071, subdivisions 3, 4a; 144A.073, subdivision 3c, by adding a subdivision; 256B.431, subdivision 26; 256B.437, subdivision 4; 256B.441, by adding a subdivision; repealing Minnesota Statutes 2010, section 144A.073, subdivisions 4, 5.

There has been appointed as such committee on the part of the House:

Schomacker, Abeler and Fritz.

Senate File No. 626 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 27, 2011

Madam President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 186, 695, 361, 795 and 895.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 27, 2011

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

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

Referred to the Committee on Rules and Administration for comparison with S.F. No. 395, now on General Orders.

H.F. No. 695: A bill for an act relating to civil law; extending civil immunity to municipalities that donate public safety equipment; amending Minnesota Statutes 2010, section 466.03, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 735, now on General Orders.

H.F. No. 361: A bill for an act relating to crime; modifying crime of fleeing a peace officer; amending Minnesota Statutes 2010, section 609.487, subdivision 4.

Referred to the Committee on Judiciary and Public Safety.

H.F. No. 795: A bill for an act relating to child support; instructing the commissioner to initiate a foreign reciprocal agreement.

Referred to the Committee on Judiciary and Public Safety.

H.F. No. 895: A bill for an act relating to commerce; modifying certain insurance notices and authorizations to collect information; regulating certain insurance appraisers; amending Minnesota Statutes 2010, sections 60C.21, subdivision 1; 65A.12, subdivision 2; 72A.491, by adding a subdivision; 72A.501, subdivision 1, by adding a subdivision; 72A.502, subdivision 1.

Referred to the Committee on Judiciary and Public Safety.

REPORTS OF COMMITTEES

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

Senator Parry from the Committee on State Government Innovation and Veterans, to which was re-referred

S.F. No. 943: A bill for an act relating to game and fish; modifying aquaculture provisions; modifying compensation and assistance provisions for crop damage by elk; modifying requirements for fish and wildlife management plans; modifying provisions for taking, possessing, and transporting wild animals; modifying penalty and license provisions; modifying duties of the Board of Water and Soil Resources; limiting landowner liability for state walk-in access program;

requiring rulemaking; providing criminal penalties; amending Minnesota Statutes 2010, sections 3.7371, subdivisions 1, 3; 16C.055, subdivision 2; 17.4982, subdivisions 8, 12, 13, by adding a subdivision; 17.4991, subdivision 3; 17.4992, subdivision 4; 17.4994; 84.942, subdivision 1; 84.95, subdivision 2; 84D.11, subdivision 2a; 97A.015, subdivisions 24, 45, 49, 52, 55; 97A.028, subdivision 3; 97A.075, subdivision 6; 97A.101, subdivision 3; 97A.311, subdivision 5; 97A.321, subdivision 1; 97A.331, by adding a subdivision; 97A.405, subdivision 2; 97A.415, subdivision 2; 97A.425, subdivision 3; 97A.433, by adding a subdivision; 97A.435, subdivision 1; 97A.445, subdivision 1a; 97A.475, subdivision 7; 97A.505, subdivision 2; 97A.545, subdivision 5; 97B.022, subdivision 2; 97B.041; 97B.055, subdivision 3; 97B.075; 97B.106, subdivision 1; 97B.211, subdivision 1; 97B.425; 97B.515, by adding a subdivision; 97B.645, subdivision 9; 97B.711, by adding a subdivision; 97B.803; 97C.005, subdivision 3; 97C.081, subdivisions 3, 4, by adding a subdivision; 97C.087, subdivision 2; 97C.205; 97C.211, subdivision 5; 97C.341; 103B.101, subdivision 9; 604A.24; proposing coding for new law in Minnesota Statutes, chapters 17; 97B; 348; repealing Minnesota Statutes 2010, sections 84.942, subdivisions 2, 3, 4; 97A.015, subdivisions 26b, 27b, 27c; 97A.435, subdivision 5; 97C.081, subdivision 2.

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

Pages 1 to 2, delete sections 1 and 2 and insert:

"Section 1. Minnesota Statutes 2010, section 3.7371, is amended to read:

3.7371 COMPENSATION FOR CROP OR FENCE DAMAGE CAUSED BY ELK.

Subdivision 1. **Authorization.** Notwithstanding section 3.736, subdivision 3, paragraph (e), or any other law, a person who owns an agricultural crop or pasture shall be compensated by the commissioner of agriculture for an agricultural crop, or fence surrounding the crop or pasture, that is damaged or destroyed by elk as provided in this section.

Subd. 2. **Claim form.** The crop or pasture owner must prepare a claim on forms provided by the commissioner and available at the county extension agent's office. The claim form must be filed with the commissioner. ~~A claim form may not be filed for crop damage or destruction that occurs before June 3, 1987.~~

Subd. 3. **Compensation.** The crop owner is entitled to the target price or the market price, whichever is greater, of the damaged or destroyed crop plus adjustments for yield loss determined according to agricultural stabilization and conservation service programs for individual farms, adjusted annually, as determined by the commissioner, upon recommendation of the county extension agent for the owner's county. Verification of fence damage or destruction by elk may be provided by submitting photographs or other evidence and documentation together with a statement from an independent witness using forms prescribed by the commissioner. The commissioner, upon recommendation of the agent, shall determine whether the crop damage or destruction or damage to or destruction of a fence surrounding a crop or pasture is caused by elk and, if so, the amount of the crop or fence that is damaged or destroyed. In any fiscal year, ~~a crop~~ an owner may not be compensated for a damaged or destroyed crop or fence surrounding a crop or pasture that is less than \$100 in value and may be compensated up to \$20,000, as determined under this section, if normal harvest procedures for the area are followed. In any fiscal year, the commissioner may provide compensation for claims filed under this section up to the amount expressly appropriated for this purpose.

Subd. 4. **Insurance deduction.** Payments authorized by this section must be reduced by amounts received by the owner as proceeds from an insurance policy covering crop losses or damage to or destruction of a fence surrounding a crop or pasture, or from any other source for the same purpose including, but not limited to, a federal program.

Subd. 5. **Decision on claims; opening land to hunting.** If the commissioner finds that the crop or pasture owner has shown that the damage or destruction of the owner's crop or damage to or destruction of a fence surrounding a crop or pasture was caused more probably than not by elk, the commissioner shall pay compensation as provided in this section and the rules of the commissioner. ~~Total compensation to all claimants shall not exceed the amount of funds appropriated for Laws 1987, chapter 373.~~ A crop owner who receives compensation under this section may, by written permission, permit hunting on the land at the landowner's discretion.

Subd. 6. **Denial of claim; appeal.** (a) If the commissioner denies compensation claimed by a crop or pasture owner under this section, the commissioner shall issue a written decision based upon the available evidence including a statement of the facts upon which the decision is based and the conclusions on the material issues of the claim. A copy of the decision must be mailed to the crop or pasture owner.

(b) A decision denying compensation claimed under this section is not subject to the contested case review procedures of chapter 14, but a crop or pasture owner may have the claim reviewed in a trial de novo in a court in the county where the loss occurred. The decision of the court may be appealed as in other civil cases. Review in court may be obtained by filing a petition for review with the administrator of the court within 60 days following receipt of a decision under this section. Upon the filing of a petition, the administrator shall mail a copy to the commissioner and set a time for hearing within 90 days after the filing.

Subd. 7. **Rules.** The commissioner shall adopt rules and may ~~adopt emergency rules and~~ amend rules to carry out this section. The commissioner may use the expedited rulemaking process in section 14.389 to adopt and amend rules authorized in this section. The rules must include:

- (1) methods of valuation of crops damaged or destroyed;
- (2) criteria for determination of the cause of the crop damage or destruction;
- (3) notice requirements by the owner of the damaged or destroyed crop; ~~and~~
- (4) compensation rates for fence damage or destruction that shall include a minimum claim of \$75.00 per incident and a maximum of \$1,800 per claimant per fiscal year; and
- (5) any other matters determined necessary by the commissioner to carry out this section."

Page 9, line 10, after "stored forage crops" insert "other than silage or grain, \$3,000 for stored silage or grain"

Page 24, after line 12, insert:

"Sec. 58. SHALLOW LAKES MANAGEMENT REPORT.

By January 1, 2012, the commissioner of natural resources shall submit a report to the senate and house of representatives committees and divisions with jurisdiction over natural resources policy that includes:

- (1) a summary of the science and ecology of shallow lakes;
- (2) a summary of the significance of shallow lakes to continental and state waterfowl populations and Minnesota's waterfowl heritage;
- (3) examples and documented results of previous temporary water-level management activities;
- (4) a list of current statutes and rules applicable to shallow lakes including, but not limited to, water-level management of shallow lakes; and
- (5) a list of any changes to statute necessary that would allow the commissioner of natural resources, through shallow lake management, to better achieve the state's wildlife habitat and clean water goals and address the threats of invasive species."

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 and Public Safety. Amendments adopted. Report adopted.

Senator Rosen from the Committee on Energy, Utilities and Telecommunications, to which was referred

S.F. No. 1093: A bill for an act relating to energy; requiring certain rate impact information related to compliance with renewable energy standard; amending Minnesota Statutes 2010, section 216B.1691, by adding a subdivision.

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

Page 1, line 10, delete "analysis and"

Page 1, line 11, before "Those" insert "The rate impact estimate must be for wholesale rates and, if the electric utility makes retail sales, the estimate shall also be for the impact on the electric utility's retail rates."

Page 1, line 15, delete "with" and insert "as part of"

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

Senator Rosen from the Committee on Energy, Utilities and Telecommunications, to which was referred

S.F. No. 817: A bill for an act relating to utilities; requiring utility rates be based primarily on cost of service between and among consumer classes; making clarifying and technical changes; amending Minnesota Statutes 2010, sections 216B.03; 216B.07; 216B.16, subdivisions 6, 15; 216B.2401; repealing Minnesota Statutes 2010, section 216B.242.

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 2010, section 216B.03, is amended to read:

216B.03 REASONABLE RATE.

Every rate made, demanded, or received by any public utility, or by any two or more public utilities jointly, shall be just and reasonable. Rates shall not be unreasonably preferential, unreasonably prejudicial, or discriminatory, but shall be sufficient, equitable, and consistent in application to a class of consumers and among classes of consumers. To the maximum reasonable extent, the commission shall set rates to encourage energy conservation and renewable energy use and to further the goals of sections 216B.164, 216B.241, and 216C.05. Any doubt as to reasonableness should be resolved in favor of the consumer. For rate-making purposes a public utility may treat two or more municipalities served by it as a single class wherever the populations are comparable in size or the conditions of service are similar.

Sec. 2. Minnesota Statutes 2010, section 216B.07, is amended to read:

216B.07 RATE PREFERENCE PROHIBITED.

No public utility shall, as to rates or service, make or grant any unreasonable preference or advantage to any person or class of consumers or subject any person or class of consumers to any unreasonable prejudice or disadvantage.

Sec. 3. Minnesota Statutes 2010, section 216B.16, is amended by adding a subdivision to read:

Subd. 6e. **Revenue allocation among consumer classes.** Cost of service shall be the primary consideration in the commission's determination of revenue allocation among consumer classes. Factors other than cost of service, including impact on business development and job growth, may also be considered and evaluated by the commission in determining revenue allocations. Factors used in determining revenue allocation must be supported by record evidence.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to filings for rate changes filed on and after that date.

Sec. 4. Minnesota Statutes 2010, section 216B.16, subdivision 15, is amended to read:

Subd. 15. **Low-income affordability programs.** (a) The commission must consider ability to pay as a factor in setting utility rates and may establish affordability programs for low-income residential ratepayers in order to ensure affordable, reliable, and continuous service to low-income utility customers. ~~Affordability programs may include inverted block rates in which lower energy prices are made available to lower usage customers.~~ By September 1, 2007, A public utility serving low-income residential ratepayers who use natural gas for heating must file an affordability program with the commission. For purposes of this subdivision, "low-income residential ratepayers" means ratepayers who receive energy assistance from the low-income home energy assistance program (LIHEAP).

(b) Any affordability program the commission orders a utility to implement must:

- (1) lower the percentage of income that participating low-income households devote to energy bills;
- (2) increase participating customer payments over time by increasing the frequency of payments;
- (3) decrease or eliminate participating customer arrears;

(4) lower the utility costs associated with customer account collection activities; and

(5) coordinate the program with other available low-income bill payment assistance and conservation resources.

(c) In ordering affordability programs, the commission may require public utilities to file program evaluations that measure the effect of the affordability program on:

(1) the percentage of income that participating households devote to energy bills;

(2) service disconnections; and

(3) frequency of customer payments, utility collection costs, arrearages, and bad debt.

(d) The commission must issue orders necessary to implement, administer, and evaluate affordability programs, and to allow a utility to recover program costs, including administrative costs, on a timely basis. The commission may not allow a utility to recover administrative costs, excluding start-up costs, in excess of five percent of total program costs, or program evaluation costs in excess of two percent of total program costs. The commission must permit deferred accounting, with carrying costs, for recovery of program costs incurred during the period between general rate cases.

(e) Public utilities may use information collected or created for the purpose of administering energy assistance to administer affordability programs.

Sec. 5. Minnesota Statutes 2010, section 216B.2401, is amended to read:

216B.2401 ENERGY CONSERVATION POLICY GOAL.

It is the energy policy of the state of Minnesota to achieve annual energy savings equal to 1.5 percent of annual retail energy sales of electricity and natural gas directly through energy conservation improvement programs and rate design, ~~such as inverted block rates in which lower energy prices are made available to lower usage residential customers,~~ and indirectly through energy codes and appliance standards, programs designed to transform the market or change consumer behavior, energy savings resulting from efficiency improvements to the utility infrastructure and system, and other efforts to promote energy efficiency and energy conservation.

Sec. 6. **REPEALER.**

Minnesota Statutes 2010, section 216B.242, is repealed."

Delete the title and insert:

"A bill for an act relating to utilities; requiring utility rates be based primarily on cost of service between and among consumer classes; making clarifying and technical changes; amending Minnesota Statutes 2010, sections 216B.03; 216B.07; 216B.16, subdivision 15, by adding a subdivision; 216B.2401; repealing Minnesota Statutes 2010, section 216B.242."

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

Senator Ingebrigtsen from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1244: A bill for an act relating to environment; requiring rulemaking for certain environmental review and solid waste land disposal facility permits.

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

Page 1, after line 4, insert:

"Section 1. Minnesota Statutes 2010, section 103G.005, subdivision 10e, is amended to read:

Subd. 10e. **Local government unit.** "Local government unit" means:

(1) outside of the seven-county metropolitan area, a city council, county board of commissioners, or a soil and water conservation district or their delegate;

(2) in the seven-county metropolitan area, a city council, a town board under section 368.01, a watershed management organization under section 103B.211, or a soil and water conservation district or their delegate; ~~and~~

(3) on state land, the agency with administrative responsibility for the land; and

(4) for wetland banking projects included in a permit to mine under section 93.481, the commissioner of natural resources.

Sec. 2. Minnesota Statutes 2010, section 103G.005, is amended by adding a subdivision to read:

Subd. 10f. **Electronic transmission.** "Electronic transmission" means the transfer of data or information through an electronic data interchange system consisting of, but not limited to, computer modems and computer networks. Electronic transmission specifically means electronic mail, unless other means of electronic transmission are mutually agreed to by the sender and recipient.

Sec. 3. Minnesota Statutes 2010, section 103G.2212, is amended to read:

103G.2212 CONTRACTOR'S RESPONSIBILITY WHEN WORK DRAINS OR FILLS WETLANDS.

Subdivision 1. **Conditions for employees and agents to drain or fill wetlands.** An agent or employee of another may not drain or fill a wetland, wholly or partially, unless the agent or employee has:

(1) obtained a signed statement from the property owner stating that the wetland replacement plan required for the work has been obtained or that a replacement plan is not required; and

(2) mailed or sent by electronic transmission a copy of the statement to the local government unit with jurisdiction over the wetland.

Subd. 2. **Violation is separate offense.** Violation of this section is a separate and independent offense from other violations of sections 103G.2212 to 103G.237.

Subd. 3. **Form for compliance with this section.** The board shall develop a form to be distributed to contractors' associations, local government units, and soil and water conservation districts to comply with this section. The form must include:

(1) a listing of the activities for which a replacement plan is required;

- (2) a description of the penalties for violating sections 103G.2212 to 103G.237;
- (3) the telephone number to call for information on the responsible local government unit;
- (4) a statement that national wetland inventory maps are on file with the soil and water conservation district office; and
- (5) spaces for a description of the work and the names, mailing addresses or other contact information, and telephone numbers of the person authorizing the work and the agent or employee proposing to undertake it.

Sec. 4. Minnesota Statutes 2010, section 103G.222, subdivision 3, is amended to read:

Subd. 3. **Wetland replacement siting.** (a) ~~Siting wetland replacement~~ Impacted wetlands in a 50 to 80 percent area must be replaced in a 50 to 80 percent area or in a less than 50 percent area. Impacted wetlands in a less than 50 percent area must be replaced in a less than 50 percent area. All wetland replacement must follow this priority order:

- (1) on site or in the same minor watershed as the ~~affected~~ impacted wetland;
 - (2) in the same watershed as the ~~affected~~ impacted wetland;
 - (3) in the same county or wetland bank service area as the ~~affected~~ impacted wetland;
 - (4) ~~for replacement by wetland banking, in the same wetland bank service area as the impacted wetland, except that impacts in a 50 to 80 percent area must be replaced in a 50 to 80 percent area and impacts in a less than 50 percent area must be replaced in a less than 50 percent area;~~
 - (5) ~~for project specific replacement, in an adjacent watershed to the affected wetland, or for replacement by wetland banking, in an adjacent another wetland bank service area, except that impacts in a 50 to 80 percent area must be replaced in a 50 to 80 percent area and impacts in a less than 50 percent area must be replaced in a less than 50 percent area; and~~
- ~~(6)~~ (5) statewide for public transportation projects, except that wetlands ~~affected~~ impacted in less than 50 percent areas must be replaced in less than 50 percent areas, and wetlands ~~affected~~ impacted in the seven-county metropolitan area must be replaced at a ratio of two to one in: (i) the affected county or, (ii) in another of the seven metropolitan counties, or (iii) in one of the major watersheds that are wholly or partially within the seven-county metropolitan area, but at least one to one must be replaced within the seven-county metropolitan area.

(b) Notwithstanding paragraph (a), the board may approve alternative siting criteria for wetland replacement in greater than 80 percent areas may follow the priority order under this paragraph: (1) ~~by wetland banking after evaluating on-site replacement and replacement within the watershed;~~ (2) ~~replaced in an adjacent wetland bank service area if wetland bank credits are not reasonably available in the same wetland bank service area as the affected wetland, as determined by~~ based on a comprehensive inventory approved by the board; and (3) ~~statewide~~ of replacement opportunities or watershed conditions.

(c) Notwithstanding paragraph (a), siting wetland replacement in the seven-county metropolitan area must follow the priority order under this paragraph: (1) in the affected county; (2) in another of the seven metropolitan counties; or (3) in one of the major watersheds that are wholly or partially within the seven-county metropolitan area, but at least one to one must be replaced within the

seven-county metropolitan area.

(d) The exception in paragraph (a), clause (6), does not apply to replacement completed using wetland banking credits established by a person who submitted a complete wetland banking application to a local government unit by April 1, 1996.

(e) When reasonable, practicable, and environmentally beneficial replacement opportunities are not available in siting priorities listed in paragraph (a), the applicant may seek opportunities at the next level.

(f) For the purposes of this section, "reasonable, practicable, and environmentally beneficial replacement opportunities" are defined as opportunities that:

(1) take advantage of naturally occurring hydrogeomorphological conditions and require minimal landscape alteration;

(2) have a high likelihood of becoming a functional wetland that will continue in perpetuity;

(3) do not adversely affect other habitat types or ecological communities that are important in maintaining the overall biological diversity of the area; and

(4) are available and capable of being done after taking into consideration cost, existing technology, and logistics consistent with overall project purposes.

(g) Regulatory agencies, local government units, and other entities involved in wetland restoration shall collaborate to identify potential replacement opportunities within their jurisdictional areas.

Sec. 5. Minnesota Statutes 2010, section 103G.2242, subdivision 2a, is amended to read:

Subd. 2a. **Wetland boundary or type determination.** (a) A landowner may apply for a wetland boundary or type determination from the local government unit. The landowner applying for the determination is responsible for submitting proof necessary to make the determination, including, but not limited to, wetland delineation field data, observation well data, topographic mapping, survey mapping, and information regarding soils, vegetation, hydrology, and groundwater both within and outside of the proposed wetland boundary.

(b) A local government unit that receives an application under paragraph (a) may seek the advice of the Technical Evaluation Panel as described in subdivision 2, and, if necessary, expand the Technical Evaluation Panel. The local government unit may delegate the decision authority for wetland boundary or type determinations to designated staff, or establish other procedures it considers appropriate.

(c) The local government unit decision must be made in compliance with section 15.99. Within ten calendar days of the decision, the local government unit decision must be mailed or sent by electronic transmission to the landowner, members of the Technical Evaluation Panel, the watershed district or watershed management organization, if one exists, and individual members of the public who request a copy.

~~(d) Appeals of decisions made by designated local government staff must be made to the local government unit. Notwithstanding any law to the contrary, a ruling on an appeal must be made by the local government unit within 30 days from the date of the filing of the appeal.~~

~~(e)~~ The local government unit decision is valid for ~~three~~ five years unless the Technical Evaluation Panel determines that natural or artificial changes to the hydrology, vegetation, or soils of the area have been sufficient to alter the wetland boundary or type.

Sec. 6. Minnesota Statutes 2010, section 103G.2242, subdivision 6, is amended to read:

Subd. 6. **Notice of application.** ~~(a) Except as provided in paragraph (b), within ten days of receiving an~~ Application for approval of a replacement plan under this section, must be reviewed by the local government according to section 15.99, subdivision 3, paragraph (a). Copies of the complete application must be mailed or sent by electronic transmission to the members of the Technical Evaluation Panel, the managers of the watershed district if one exists, and the commissioner of natural resources. Individual members of the public who request a copy shall be provided information to identify the applicant and the location and scope of the project.

~~(b) Within ten days of receiving an application for approval of a replacement plan under this section for an activity affecting less than 10,000 square feet of wetland, a summary of the application must be mailed to the members of the Technical Evaluation Panel, individual members of the public who request a copy, and the commissioner of natural resources.~~

~~(e)~~ For the purpose of this subdivision, "application" includes a revised application for replacement plan approval and an application for a revision to an approved replacement plan if:

(1) the wetland area to be drained or filled under the revised replacement plan is at least ten percent larger than the area to be drained or filled under the original replacement plan; or

(2) the wetland area to be drained or filled under the revised replacement is located more than 500 feet from the area to be drained or filled under the original replacement plan.

Sec. 7. Minnesota Statutes 2010, section 103G.2242, subdivision 7, is amended to read:

Subd. 7. **Notice of decision.** Within ten days of the approval or denial of a replacement plan under this section, ~~a summary of the approval or denial~~ notice of the decision must be mailed or sent by electronic transmission to members of the Technical Evaluation Panel, the applicant, individual members of the public who request a copy, the managers of the watershed district, if one exists, and the commissioner of natural resources.

Sec. 8. Minnesota Statutes 2010, section 103G.2242, is amended by adding a subdivision to read:

Subd. 8a. **Local appeals.** Appeals of decisions made by designated local government staff must be made to the local government unit. If appeal is not sought within 30 days the decision becomes final. A decision on an appeal must be made by the local government unit within 45 days from the date of receipt of the appeal. If a decision on the appeal provided for in this subdivision cannot be made within the time allowed under section 15.99, the appeal shall be considered by the local government unit no later than its next regularly scheduled public meeting in accordance with the minimum notice and hearing requirements applicable to the local government unit. The time for making a decision on the appeal may be extended by consent of the appellant, the landowner if different than the appellant, and the local government unit. A decision on an appeal by the local government unit consistent with this subdivision shall be considered to be within the periods provided by section 15.99.

Sec. 9. Minnesota Statutes 2010, section 103G.2242, subdivision 9, is amended to read:

Subd. 9. **Appeal Appeals to the board.** (a) Appeal of a replacement plan, sequencing, exemption, wetland banking, wetland boundary or type determination, or no-loss decision, ~~or restoration order~~ may be obtained by mailing a petition and payment of a filing fee, which shall be retained by the board to defray administrative costs, to the board within 30 days after the postmarked date of the mailing or date of sending by electronic transmission specified in subdivision 7. If appeal is not sought within 30 days, the decision becomes final. If the petition for hearing is accepted, the amount posted must be returned to the petitioner. Appeal may be made by:

(1) the wetland owner;

(2) any of those to whom notice is required to be mailed or sent by electronic transmission under subdivision 7; or

(3) 100 residents of the county in which a majority of the wetland is located.

(b) Within 30 days after receiving a petition, the board shall decide whether to grant the petition and hear the appeal. The board shall grant the petition unless the board finds that:

(1) the appeal is meritless without significant merit, trivial, or brought solely for the purposes of delay;

(2) the petitioner has not exhausted all local administrative remedies;

(3) expanded technical review is needed;

(4) the local government unit's record is not adequate; or

(5) the petitioner has not posted a letter of credit, cashier's check, or cash if required by the local government unit.

(c) In determining whether to grant the appeal, the board, executive director, or dispute resolution committee shall also consider the size of the wetland, other factors in controversy, any patterns of similar acts by the local government unit or petitioner, and the consequences of the delay resulting from the appeal.

(d) ~~All appeals~~ If an appeal is granted, the appeal must be heard by the committee for dispute resolution of the board, and a decision must be made by the board within 60 days of filing the local government unit's record and the written briefs submitted for the appeal and the hearing. The decision must be served by mail ~~on~~ or by electronic transmission to the parties to the appeal, and is not subject to the provisions of chapter 14. A decision whether to grant a petition for appeal and a decision on the merits of an appeal must be considered the decision of an agency in a contested case for purposes of judicial review under sections 14.63 to 14.69.

(e) Notwithstanding section 16A.1283, the board shall establish a fee schedule to defray the administrative costs of appeals made to the board under this subdivision. Fees established under this authority shall not exceed \$1,000. Establishment of the fee is not subject to the rulemaking process of chapter 14 and section 14.386 does not apply.

Sec. 10. Minnesota Statutes 2010, section 103G.2242, subdivision 12, is amended to read:

Subd. 12. **Replacement credits.** (a) No public or private wetland restoration, enhancement, or construction may be allowed for replacement unless specifically designated for replacement and paid for by the individual or organization performing the wetland restoration, enhancement, or construction, and is completed prior to any draining or filling of the wetland.

(b) Paragraph (a) does not apply to a wetland whose owner has paid back with interest the individual or organization restoring, enhancing, or constructing the wetland.

(c) Notwithstanding section 103G.222, subdivision 1, paragraph (i), the following actions, and others established in rule, that are consistent with criteria in rules adopted by the board in conjunction with the commissioners of natural resources and agriculture, are eligible for replacement credit as determined by the local government unit, including enrollment in a statewide wetlands bank:

(1) reestablishment of permanent native, noninvasive vegetative cover on a wetland on agricultural land that was planted with annually seeded crops, was in a crop rotation seeding of pasture grasses or legumes, or was in a land retirement program during the past ten years;

(2) buffer areas of permanent native, noninvasive vegetative cover established or preserved on upland adjacent to replacement wetlands;

(3) wetlands restored for conservation purposes under terminated easements or contracts; and

(4) water quality treatment ponds constructed to pretreat storm water runoff prior to discharge to wetlands, public waters, or other water bodies, provided that the water quality treatment ponds must be associated with an ongoing or proposed project that will impact a wetland and replacement credit for the treatment ponds is based on the replacement of wetland functions and on an approved storm water management plan for the local government.

(d) Notwithstanding section 103G.222, subdivision 1, paragraphs (f) and (g), the board may establish by rule different replacement ratios for restoration projects with exceptional natural resource value.

(e) A wetland banking program established by the board may include designation of single-user or other dedicated wetland banking accounts.

Sec. 11. Minnesota Statutes 2010, section 103G.2242, subdivision 14, is amended to read:

Subd. 14. **Fees established.** (a) Fees must be assessed for managing wetland bank accounts and transactions as follows:

(1) account maintenance annual fee: one percent of the value of credits not to exceed \$500;

(2) account establishment, deposit, or transfer: 6.5 percent of the value of credits not to exceed \$1,000 per establishment, deposit, or transfer; and

(3) withdrawal fee: 6.5 percent of the value of credits withdrawn.

(b) The board may establish fees at or below the amounts in paragraph (a) for single-user or other dedicated wetland banking accounts.

(c) Fees for single-user or other dedicated wetland banking accounts established pursuant to section 103G.005, subdivision 10, paragraph (e), clause (4), are limited to establishment of a wetland

banking account and are assessed at the rate of 6.5 percent of the value of the credits not to exceed \$1,000.

Sec. 12. Minnesota Statutes 2010, section 103G.2242, is amended by adding a subdivision to read:

Subd. 9a. **Appeals of restoration or replacement orders.** A landowner or other responsible party may appeal the terms and conditions of a restoration or replacement order within 30 days of receipt of written notice of the order. The time frame for the appeal may be extended beyond 30 days by mutual agreement, in writing, between the landowner or responsible party, the local government unit, and the enforcement authority. If the written request is not submitted within 30 days, the order is final. The board's executive director must review the request and supporting evidence and render a decision within 60 days of receipt of a petition. A decision on an appeal must be considered the decision of an agency in a contested case for purposes of judicial review under sections 14.63 to 14.69.

Sec. 13. Minnesota Statutes 2010, section 103G.2251, is amended to read:

103G.2251 STATE CONSERVATION EASEMENTS; WETLAND BANK CREDIT.

In greater than 80 percent areas, preservation of wetlands ~~owned by the state or a local unit of government,~~ protected by a permanent conservation easement as defined under section 84C.01 and held by the board, may be eligible for wetland replacement or mitigation credits, according to rules adopted by the board. To be eligible for credit under this section, a conservation easement must be established after May 24, 2008, and approved by the board.

Sec. 14. [103G.2373] ELECTRONIC TRANSMISSION.

For purposes of sections 103G.2112 to 103G.2372, notices and other documents may be sent by electronic transmission unless the recipient has provided a mailing address and specified that mailing is preferred.

Sec. 15. [116C.10] ENVIRONMENTAL PERMIT MANAGEMENT AND COORDINATION.

(a) All environmental permits that involve more than one state or federal agency shall be managed and coordinated by the state agency with primary jurisdiction in permitting the project. If environmental review under chapter 116D is or will be conducted for the project and a state agency is the responsible governmental unit, the state agency named as the responsible governmental unit shall manage and coordinate the state permitting for the project. If no state agency is the responsible governmental unit for environmental review on the project, the agency responsible for managing and coordinating the state permit process shall be selected by the Department of Administration.

(b) The state agency responsible for managing and coordinating state permits under paragraph (a) shall:

(1) develop a timeline for all permits issued by state and federal agencies and coordinate the permits among the agencies;

(2) provide the project proposer the timeline for all state and federal permits; and

(3) be the contact person for the project proposer for all state and federal permits.

Sec. 16. Minnesota Statutes 2010, section 116D.04, subdivision 2a, as amended by Laws 2011, chapter 4, section 6, is amended to read:

Subd. 2a. **When prepared.** Where there is potential for significant environmental effects resulting from any major governmental action, the action shall be preceded by a detailed environmental impact statement prepared by the responsible governmental unit. The environmental impact statement shall be an analytical rather than an encyclopedic document which describes the proposed action in detail, analyzes its significant environmental impacts, discusses appropriate alternatives to the proposed action and their impacts, and explores methods by which adverse environmental impacts of an action could be mitigated. ~~The environmental impact statement shall also analyze those economic, employment and sociological effects that cannot be avoided should the action be implemented.~~ To ensure its use in the decision-making process, the environmental impact statement shall be prepared as early as practical in the formulation of an action. No mandatory environmental impact statement may be required for an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b), that produces less than 125,000,000 gallons of ethanol annually and is located outside of the seven-county metropolitan area.

(a) The board shall by rule establish categories of actions for which environmental impact statements and for which environmental assessment worksheets shall be prepared as well as categories of actions for which no environmental review is required under this section.

(b) The responsible governmental unit shall promptly publish notice of the completion of an environmental assessment worksheet in a manner to be determined by the board and shall provide copies of the environmental assessment worksheet to the board and its member agencies. Comments on the need for an environmental impact statement may be submitted to the responsible governmental unit during a 30-day period following publication of the notice that an environmental assessment worksheet has been completed. The responsible governmental unit's decision on the need for an environmental impact statement shall be based on the environmental assessment worksheet and the comments received during the comment period, and shall be made within 15 days after the close of the comment period. The board's chair may extend the 15-day period by not more than 15 additional days upon the request of the responsible governmental unit.

(c) An environmental assessment worksheet shall also be prepared for a proposed action whenever material evidence accompanying a petition by not less than 25 100 individuals who reside or own property in the county or an adjoining county where the proposed action will be located, submitted before the proposed project has received final approval by the appropriate governmental units, demonstrates that, because of the nature or location of a proposed action, there may be potential for significant environmental effects. Petitions requesting the preparation of an environmental assessment worksheet shall be submitted to the board. The chair of the board shall determine the appropriate responsible governmental unit and forward the petition to it. A decision on the need for an environmental assessment worksheet shall be made by the responsible governmental unit within 15 days after the petition is received by the responsible governmental unit. The board's chair may extend the 15-day period by not more than 15 additional days upon request of the responsible governmental unit.

(d) Except in an environmentally sensitive location where Minnesota Rules, part 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental review under this chapter and rules of the board, if:

(1) the proposed action is:

(i) an animal feedlot facility with a capacity of less than 1,000 animal units; or

(ii) an expansion of an existing animal feedlot facility with a total cumulative capacity of less than 1,000 animal units;

(2) the application for the animal feedlot facility includes a written commitment by the proposer to design, construct, and operate the facility in full compliance with Pollution Control Agency feedlot rules; and

(3) the county board holds a public meeting for citizen input at least ten business days prior to the Pollution Control Agency or county issuing a feedlot permit for the animal feedlot facility unless another public meeting for citizen input has been held with regard to the feedlot facility to be permitted. The exemption in this paragraph is in addition to other exemptions provided under other law and rules of the board.

(e) The board may, prior to final approval of a proposed project, require preparation of an environmental assessment worksheet by a responsible governmental unit selected by the board for any action where environmental review under this section has not been specifically provided for by rule or otherwise initiated.

(f) An early and open process shall be utilized to limit the scope of the environmental impact statement to a discussion of those impacts, which, because of the nature or location of the project, have the potential for significant environmental effects. The same process shall be utilized to determine the form, content and level of detail of the statement as well as the alternatives which are appropriate for consideration in the statement. In addition, the permits which will be required for the proposed action shall be identified during the scoping process. Further, the process shall identify those permits for which information will be developed concurrently with the environmental impact statement. The board shall provide in its rules for the expeditious completion of the scoping process. The determinations reached in the process shall be incorporated into the order requiring the preparation of an environmental impact statement.

(g) The responsible governmental unit shall, to the extent practicable, avoid duplication and ensure coordination between state and federal environmental review and between environmental review and environmental permitting. Whenever practical, information needed by a governmental unit for making final decisions on permits or other actions required for a proposed project shall be developed in conjunction with the preparation of an environmental impact statement.

(h) An environmental impact statement shall be prepared and its adequacy determined within 280 days after notice of its preparation unless the time is extended by consent of the parties or by the governor for good cause. The responsible governmental unit shall determine the adequacy of an environmental impact statement, unless within 60 days after notice is published that an environmental impact statement will be prepared, the board chooses to determine the adequacy of an environmental impact statement. If an environmental impact statement is found to be inadequate, the responsible governmental unit shall have 60 days to prepare an adequate environmental impact statement.

(i) The proposer of a specific action may include in the information submitted to the responsible governmental unit a preliminary draft environmental impact statement under this section on

that action for review, modification, and determination of completeness and adequacy by the responsible governmental unit. A preliminary draft environmental impact statement prepared by the project proposer and submitted to the responsible governmental unit shall identify or include as an appendix all studies and other sources of information used to substantiate the analysis contained in the preliminary draft environmental impact statement. The responsible governmental unit shall require additional studies, if needed, and obtain from the project proposer all additional studies and information necessary for the responsible governmental unit to perform its responsibility to review, modify, and determine the completeness and adequacy of the environmental impact statement."

Page 1, delete lines 19 to 23 and insert:

"Sec. 18. **CONSUMPTIVE USE OF WATER.**

Pursuant to Minnesota Statutes, section 103G.265, subdivision 3, the legislature approves of the consumptive use of water under a permit of more than 2,000,000 gallons per day average in a 30-day period in Cook County, in connection with snowmaking and potable water. Notwithstanding any other law to the contrary, the permit for the consumptive use of water approved under this section shall be issued, subject to the fees specified under Minnesota Statutes, section 103G.271, without any additional administrative process to withdraw up to 200,000,000 gallons of water annually for snowmaking and potable water purposes without regard to minimum flow or water level requirements.

Sec. 19. ENVIRONMENTAL QUALITY BOARD; TEMPORARY EXEMPTION FROM ENVIRONMENTAL REVIEW.

The Environmental Quality Board shall develop additional categories of actions that are exempt from environmental review for a five-year period. By January 15, 2012, the board shall adopt, by rule, the additional exempt categories of actions. By January 15, 2013, and each year thereafter until the temporary rules expire, the board shall report to the chairs and ranking minority caucus members of the senate and house of representatives committees with jurisdiction over environmental policy with an analysis of the temporary exemptions from environmental review.

Sec. 20. RULE AMENDMENT.

The commissioner of the Pollution Control Agency, the commissioner of natural resources, and the Environmental Quality Board, must amend rules necessary to conform to this act. The commissioners and the board may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), and Minnesota Statutes, section 14.386, does not apply, except as provided in Minnesota Statutes, section 14.388.

Sec. 21. EFFECTIVE DATE.

This act is effective the day following final enactment."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to environment; modifying the Wetland Conservation Act; providing for state environmental permit coordination and management; modifying certain environmental review procedures; authorizing consumptive use of water; requiring rulemaking; amending

Minnesota Statutes 2010, sections 103G.005, subdivision 10e, by adding a subdivision; 103G.2212; 103G.222, subdivision 3; 103G.2242, subdivisions 2a, 6, 7, 9, 12, 14, by adding subdivisions; 103G.2251; proposing coding for new law in Minnesota Statutes, chapter 103G."

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

Senator Hann from the Committee on Health and Human Services, to which was referred

S.F. No. 1120: A bill for an act relating to human services; amending continuing care policy provisions; making changes to the telephone equipment program; making changes to disability services provisions; reforming comprehensive assessments and case management services; making changes to nursing facility provisions; making technical and conforming changes; providing for rulemaking authority; requiring reports; amending Minnesota Statutes 2010, sections 144A.071, subdivisions 3, 4a, 5a; 144A.073, subdivision 3c, by adding a subdivision; 144D.03, subdivision 2; 144D.04, subdivision 2; 237.50; 237.51; 237.52; 237.53; 237.54; 237.55; 237.56; 245A.03, subdivision 7; 245A.11, subdivision 8; 245B.02, subdivision 20; 245B.06, subdivision 7; 252.32, subdivision 1a; 252.40; 252.41, subdivisions 1, 3; 252.42; 252.43; 252.44; 252.45; 252.451, subdivisions 2, 5; 252.46, subdivision 1a; 252A.21, subdivision 2; 256.476, subdivision 11; 256B.0625, subdivision 19c; 256B.0659, subdivisions 1, 2, 3, 3a, 4, 9, 11, 13, 14, 19, 21, 30; 256B.0911, subdivisions 1, 1a, 2b, 2c, 3, 3a, 3b, 3c, 4a, 4c, 6; 256B.0913, subdivisions 7, 8; 256B.0915, subdivisions 1a, 1b, 3c, 6; 256B.0916, subdivision 7; 256B.092, subdivisions 1, 1a, 1b, 1e, 1g, 2, 3, 5, 7, 8, 8a, 9, 11; 256B.096, subdivision 5; 256B.19, subdivision 1e; 256B.431, subdivisions 2t, 26; 256B.438, subdivisions 1, 3, 4, by adding a subdivision; 256B.441, subdivision 55a, by adding a subdivision; 256B.49, subdivisions 13, 14, 15, 21; 256B.4912; 256B.501, subdivision 4b; 256B.5013, subdivision 1; 256B.5015, subdivision 1; 256B.765; 256G.02, subdivision 6; Laws 2009, chapter 79, article 8, section 81, as amended; proposing coding for new law in Minnesota Statutes, chapter 252; repealing Minnesota Statutes 2010, sections 144A.073, subdivisions 4, 5; 252.46, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 16, 17, 18, 19, 20, 21; 256.0112, subdivision 6; 256B.092, subdivision 8a; 256B.49, subdivision 16a; 256B.501, subdivision 8.

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

Page 2, after line 17, insert:

"Subd. 4b. **Deafblind.** "Deafblind" means any combination of vision and hearing loss that interferes with acquiring information from the environment to the extent that compensatory strategies and skills are necessary to access that or other information."

Page 7, line 10, delete "has both"

Page 7, line 11, delete "hearing and vision loss" and insert "is deafblind"

Page 12, delete section 5

Page 13, delete sections 6 and 7

Page 14, delete section 8

Page 15, delete section 9

Page 16, delete sections 10 and 11

Page 17, delete sections 12 and 13

Page 23, line 32, strike "within the first"

Page 23, line 33, strike the old language and delete the new language

Page 23, line 34, delete "with the recipient present"

Page 24, line 8, delete "legal guardians," and strike "and" and after "stepparents" insert ", and legal guardians"

Page 25, line 33, after "recipient" insert ", or sooner as determined by the qualified professional,"

Page 26, line 1, after the period, insert "The qualified professional may conduct additional training and evaluation visits, based upon the needs of the recipient and the personal care assistant's ability to meet those needs."

Page 32, delete section 27

Page 33, delete section 30

Page 34, line 32, delete "(a)"

Page 35, line 10, after the period, insert "Beginning July 2012, service owners and managerial officials overseeing the management or policies of services that provide direct contact as specified in the federally approved waiver plans must meet the requirements of chapter 245C prior to reenrollment or, for new providers, prior to initial enrollment."

Page 35, delete lines 13 to 16

Page 35, line 26, strike the old language and delete the new language

Page 35, strike lines 27 to 31

Page 35, delete lines 32 to 34

Page 36, delete lines 30 to 35 and insert:

"Subd. 7. **Recommendations to the legislature.** The commissioner shall consult with existing advisory groups on rate-setting methodologies, provider qualifications, and home and community-based service administrator roles and responsibilities to develop and test processes, roles, and rate-setting methodologies described in this section. The commissioner shall recommend by January 15, 2012, to the chairs of the legislative committees with jurisdiction over health and human services policy and funding, statutory changes that define the processes, roles, and rate-setting methodologies for full implementation by January 1, 2013."

Page 37, delete sections 33 and 34

Page 38, delete section 36

Page 39, line 17, delete "physical"

Page 39, line 18, reinstate the stricken language and delete "or"

Page 39, delete lines 19 to 24

Page 40, line 24, after "injection" insert ", nebulizer,"

Page 41, lines 11 and 12, delete the new language

Page 41, lines 19, 20, 22, and 23, delete the new language

Page 41, line 21, delete "hands-on" and reinstate the stricken "ambulation" and delete "locomotion" and reinstate the stricken "including"

Page 41, line 24, reinstate the stricken "including" and delete "defined as hands-on"

Page 41, lines 27 and 28, reinstate the stricken language

Page 42, line 30, delete the new language

Page 42, delete line 31

Page 42, line 32, delete "is later." and insert "This subdivision is effective until notification is given by the commissioner as described under section 256B.0911, subdivision 3a."

Page 43, lines 31 to 33, reinstate the stricken language

Page 44, line 1, reinstate the stricken language and delete the new language

Page 44, lines 2 and 3, delete the new language

Page 45, line 5, delete "affecting daily functioning"

Page 46, line 21, delete "256B.092,"

Page 46, line 23, strike "or 256B.092,"

Page 46, after line 28, insert:

"(8) providing recommendations for nursing facility institutional placement when there are no cost-effective community services available; and

(9) providing access to assistance to transition people back to community settings after facility institutional admission.

(b) Upon statewide implementation of lead agency requirements in subdivisions 2b, 2c, and 3a, "long-term care consultation services" also means:"

Page 46, line 29, delete "(8)" and insert "(1)"

Page 46, line 33, delete "(9)" and insert "(2)"

Page 47, line 3, delete "(10)" and insert "(3)" and after "of" insert "institutional level of care, waiver, and other service" and after "eligibility" insert "as required under section 256B.092, determination of eligibility" and delete the second "and" and insert a comma

Page 47, line 6, delete "(11)" and insert "(4)"

Page 47, line 8, delete "(12)" and insert "(5)"

Page 47, line 10, strike "(b)" and insert "(c)"

Page 47, line 14, strike "(c)" and insert "(d)"

Page 47, line 16, strike "(d)" and insert "(e)" and after "counties" insert "administering" and strike "a collaboration of counties," and strike the second comma

Page 47, line 17, strike "administering" and insert "under contract with the commissioner to administer"

Page 47, line 20, strike "Beginning January 1," and delete "2012" and strike the second comma and insert "This section is effective upon completion of the training and certification process identified in subdivision 2c."

Page 48, line 5, after "develop" insert "and implement"

Page 48, line 8, after "certified" insert "within timelines specified by the commissioner, but no sooner than six months after statewide availability of the training and certification process. The commissioner must establish the timelines for training and certification in such a manner that allows lead agencies to most efficiently adopt the automated process established in subdivision 5" and strike "by" and delete "January 1, 2012"

Page 48, line 13, strike "Until January 1, 2011,"

Page 48, after line 31, insert:

"(d) Tribes and health plans under contract with the commissioner must provide long-term care consultation services as specified in the contract."

Page 49, line 6, strike "After January 1," and delete "2012" and insert "Upon statewide implementation of subdivisions 2b, 2c, and 5"

Page 49, line 8, after the period, insert "The commissioner shall provide at least a 90-day notice to lead agencies prior to the effective date of this requirement."

Page 49, line 11, strike "After January 1," and delete "2012" and insert "Upon implementation of subdivisions 2b, 2c, and 5"

Page 50, line 9, delete "clauses" and insert "clause" and delete "to (10)" and insert ", and paragraph (b)"

Page 50, line 11, delete "(a)" and insert "(b)" and delete "(8)" and insert "(1)"

Page 50, line 34, delete the second "and" and insert a comma and after "management" insert ", and other"

Page 50, line 35, delete "clauses" and insert "clause" and delete "to (10)" and insert "and paragraph (b)"

Page 51, lines 8 and 11, delete "clauses" and insert "clause" and delete "to (10)" and insert ", and paragraph (b)"

Page 51, line 23, after the period, insert "Notwithstanding retroactive medical assistance coverage of state plan services," and strike "program" and strike "in this case" and insert "for"

programs included in this item"

Page 51, line 24, after the second "the" insert "most recent"

Page 55, line 26, delete the first comma and strike "according to section 256B.431, subdivision 2b, paragraph (g)"

Page 57, line 29, strike the second "Elderly" and insert "Except as provided to individuals under prepaid medical assistance programs as described in paragraph (h),"

Page 57, line 32, strike "elderly"

Page 58, line 19, after "(f)" insert "Except as described in paragraph (h),"

Page 58, line 25, delete "(d)" and insert "(e)"

Page 58, after line 35, insert:

"(h) For individuals enrolled in prepaid medical assistance programs under section 256B.69, subdivisions 6b and 23, the health plan will provide or arrange to provide elderly waiver case management services in paragraph (g), as part of an integrated delivery system in accordance with contract requirements established by the commissioner."

Page 59, line 3, before "The" insert "(a)"

Page 59, line 4, strike "elderly"

Page 59, line 8, strike "An elderly" and insert "A"

Page 59, after line 27, insert:

"(b) The health plan shall provide or arrange to provide elderly waiver case management services in subdivision 1a, paragraph (g), as part of an integrated delivery system in accordance with contract requirements established by the commissioner related to provider standards and qualifications."

Page 60, after line 29, insert:

"Sec. 22. Minnesota Statutes 2010, section 256B.0915, subdivision 10, is amended to read:

Subd. 10. **Waiver payment rates; managed care organizations.** The commissioner shall adjust the elderly waiver capitation payment rates for managed care organizations paid under section 256B.69, subdivisions ~~6a~~ 6b and 23, to reflect the maximum service rate limits for customized living services and 24-hour customized living services under subdivisions 3e and 3h for the contract period beginning October 1, 2009. Medical assistance rates paid to customized living providers by managed care organizations under this section shall not exceed the maximum service rate limits determined by the commissioner under subdivisions 3e and 3h."

Page 63, delete lines 4 to 6

Page 72, delete lines 32 to 34

Page 75, delete lines 32 to 34

Page 76, delete lines 1 to 9 and insert:

"(1) a low number of beds per 1,000 in a specified area using as a standard beds per 1,000 persons age 65 and older, in five-year age groups, using data from the most recent census and population projections, weighted by each group's most recent nursing home utilization, of the county at the 20th percentile, as determined by the commissioner of human services;

(2) a high level of out-migration for nursing facility services associated with a described area from the county or counties of residence to other Minnesota counties, as determined by the commissioner of human services, using as a standard an amount greater than the out-migration of the county ranked at the 50th percentile;

(3) an adequate level of availability of noninstitutional long-term care services measured as public spending for home and community-based long-term care services per individual age 65 and older, in five-year age groups, using data from the most recent census and population projections, weighted by each group's most recent nursing home utilization, as determined by the commissioner of human services, using as a standard an amount greater than the 50th percentile of counties;

(4) there must be a declaration of hardship resulting from insufficient access to nursing home beds by local county agencies and area agencies on aging; and"

Page 78, delete section 4

Page 80, delete section 5 and insert:

"Sec. 4. Minnesota Statutes 2010, section 144D.08, is amended to read:

144D.08 UNIFORM CONSUMER INFORMATION GUIDE.

All housing with services establishments shall make available to all prospective and current residents information consistent with the uniform format and the required components adopted by the commissioner under section 144G.06. This section does not apply to an establishment registered under section 144D.025, serving the homeless."

Page 81, delete lines 33 and 34 and insert "the month following the month in which such notice was mailed. In the event of revocation, any amounts paid by private residents under this subdivision for days of service on or after the first day of the month following the month in which such notice was mailed must be refunded."

Page 96, delete sections 3 and 4

Page 97, delete sections 5 and 6

Page 101, delete section 8

Page 102, delete sections 9 and 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 Energy, Utilities and Telecommunications. Amendments adopted. Report adopted.

Senator Parry from the Committee on State Government Innovation and Veterans, to

which was referred

S.F. No. 16: A resolution memorializing the Congress of the United States to appoint an independent counsel to investigate the Prisoner of War - Missing in Action issue.

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

Senator Parry from the Committee on State Government Innovation and Veterans, to which was referred

S.F. No. 1146: A bill for an act relating to public employment; requiring written request for dues check off; amending Minnesota Statutes 2010, section 179A.06, subdivision 6.

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

Senator Parry from the Committee on State Government Innovation and Veterans, to which was referred

S.F. No. 1234: A bill for an act relating to the secretary of state; simplifying certain certificates issued to business entities; modifying effective date of resignations of agents; revising notice provided to organizations; allowing use of an alternate name; redefining business entities; eliminating issuance of certificates to business trusts and municipal power agencies; regulating access to, and the treatment of, certain data; amending Minnesota Statutes 2010, sections 5.001, subdivision 2; 13.355, by adding a subdivision; 302A.711, subdivision 4; 302A.734, subdivision 2; 302A.751, subdivision 1; 303.08, subdivision 2; 303.17, subdivisions 2, 3, 4; 317A.711, subdivision 4; 317A.733, subdivision 4; 317A.751, subdivision 3; 318.02, subdivisions 1, 2; 321.0809; 321.0906; 322B.826, subdivision 2; 322B.935, subdivisions 2, 3; 323A.1102; 453.53, subdivision 2; 453A.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 5; 323A; repealing Minnesota Statutes 2010, sections 302A.801; 302A.805; 308A.151; 317A.022, subdivision 1; 317A.801; 317A.805; 318.02, subdivision 5.

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

Page 4, after line 30, insert:

"Sec. 11. Minnesota Statutes 2010, section 317A.255, subdivision 1, is amended to read:

Subdivision 1. **Conflict; procedure when conflict arises.** (a) A contract or other transaction between a corporation and: (1) its director or a member of the family of its director; (2) a director of a related organization, or a member of the family of a director of a related organization; or (3) an organization in or of which the corporation's director, or a member of the family of its director, is a director, officer, or legal representative or has a material financial interest; is not void or voidable because the director or the other individual or organization are parties or because the director is present at the meeting of the members or the board or a committee at which the contract or transaction is authorized, approved, or ratified, if a requirement of paragraph (b) is satisfied.

(b) A contract or transaction described in paragraph (a) is not void or voidable if:

(1) the contract or transaction was, and the person asserting the validity of the contract or

transaction has the burden of establishing that the contract or transaction was, fair and reasonable as to the corporation when it was authorized, approved, or ratified;

(2) the material facts as to the contract or transaction and as to the director's interest are fully disclosed or known to the members and the contract or transaction is approved in good faith by two-thirds of the members entitled to vote, not counting any vote that the interested director might otherwise have, or the unanimous affirmative vote of all members, whether or not entitled to vote;

(3) the material facts as to the contract or transaction and as to the director's interest are fully disclosed or known to the board or a committee, and the board or committee authorizes, approves, or ratifies the contract or transaction in good faith by a majority of the directors or committee members currently holding office, provided that the interested director or directors may not vote and are not considered present for purposes of a quorum. If, as a result, the number of remaining directors is not sufficient to reach a quorum, a quorum for the purpose of considering the contract or transaction is the number of remaining directors or committee members, ~~not counting any vote that the interested director might otherwise have, and not counting the director in determining the presence of a quorum;~~ or

(4) the contract or transaction is a merger or consolidation described in section 317A.601."

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 and Public Safety. Amendments adopted. Report adopted.

Senator Parry from the Committee on State Government Innovation and Veterans, to which was referred

S.F. No. 1270: A bill for an act relating to state government; changing a provision in geospatial advisory council and extending the expiration date; amending Minnesota Statutes 2010, section 16B.99, subdivision 8; repealing Minnesota Statutes 2010, section 16B.99, subdivision 9.

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 2010, section 16B.99, subdivision 8, is amended to read:

Subd. 8. **Geospatial advisory councils created.** The chief geospatial information officer must establish a governance structure that includes advisory councils to provide recommendations for improving the operations and management of geospatial technology within state government and also on issues of importance to users of geospatial technology throughout the state.

(a) A statewide geospatial advisory council must advise the Minnesota Geospatial Information Office regarding the improvement of services statewide through the coordinated, affordable, reliable, and effective use of geospatial technology. The commissioner of administration must appoint the members of the council. The members must represent a cross-section of organizations including counties, cities, universities, business, nonprofit organizations, federal agencies, tribal governments, and state agencies. No more than 20 percent of the members may be employees of a

state agency. In addition, the chief geospatial information officer must be a nonvoting member.

(b) A state government geospatial advisory council must advise the Minnesota Geospatial Information Office on issues concerning improving state government services through the coordinated, affordable, reliable, and effective use of geospatial technology. The commissioner of administration must ~~appoint the members of the council. The members must represent~~ designate up to 15 state government agencies and constitutional offices, including the Office of Enterprise Technology and the Minnesota Geospatial Information Office, to be represented on the council. The council must be chaired by the chief geographic information officer. A representative of the statewide geospatial advisory council must serve as a nonvoting member.

(c) Members of both the statewide geospatial advisory council and the state government advisory council must be recommended by a process that ensures that each member is designated to represent a clearly identified agency or interested party category ~~and that complies.~~ Members of the statewide geospatial advisory council must be selected in compliance with the state's open appointment process. Members of the state government geospatial advisory council must be appointed by the heads of their respective agencies or constitutional offices. Members shall serve a term of two years.

(d) The Minnesota Geospatial Information Office must provide administrative support for both geospatial advisory councils.

(e) This subdivision expires June 30, ~~2011~~ 2015.

Sec. 2. REPEALER.

Minnesota Statutes 2010, section 16B.99, subdivision 9, is repealed.

Sec. 3. EFFECTIVE DATE.

Sections 1 and 2 are effective June 30, 2011."

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

Senator Parry from the Committee on State Government Innovation and Veterans, to which was referred

S.F. No. 994: A bill for an act relating lawful gambling; clarifying the use of gross profits; amending Minnesota Statutes 2010, section 349.15, subdivision 1.

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 2010, section 349.15, subdivision 1, is amended to read:

Subdivision 1. **Expenditure restrictions, requirements, and civil penalties.** (a) Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized by the membership of the conducting organization at a monthly meeting of the organization's membership.

(b) Provided that no more than 70 percent of the gross profit from bingo, and no more than 60

percent of the gross profit from other forms of lawful gambling, may be expended biennially during the term of the license for allowable expenses related to lawful gambling, except that for the period of July 1, 2008, to June 30, 2009, no more than 75 percent of the gross profit from bingo, and no more than 65 percent of the gross profit from other forms of lawful gambling, may be expended for allowable expenses related to lawful gambling. This provision expires June 30, 2009.

(c) For each 12-month period beginning July 1, 2009, a licensed organization will be evaluated by the board to determine a rating based on the percentage of annual lawful purpose expenditures when compared to available gross profits for the same period. The rating will be used to determine the organization's profitability percent and is not a rating of the organization's lawful gambling operation. An organization will be evaluated according to the following criteria:

(1) an organization that expends 50 percent or more of gross profits on lawful purposes will receive a five-star rating;

(2) an organization that expends 40 percent or more but less than 50 percent of gross profits on lawful purposes will receive a four-star rating;

(3) an organization that expends 30 percent or more but less than 40 percent of gross profits on lawful purposes will receive a three-star rating;

(4) an organization that expends 20 percent or more but less than 30 percent of gross profits on lawful purposes will receive a two-star rating; and

(5) an organization that expends less than 20 percent of gross profits on lawful purposes will receive a one-star rating.

(d) An organization that fails to expend a minimum of 30 percent annually of gross profits on lawful purposes, or 20 percent annually for organizations that conduct lawful gambling in a location where the primary business is bingo, is automatically on probation effective July 1 for a period of one year. The organization must increase its rating to a the required minimum of 30 percent or be subject to sanctions by the board. If an organization fails to meet the minimum after a one-year probation, the board may suspend the organization's license or impose a civil penalty as follows:

(1) in determining any suspension or penalty for a violation of this paragraph, the board must consider any unique factors or extraordinary circumstances that caused the organization to not meet the minimum rate of profitability. Unique factors or extraordinary circumstances include, but are not limited to, the purchase of capital assets necessary to conduct lawful gambling; road or other construction causing impaired access to the lawful gambling premises; and flood, tornado, or other catastrophe that had a direct impact on the continuing lawful gambling operation; and

(2) notwithstanding section 349.151, subdivision 4, paragraph (a), clause (10), the board may impose a civil penalty under this subdivision up to \$10,000."

Amend the title as follows:

Page 1, line 2, after "relating" insert "to" and delete "clarifying the use of gross profits" and insert "decreasing certain minimum lawful purpose expenditure requirements"

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

Senator Hann from the Committee on Health and Human Services, to which was referred

S.F. No. 1285: A bill for an act relating to human services; making changes to chemical and mental health services; making rate reforms; amending Minnesota Statutes 2010, sections 245.462, subdivision 8; 245.467, subdivision 2; 245A.03, subdivision 7; 253B.02, subdivision 9; 254B.03, subdivisions 5, 9; 254B.05; 254B.12; 254B.13, subdivision 3; 256.9693; 256B.0622, subdivision 8; 256B.0623, subdivisions 3, 8; 256B.0624, subdivisions 2, 4, 6; 256B.0625, subdivisions 23, 38; 256B.0926, subdivision 2; 256B.0947; repealing Minnesota Statutes 2010, sections 254B.01, subdivision 7; 256B.0622, subdivision 8a.

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

Page 6, line 19, delete "of room and board"

Page 6, line 24, delete everything after "annual" and insert "financial statement that reports functional expenses of chemical dependency treatment costs in a form approved by the commissioner;"

Page 6, delete lines 25 to 27 and insert:

"(5) report information about the vendor's current capacity in a manner prescribed by the commissioner; and

(6) maintain adequate and appropriate insurance coverage necessary to provide chemical dependency treatment services, and at a minimum:

(i) employee dishonesty in the amount of \$10,000 if the vendor has or had custody or control of money or property belonging to clients; and

(ii) bodily injury and property damage in the amount of \$2,000,000 for each occurrence."

Page 8, line 31, delete "appropriate supervision" and insert "the supervision of an alcohol and drug counselor supervisor and a licensed mental health professional and are"

Page 8, line 36, delete "and"

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

Page 9, after line 2, insert:

"(vi) co-occurring counseling staff receive eight hours of co-occurring disorder training annually."

Page 9, delete section 10

Page 11, line 4, delete ", as" and insert "shall include direct services costs, other program costs, and other costs"

Page 11, line 5, delete "portion of"

Page 11, line 8, delete "for" and delete ", the rate must include" and insert "must be determined as"

Page 11, line 9, delete "to be paid beyond" and insert "of" and before the period, insert ", as

determined in item (i)"

Page 11, line 20, delete "may" and insert "must"

Page 11, line 21, delete "return to agency" and delete "specified"

Page 11, line 24, delete "approved by the commissioner"

Page 12, line 8, strike "assertive community team"

Page 12, line 14, delete "approved allowable"

Page 12, line 15, before the period, insert "using the criteria established in paragraph (c)"

Page 12, after line 26, insert:

"(i) A provider may request of the commissioner a review of any rate-setting decision made under this subdivision."

Page 16, line 18, delete "verbally" and insert "directly"

Page 16, line 19, delete the colon

Page 20, line 17, after "services" insert "for a period of at least two years"

Page 20, line 20, delete "and"

Page 20, line 22, delete the period and insert "; and"

Page 20, after line 22, insert:

"(vii) must be free of substance use problems for at least one year."

Page 20, line 26, delete everything after "edition" and insert a period

Page 20, delete lines 27 to 30

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Hann from the Committee on Health and Human Services, to which was referred

S.F. No. 1287: A bill for an act relating to human services; modifying certain provisions regarding the Minnesota sex offender program; amending Minnesota Statutes 2010, sections 253B.141, subdivision 2; 253B.185, subdivisions 1, 16, by adding subdivisions; 253B.19, subdivision 2; 609.485, subdivision 2.

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

Senator Hann from the Committee on Health and Human Services, to which was referred

S.F. No. 1135: A bill for an act relating to health; extending the Maternal and Child Health Advisory Task Force; amending Minnesota Statutes 2010, section 145.881, subdivision 1.

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

Page 1, line 15, delete "2021" and insert "2015"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Senator Hann from the Committee on Health and Human Services, to which was referred

S.F. No. 1286: A bill for an act relating to health; changing provisions to resident case mix classification; amending Minnesota Statutes 2010, section 144.0724, subdivisions 2, 3, 4, 5, 6, 9, by adding a subdivision.

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

Senator Hann from the Committee on Health and Human Services, to which was referred

S.F. No. 1289: A bill for an act relating to human services; modifying human services agency provisions; modifying agency hearing and appeals provisions; amending Minnesota Statutes 2010, sections 256.045, subdivisions 3, 4; 256.0451, subdivision 5.

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

Page 4, lines 22 and 23, delete the new language and insert "Human services judges may grant a request for a hearing in person by holding the hearing by interactive video technology or in person. The human services judge must hear the case in person if the person asserts that either the person or a witness has a physical or mental disability that would impair their ability to fully participate in a hearing held by interactive video technology."

Page 6, line 6, delete the new language

Page 6, delete line 7 and insert:

"(c) A human services judge may issue interim orders as necessary to further the appeal process."

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

Senator Hann from the Committee on Health and Human Services, to which was referred

S.F. No. 1134: A bill for an act relating to health; changing provisions for body art technicians; amending Minnesota Statutes 2010, sections 146B.03, subdivision 4; 146B.04, subdivision 1; 146B.06, subdivision 5; 146B.10, subdivision 1.

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

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

S.F. No. 540: A bill for an act relating to education; modifying parent notification of child maltreatment in a school facility; requiring a policy for educating employees about mandatory child maltreatment reporting; amending Minnesota Statutes 2010, section 122A.20, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 123B.

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

Page 2, delete lines 6 to 8 and insert:

"(2) a termination or discharge showing that the commissioner determined that maltreatment occurred under section 626.556, subdivision 10e, paragraph (d), and as a result of that determination, the school board terminated or discharged the teacher."

Page 2, delete section 2 and insert:

"Sec. 2. [123B.031] MODEL POLICY; MANDATORY CHILD MALTREATMENT REPORTING."

The commissioner of education shall maintain and make available to school boards a model policy on mandated reporting of child neglect or physical or sexual abuse under section 626.556. Each school board shall adopt a written policy governing mandated child maltreatment reporting. School districts shall include these policies in school personnel handbooks and shall review the policies at least annually for compliance with state law."

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

Senator Ingebrigtsen from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 158: A bill for an act relating to natural resources; appropriating money from the outdoor heritage fund; modifying certain outdoor heritage provisions; amending Minnesota Statutes 2010, section 97A.056, subdivision 2, by adding a subdivision; Laws 2009, chapter 172, article 1, section 2, subdivision 3.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

OUTDOOR HERITAGE FUND

Section 1. OUTDOOR HERITAGE APPROPRIATION.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the outdoor heritage fund and are available for the fiscal years indicated for each purpose. The figures "2012" and "2013" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2012, or June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013. The appropriations in this article

are onetime.

APPROPRIATIONS
Available for the Year
Ending June 30
2012 **2013**

Sec. 2. **OUTDOOR HERITAGE**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>86,471,000</u>	<u>\$</u>	<u>471,000</u>
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This appropriation is from the outdoor heritage fund. The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Prairies</u>		<u>32,671,000</u>		<u>-0-</u>
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(a) Wildlife Management Area, Scientific and Natural Areas, and Prairie Bank Easement Acquisition - Phase III

\$3,931,000 the first year is to the commissioner of natural resources to:

(1) acquire land in fee for wildlife management area purposes under Minnesota Statutes, sections 86A.05, subdivision 8, and 97A.145;

(2) acquire land in fee for scientific and natural area purposes under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; and

(3) acquire native prairie bank easements under Minnesota Statutes, section 84.96.

A list of proposed land or permanent conservation easement acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Up to \$14,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan, and subject to subdivision 15. An annual financial report is required for any monitoring

and enforcement fund established, including expenditures from the fund.

(b) Accelerated Prairie Restoration and Enhancement on DNR Lands - Phase III

\$1,652,000 the first year is to the commissioner of natural resources to accelerate the restoration and enhancement on wildlife management areas, scientific and natural areas, and land under native prairie bank easements.

(c) Minnesota Buffers for Wildlife and Water

\$2,249,000 the first year is to the Board of Water and Soil Resources in cooperation with Pheasants Forever to acquire permanent conservation easements to enhance habitat by expanding riparian wildlife buffers on private land. A list of proposed easement acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Up to \$200,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

(d) Northern Tallgrass Prairie National Wildlife Refuge Land Acquisition - Phase III

\$1,720,000 the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire land or permanent easements within the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan.

(e) Minnesota Prairie Recovery Project - Phase II

\$4,500,000 the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire native prairie and savanna and restore and enhance grasslands and savanna. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. Acquisitions, restorations, and enhancements must be within the two existing and two additional pilot focus areas contained in the accomplishment plan. Annual income statements and balance sheets for income and expenses from land acquired with appropriations from the outdoor heritage fund must be submitted to the Lessard-Sams Outdoor Heritage Council.

(f) Cannon River Headwaters Habitat Complex - Phase I

\$1,533,000 the first year is to the commissioner of natural resources for an agreement with The Trust for Public Land to acquire and restore lands in the Cannon River watershed for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8, or aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(g) Accelerating the Wildlife Management Area Program - Phase III

\$5,500,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire prairie and other habitat areas for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(h) Accelerating the Waterfowl Production Area Program - Phase III

\$9,815,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to accelerate the acquisition of wetlands and grasslands to be added to the waterfowl production area system in Minnesota in cooperation with the United States Fish and Wildlife Service. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(i) The Green Corridor Legacy Program - Phase III

\$1,771,000 the first year is to the commissioner of natural resources for an agreement with the Redwood Area Development Corporation to acquire land for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8, or aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

Subd. 3. Forests

14,371,000

-0-

(a) Minnesota Forests for the Future - Phase III

\$5,409,000 the first year is to the commissioner of natural resources to acquire forest and wetland habitat through working forest easements and fee acquisition under the Minnesota forests for the future program pursuant to Minnesota Statutes, section 84.66. A conservation easement acquired with money appropriated under this paragraph must comply with subdivision 13. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Up to \$150,000 is for establishing a monitoring and enforcement

fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

(b) LaSalle Lake: Protecting Critical Mississippi Headwaters Habitat

\$4,632,000 the first year is to the commissioner of natural resources for an agreement with The Trust for Public Land to acquire land adjacent to LaSalle Lake in Hubbard County. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. If the acquisition is not completed by July 15, 2012, or if a balance remains after acquisition of land, the money under this paragraph is available for acquisition under subdivision 2, paragraph (a).

(c) Accelerated Forest Habitat Enhancement - Phase II

\$826,000 the first year is to the commissioner of natural resources to restore and enhance lands in state forests, pursuant to Minnesota Statutes, section 89.021.

(d) Northeastern Minnesota Sharp-Tailed Grouse Habitat Partnership - Phase II

\$988,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever in cooperation with the Minnesota Sharp-Tailed Grouse Society to acquire and enhance lands for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(e) Lower Mississippi River Habitat Partnership - Phase II

\$707,000 the first year is to the commissioner of natural resources to acquire and enhance habitat in the lower Root River and

lower Zumbro River watersheds, pursuant to Minnesota Statutes, section 86A.05, subdivisions 7 and 8. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(f) Protect Key Forest Habitat Lands in Cass County - Phase II

\$604,000 the first year is to the commissioner of natural resources for an agreement with Cass County to acquire land in fee for forest wildlife habitat. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(g) State Forest Acquisition

\$1,205,000 the first year is to the commissioner of natural resources to acquire land in fee and permanent management access easements for state forests under Minnesota Statutes, section 86A.05, subdivision 7. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

Subd. 4. Wetlands

15,827,000

-0-

(a) Reinvest in Minnesota Wetlands Reserve Acquisition and Restoration Program Partnership - Phase III

\$13,000,000 the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements and restore wetlands and associated upland habitat in cooperation with the United States Department of Agriculture Wetlands Reserve Program. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Up to \$112,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including

expenditures from the fund and a description of monitoring and enforcement activities.

(b) Accelerated Shallow Lakes and Wetlands Restoration and Enhancement - Phase III

\$936,000 the first year is to the commissioner of natural resources to develop engineering designs for shallow lakes and wetlands and restore and enhance shallow lakes.

(c) Shallow Lake Shoreland Protection: Wild Rice Lakes

\$1,891,000 the first year is to the commissioner of natural resources for an agreement with Ducks Unlimited and the Board of Water and Soil Resources to acquire wild rice lake shoreland habitat in fee and as permanent conservation easements as follows: \$500,000 to the Department of Natural Resources; \$1,100,000 to the Board of Water and Soil Resources; and \$291,000 to Ducks Unlimited. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Up to \$18,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

Subd. 5. **Habitat**

22,914,000

-0-

(a) Accelerated Aquatic Management Area Habitat Program - Phase III

\$6,500,000 the first year is to the commissioner of natural resources to acquire interests in land in fee or permanent conservation easements for aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02, to restore and enhance aquatic habitat. A

list of proposed acquisitions and stream and lake habitat restorations and enhancements must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan.

(b) Coldwater Fish Habitat Enhancement Program - Phase III

\$1,533,000 the first year is to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited. A list of proposed projects, describing types and locations of restorations and enhancements, must be provided as part of the required accomplishment plan.

(c) Land Addition to the Janet Johnson Memorial Wildlife Management Area

\$577,000 the first year is to the commissioner of natural resources for an agreement with Chisago County to acquire land in fee to be added to the Janet Johnson Memorial Wildlife Management Area under Minnesota Statutes, section 86A.05, subdivision 8. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(d) Metro Big Rivers Habitat - Phase II

\$5,000,000 the first year is to the commissioner of natural resources for agreements to acquire interests in land in fee or permanent conservation easements and to restore and enhance natural systems associated with the Mississippi, Minnesota, and St. Croix Rivers as follows: \$960,000 to the Minnesota Valley National Wildlife Refuge Trust, Inc.; \$150,000 to Great River Greening; \$840,000 to Minnesota Land Trust; \$150,000 to Friends of the Mississippi River; and \$2,900,000 to The Trust for Public Land. A list of proposed projects, describing types and locations of acquisitions, restorations, and enhancements, must be provided as part of the required accomplishment plan. The accomplishment

plan must include an easement monitoring and enforcement plan. Money appropriated from the outdoor heritage fund for easement acquisition may be used to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

(e) Protecting Sensitive Shorelands in North Central Minnesota

\$1,098,000 the first year is to the commissioner of natural resources for agreements with the Leech Lake Watershed Foundation and the Minnesota Land Trust as follows: \$339,000 to the Leech Lake Watershed Foundation; \$741,000 to the Minnesota Land Trust; and \$18,000 to the Department of Natural Resources to pay for acquisition-related expenses and monitoring costs of donated permanent conservation easements on sensitive shorelands in north central Minnesota. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Up to \$342,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

(f) Restoring Native Habitat and Water Quality to Shell Rock River - Phase II

\$2,577,000 the first year is to the commissioner of natural resources for an agreement with the Shell Lake Watershed District to acquire land in fee at the headwaters of the Shell Rock River for aquatic management area purposes under Minnesota Statutes, sections 86A.05,

subdivision 14, and 97C.02, to restore and enhance aquatic habitat. The leases for gravel mining existing at the time of acquisition may not be extended and all gross income generated from mining operations must be transferred to the commissioner of management and budget and credited to the outdoor heritage fund. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(g) Outdoor Heritage Conservation Partners Grant Program - Phase III

\$5,629,000 the first year is to the commissioner of natural resources for a program to provide competitive, matching grants of up to \$400,000 to local, regional, state, and national organizations for enhancement, restoration, or protection of forests, wetlands, prairies, and habitat for fish, game, or wildlife in Minnesota. Grants shall not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants shall not be made from appropriations in this paragraph for projects that have a total project cost exceeding \$475,000. \$319,000 of this appropriation may be spent for personnel costs and other administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by state law. The program shall require a match of at least ten percent from nonstate sources for grants of \$100,000 or less and a match of at least 15 percent from nonstate sources for grants over \$100,000. Up to one-third of the match may be in-kind resources. For grant applications of \$25,000 or less, the commissioner shall provide a separate, simplified application process. The criteria for evaluating grant applications over \$25,000 must include the amount of habitat restored, enhanced, or protected; local support; encouragement of a local conservation culture; urgency;

capacity to achieve multiple benefits; habitat benefits provided; consistency with current conservation science; adjacency to protected lands; full funding of the project; supplementing existing funding; public access for hunting and fishing during the open season; sustainability; degree of collaboration; and use of native plant materials. All projects must conform to the Minnesota statewide conservation and preservation plan. Wildlife habitat projects must also conform to the Minnesota wildlife action plan. Subject to the evaluation criteria and requirements of this paragraph and Minnesota Statutes, the commissioner of natural resources shall give priority to organizations that have a history of receiving or charter to receive private contributions for local conservation or habitat projects when evaluating projects of equal value. If acquiring land or a conservation easement, priority shall be given to projects associated with existing wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8; scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; and aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. All restoration or enhancement projects must be on land permanently protected by a conservation easement or public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority shall be given to restoration and enhancement projects on public lands. Subdivision 9 applies to grants awarded under this paragraph. This appropriation is available until June 30, 2015. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner shall provide notice of the grant program in the 2011 game and fish law

summaries that are prepared under Minnesota Statutes, section 97A.051, subdivision 2.

Subd. 6. Administration

688,000

471,000

(a) Contract Management

\$175,000 the first year is to the Legislative Coordinating Commission to contract with the commissioner of natural resources for expenses incurred for contract fiscal services for the agreements specified in this section. The contract management services must be done on a reimbursement basis.

(b) Legislative Coordinating Commission

\$471,000 the first year and \$471,000 the second year are to the Legislative Coordinating Commission for two years of administrative expenses of the Lessard-Sams Outdoor Heritage Council and for two years of compensation and expense reimbursement of council members.

(c) Technical Assistance Panel

\$42,000 the first year is to the commissioner of natural resources for a technical assistance panel to conduct up to ten restoration audits under Minnesota Statutes, section 97A.056, subdivision 10.

Subd. 7. Availability of Appropriation

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges. Unless otherwise provided, the amounts in this section are available until June 30, 2014, when projects must be completed and final accomplishments reported. Funds for restoration or enhancement are available until June 30, 2016, or four years after acquisition, whichever is later, in order to complete restoration or enhancement work.

If a project receives federal funds, the time period of the appropriation is extended to equal the availability of federal funding. Funds appropriated for fee title acquisition of land may be used to restore, enhance, and provide for the public use of land acquired with the appropriation. Public use facilities must have a minimal impact on habitat on acquired lands.

Subd. 8. Accomplishment Plans

It is a condition of acceptance of the appropriations made under this section that the agency or entity using the appropriation submit to the Lessard-Sams Outdoor Heritage Council an accomplishment plan and periodic accomplishment reports in the form determined by the council. The accomplishment plan must identify the project manager responsible for expending the appropriation and the final product. The accomplishment plan must account for the use of the appropriation and outcomes of the expenditure in measures of wetlands, prairies, forests, and fish, game, and wildlife habitat restored, protected, and enhanced. The plan must include an evaluation of results. None of the money provided in this section may be expended unless the council has approved the pertinent accomplishment plan.

Subd. 9. Project Requirements

(a) As a condition of accepting an appropriation made under this section, an agency or entity receiving an appropriation must comply with this subdivision for any project funded in whole or in part with funds from the appropriation.

(b) All conservation easements acquired with money appropriated under this section must: (1) be permanent; (2) specify the parties to the easement; (3) specify all of the provisions of an agreement that are permanent; (4) specify the habitat types and location being protected; (5) where appropriate for conservation

or water protection outcomes, require the grantor to employ practices retaining water on the eased land as long as practicable; (6) specify the responsibilities of the parties for habitat enhancement and restoration and the associated costs of these activities; (7) be sent to the office of the Lessard-Sams Outdoor Heritage Council; (8) include a long-term stewardship plan and identify the sources and amount of funding for monitoring and enforcing the easement agreement; and (9) identify the parties responsible for monitoring and enforcing the easement agreement.

(c) For all restorations, a recipient must prepare and retain an ecological restoration and management plan that, to the degree practicable, is consistent with current conservation science and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success and durability of the restoration projects. The plan must include the proposed timetable for implementing the restoration, including, but not limited to, site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and use current conservation science to achieve the best restoration.

(d) For new lands acquired, a recipient must prepare a restoration and management plan in compliance with paragraph (d), including identification of sufficient funding for implementation.

(e) To ensure public accountability for the use of public funds, a recipient must provide to the Lessard-Sams Outdoor Heritage Council documentation of the process used to select parcels acquired in fee or as permanent conservation easements and must provide

the council with documentation of all related transaction costs, including, but not limited to, appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Lessard-Sams Outdoor Heritage Council any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted. Acquisition data such as appraisals may remain private during negotiations but must ultimately be made public according to Minnesota Statutes, chapter 13.

(f) Except as otherwise provided in this section, all restoration and enhancement projects funded with money appropriated under this section must be on land permanently protected by a conservation easement or public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15.

(g) To the extent an appropriation is used to acquire an interest in real property, a recipient of an appropriation under this section must provide to the Lessard-Sams Outdoor Heritage Council and the commissioner of management and budget an analysis of increased operations and maintenance costs likely to be incurred by public entities as a result of the acquisition and of how these costs are to be paid.

(h) A recipient of money from an appropriation under this section must give consideration to and make timely written contact with Conservation Corps Minnesota for possible use of the corps' services to contract for restoration and enhancement services. A copy of the written contact must be filed with the Lessard-Sams Outdoor Heritage Council within 15 days of execution.

(i) A recipient of money under this section

must erect signage according to Laws 2009, chapter 172, article 5, section 10.

Subd. 10. Payment Conditions and Capital Equipment Expenditures

All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures directly related to each appropriation's purpose made on or after July 1, 2011, are eligible for reimbursement unless otherwise provided in this section. Periodic reimbursement must be made upon receiving documentation that the deliverable items articulated in the approved accomplishment plan have been achieved, including partial achievements as evidenced by approved progress reports. Reasonable amounts may be advanced to projects to accommodate cash flow needs, support future management of acquired lands, or match a federal share. The advances must be approved as part of the accomplishment plan. Capital equipment expenditures for specific items in excess of \$10,000 must be itemized in and approved as part of the accomplishment plan.

Subd. 11. Purchase of Recycled and Recyclable Materials

A political subdivision, public or private corporation, or other entity that receives an appropriation under this section must use the appropriation in compliance with Minnesota Statutes, sections 16B.121, regarding purchase of recycled, repairable, and durable materials, and 16B.122, regarding purchase and use of paper stock and printing.

Subd. 12. Accessibility

Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.

Subd. 13. Land Acquisition Restrictions

(a) An interest in real property, including, but not limited to, an easement or fee title that is acquired with money appropriated under this section must be used in perpetuity or for the specific term of an easement interest for the purpose for which the appropriation was made.

(b) A recipient of funding who acquires an interest in real property subject to this subdivision may not alter the intended use of the interest in real property or convey any interest in the real property acquired with the appropriation without the prior review and approval of the Lessard-Sams Outdoor Heritage Council or its successor. The council shall notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the outdoor heritage fund at least 15 business days before approval under this paragraph. The council shall establish procedures to review requests from recipients to alter the use of or convey an interest in real property. These procedures shall allow for the replacement of the interest in real property with another interest in real property meeting the following criteria: (1) the interest must be at least equal in fair market value, as certified by the commissioner of natural resources, to the interest being replaced; and (2) the interest must be in a reasonably equivalent location and have a reasonably equivalent useful conservation purpose compared to the interest being replaced, taking into consideration all effects from fragmentation of the whole habitat.

(c) A recipient of funding who acquires an interest in real property under paragraph (a) must separately record a notice of funding restrictions in the appropriate local government office where the conveyance of the interest in real property is filed. The notice of funding agreement must contain:

(1) a legal description of the interest in real property covered by the funding agreement; (2) a reference to the underlying funding agreement; (3) a reference to this section; and (4) the following statement: "This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Lessard-Sams Outdoor Heritage Council or its successor. The ownership of the interest in real property shall transfer to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or accomplishment plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation."

Subd. 14. Real Property Interest Report

By December 1 each year, a recipient of money appropriated under this section that is used for the acquisition of an interest in real property, including, but not limited to, an easement or fee title, must submit annual reports on the status of the real property to the Lessard-Sams Outdoor Heritage Council or its successor in a form determined by the council. The responsibility for reporting under this section may be transferred by the recipient of the appropriation to another person or entity that holds the interest in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must: (1) inform the person to whom the responsibility is transferred of that person's reporting responsibility; (2) inform the person to whom the responsibility is transferred of the property restrictions under subdivision 13; (3) provide written notice to the council of the transfer of reporting

responsibility, including contact information for the person to whom the responsibility is transferred; and (4) provide the council or its successor written documentation from the person or entity holding the interest in real property certifying the person's or entity's acceptance of all reporting obligations and responsibilities previously held by the recipient of the appropriation. After the transfer, the person or entity that holds the interest in the real property is responsible for reporting requirements under this section.

Subd. 15. Easement Monitoring and Enforcement Requirements

Money appropriated under this section for easement monitoring and enforcement may be spent only on activities included in an easement monitoring and enforcement plan contained within the accomplishment plan. Money received for monitoring and enforcement, including earnings on the money received, shall be kept in a monitoring and enforcement fund held by the organization and is appropriated for monitoring and enforcing conservation easements within Minnesota. Within 120 days after the close of the entity's fiscal year, an entity receiving appropriations for easement monitoring and enforcement must provide an annual financial report to the Lessard-Sams Outdoor Heritage Council on the easement monitoring and enforcement fund as specified in the accomplishment plan. Money appropriated under this section for monitoring and enforcement of easements and earnings on the money appropriated shall revert to the state if: (1) the easement transfers to the state under subdivision 13; (2) the holder of the easement fails to file an annual report and then fails to cure that default within 30 days of notification of the default by the state; or (3) the holder of the easement fails to comply with the terms of the monitoring and enforcement plan contained within the accomplishment plan and fails to

cure that default within 90 days of notification of the default by the state.

Subd. 16. Successor Organizations

The Lessard-Sams Outdoor Heritage Council may approve the continuation of a project with an organization that has adopted a new name. Continuation of a project with an organization that has undergone a significant change in mission, structure, or purpose requires: (1) notice to the chairs of the legislative committees with relevant jurisdiction; and (2) presentation by the council of proposed legislation either ratifying or rejecting continued involvement with the new organization.

Subd. 17. Appropriations Adjustment

(a) Mississippi River Bluffland Prairie Protection Initiative.

Of the amount appropriated in Laws 2009, chapter 172, article 1, section 2, subdivision 2, paragraph (f), \$65,000 is for deposit in a monitoring and enforcement account as authorized in subdivision 15.

(b) Critical Shoreline Habitat Protection Program

Of the amount appropriated in Laws 2010, chapter 361, article 1, section 2, subdivision 3, paragraph (a), \$187,000 is for deposit in a monitoring and enforcement account as authorized in subdivision 15.

(c) Riparian and Lakeshore Protection in Dakota County

Of the amount appropriated in Laws 2010, chapter 361, article 1, section 2, subdivision 5, paragraph (d), \$80,000 is for deposit in a monitoring and enforcement account as authorized in subdivision 15.

(d) Valley Creek Protection Partnership

Of the amount appropriated in Laws 2010,

chapter 361, article 1, section 2, subdivision 5, paragraph (e), \$12,000 is for deposit in a monitoring and enforcement account as authorized in subdivision 15.

Sec. 3. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 1a. **Definitions.** For the purpose of appropriations from the outdoor heritage fund, "recipient" means the entity responsible for deliverables financed by the outdoor heritage fund.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2009.

Sec. 4. Minnesota Statutes 2010, section 97A.056, subdivision 2, is amended to read:

Subd. 2. **Lessard-Sams Outdoor Heritage Council.** (a) The Lessard-Sams Outdoor Heritage Council of 12 members is created in the legislative branch, consisting of:

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

(2) two public members appointed by the speaker of the house;

(3) four public members appointed by the governor;

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

(5) two members of the house of representatives appointed by the speaker of the house.

(b) Members appointed under paragraph (a) must not be registered lobbyists. In making appointments, the governor, senate Subcommittee on Committees of the Committee on Rules and Administration, and the speaker of the house shall consider geographic balance, gender, age, ethnicity, and varying interests including hunting and fishing. The governor's appointments to the council are subject to the advice and consent of the senate.

(c) Public members appointed under paragraph (a) shall have practical experience or expertise or demonstrated knowledge in the science, policy, or practice of restoring, protecting, and enhancing wetlands, prairies, forests, and habitat for fish, game, and wildlife.

(d) Legislative members appointed under paragraph (a) shall include the chairs of the legislative committees with jurisdiction over environment and natural resources finance or their designee, one member from the minority party of the senate, and one member from the minority party of the house of representatives.

(e) Public members serve four-year terms and. Appointed legislative members serve at the pleasure of the appointing authority. Public and legislative members continue to serve until their successors are appointed. Public members shall be initially appointed according to the following schedule of terms:

(1) two public members appointed by the governor for a term ending the first Monday in January 2011;

(2) one public member appointed by the senate Subcommittee on Committees of the Committee

on Rules and Administration for a term ending the first Monday in January 2011;

(3) one public member appointed by the speaker of the house for a term ending the first Monday in January 2011;

(4) two public members appointed by the governor for a term ending the first Monday in January 2013;

(5) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2013; and

(6) one public member appointed by the speaker of the house for a term ending the first Monday in January 2013; and

~~(7) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2013, and two members of the house of representatives appointed by the speaker of the house for a term ending the first Monday in January 2013.~~

(f) Compensation Terms, compensation, and removal of public members are as provided in section 15.0575. A vacancy on the council may be filled by the appointing authority for the remainder of the unexpired term.

(g) The first meeting of the council shall be convened by the chair of the Legislative Coordinating Commission no later than December 1, 2008. Members shall elect a chair, vice-chair, secretary, and other officers as determined by the council. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

(h) Upon coordination with ~~and approval~~ by the Legislative Coordinating Commission, the council may appoint nonpartisan staff and contract with consultants as necessary to carry out the functions of the council. Up to one percent of the money appropriated from the fund may be used to pay for administrative expenses of the council and for compensation and expense reimbursement of council members.

Sec. 5. Minnesota Statutes 2010, section 97A.056, subdivision 3, is amended to read:

Subd. 3. **Council recommendations.** (a) The council shall make recommendations to the legislature on appropriations of money from the outdoor heritage fund that are consistent with the Constitution and state law and that will achieve the outcomes of existing natural resource plans, including, but not limited to, the Minnesota Statewide Conservation and Preservation Plan, that directly relate to the restoration, protection, and enhancement of wetlands, prairies, forests, and habitat for fish, game, and wildlife, and that prevent forest fragmentation, encourage forest consolidation, and expand restored native prairie. ~~In making recommendations, the council shall consider a range of options that would best restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife, and shall not adopt definitions of "restore", "protect", or "enhance" that would limit the council from considering options that are consistent with the Constitution. The council shall submit its initial recommendations to the legislature no later than April 1, 2009.~~ Subsequent recommendations shall be submitted no later than January 15 each year. The council shall present its recommendations to the senate and house of representatives committees with jurisdiction over the environment and natural resources budget by February 15 in odd-numbered years, and within the first four weeks of the legislative session in even-numbered

years. The council's budget recommendations to the legislature shall be separate from the Department of Natural Resource's budget recommendations.

(b) To encourage and support local conservation efforts, the council shall establish a conservation partners program. Local, regional, state, or national organizations may apply for matching grants for restoration, protection, and enhancement of wetlands, prairies, forests, and habitat for fish, game, and wildlife, prevention of forest fragmentation, encouragement of forest consolidation, and expansion of restored native prairie.

(c) The council may work with the Clean Water Council to identify projects that are consistent with both the purpose of the outdoor heritage fund and the purpose of the clean water fund.

(d) The council may make recommendations to the Legislative-Citizen Commission on Minnesota Resources on scientific research that will assist in restoring, protecting, and enhancing wetlands, prairies, forests, and habitat for fish, game, and wildlife, preventing forest fragmentation, encouraging forest consolidation, and expanding restored native prairie.

(e) Recommendations of the council, including approval of recommendations for the outdoor heritage fund, require an affirmative vote of at least nine members of the council.

(f) The council may work with the Clean Water Council, the Legislative-Citizen Commission on Minnesota Resources, the Board of Water and Soil Resources, soil and water conservation districts, and experts from Minnesota State Colleges and Universities and the University of Minnesota in developing the council's recommendations.

(g) The council shall develop and implement a process that ensures that citizens and potential recipients of funds are included throughout the process, including the development and finalization of the council's recommendations. The process must include a fair, equitable, and thorough process for reviewing requests for funding and a clear and easily understood process for ranking projects.

(h) The council shall use the regions of the state based upon the ecological ~~regions~~ sections and ~~subregions~~ subsections developed by the Department of Natural Resources and establish objectives for each region and subregion to achieve the purposes of the fund outlined in the state constitution.

(i) The council shall develop and submit to the Legislative Coordinating Commission plans for the first ten years of funding, and a framework for 25 years of funding, consistent with statutory and constitutional requirements. The council may use existing plans from other legislative, state, and federal sources, as applicable.

Sec. 6. Minnesota Statutes 2010, section 97A.056, subdivision 5, is amended to read:

Subd. 5. **Open meetings.** (a) Meetings of the council and other groups the council may establish ~~are subject to chapter 13D~~ shall be open to the public. Except where prohibited by law, the council shall establish additional processes to broaden public involvement in all aspects of its deliberations, including recording meetings, video conferencing, and publishing minutes. For the purposes of this subdivision, a meeting occurs when a quorum is present and the members ~~receive information or~~ take action on any matter relating to the duties of the council. The quorum requirement for the council shall be seven members.

(b) ~~Travel to and from scheduled and publicly noticed site visits by council members for the purposes of receiving information is not a violation of paragraph (a). Any decision or agreement to~~

~~make a decision during the travel is a violation of paragraph (a).~~

~~(e)~~ For legislative members of the council, enforcement of this subdivision is governed by section 3.055, subdivision 2. For nonlegislative members of the council, enforcement of this subdivision is governed by section 13D.06, subdivisions 1 and 2.

Sec. 7. Minnesota Statutes 2010, section 97A.056, subdivision 6, is amended to read:

Subd. 6. **Audit.** The legislative auditor shall audit the outdoor heritage fund expenditures, including administrative and staffing expenditures, ~~every two years~~ to ensure that the money is spent ~~to restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife~~ in compliance with all applicable law and the Constitution.

Sec. 8. Minnesota Statutes 2010, section 97A.056, subdivision 9, is amended to read:

Subd. 9. **Lands in public domain.** Money appropriated from the outdoor heritage fund shall not be used to purchase any land in fee title or a permanent conservation easement if the land in question is fully or partially owned by the state of Minnesota or a political subdivision of the state, unless: (1) the purchase creates additional direct benefit to protect, restore, or enhance the state's wetlands, prairies, forests, or habitat for fish, game, and wildlife; and (2) the purchase is approved by an affirmative vote of at least nine members of the council. ~~At least 15 business days prior to a decision under this subdivision, the council shall submit the planned decision item to the Legislative Coordinating Commission. The planned decision item takes effect 15 business days after it is submitted by the council.~~

Sec. 9. Minnesota Statutes 2010, section 97A.056, subdivision 10, is amended to read:

Subd. 10. **Restoration evaluations.** ~~Beginning July 1, 2011,~~ The commissioner of natural resources and the Board of Water and Soil Resources ~~shall~~ may convene a technical evaluation panel comprised of five members, including one technical representative from the Board of Water and Soil Resources, one technical representative from the Department of Natural Resources, one technical expert from the University of Minnesota or the Minnesota State Colleges and Universities, and two representatives with expertise in the project being evaluated. The board and the commissioner may add a technical representative from a unit of federal or local government. The members of the technical evaluation panel may not be associated with the restoration, may vary depending upon the projects being reviewed, and shall avoid any potential conflicts of interest. Each year, the board and the commissioner ~~shall~~ may assign a coordinator to identify a sample of up to ten habitat restoration projects completed with outdoor heritage funding. The coordinator shall secure the restoration plans for the projects specified and direct the technical evaluation panel to evaluate the restorations relative to the law, current science, and the stated goals and standards in the restoration plan ~~and, when applicable, to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines.~~ The coordinator shall summarize the findings of the panel and provide a report to the chair of the Lessard-Sams Outdoor Heritage Council and the chairs of the respective house of representatives and senate policy and finance committees with jurisdiction over natural resources and spending from the outdoor heritage fund. The report shall determine if the restorations are meeting planned goals, any problems with the implementation of restorations, and, if necessary, recommendations on improving restorations. The report shall be focused on improving future restorations. Up to one-tenth of one percent of forecasted receipts from the outdoor heritage fund may be used for restoration evaluations under this section.

Sec. 10. Laws 2009, chapter 172, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. Forests	18,000,000	18,000,000
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\$18,000,000 in fiscal year 2010 and \$18,000,000 in fiscal year 2011 are to the commissioner of natural resources to acquire land or permanent working forest easements on private forests in areas identified through the Minnesota forests for the future program under Minnesota Statutes, section 84.66. Up to \$750,000 in fiscal year 2011 may be deposited in an account and used for long-term monitoring and enforcement of the easements acquired. Money, including interest earned, shall be kept in a separate fund and is appropriated for monitoring and enforcement of permanent working forest easements acquired with appropriations from the outdoor heritage fund. Priority must be given to acquiring land or interests in private lands within existing Minnesota state forest boundaries. Any easements acquired must have a forest management plan as defined in Minnesota Statutes, section 290C.02, subdivision 7. A list of proposed fee title and easement acquisitions must be provided as part of the required accomplishment plan. The fiscal year 2011 appropriation is available only for acquisitions that, by August 15, 2009, are:

~~(1) subject to a binding agreement with the commissioner; and~~

~~(2) matched by at least \$9,000,000 in private donations.~~

Sec. 11. **REPEALER.**

Minnesota Statutes 2010, section 84.02, subdivisions 1, 2, 3, 4, 5, 6, 7, and 8, are repealed.

ARTICLE 2

CLEAN WATER FUND

Section 1. **CLEAN WATER FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the clean water fund,

and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. The figures "2012" and "2013" used in this article mean that the appropriation listed under them are available for the fiscal year ending June 30, 2012, or June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013. The appropriations in this article are onetime.

APPROPRIATIONS

Available for the Year

Ending June 30

2012

2013

Sec. 2. DEPARTMENT OF AGRICULTURE	\$	8,200,000	\$	8,200,000
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(a) \$350,000 the first year and \$350,000 the second year are to increase monitoring for pesticides and pesticide degradates in surface water and groundwater and to use data collected to assess pesticide use practices.

(b) \$850,000 the first year and \$850,000 the second year are to increase monitoring and evaluate trends in the concentration of nitrates in groundwater in high-risk areas and regionally and to promote and evaluate regional and crop-specific nutrient best management practices. This appropriation is available until spent.

(c) \$5,000,000 the first year and \$5,000,000 the second year are for the agriculture best management practices loan program. At least \$4,000,000 the first year and at least \$4,400,000 the second year are for transfer to the clean water agricultural best management practices loan account and are available for pass-through to local governments and lenders for low-interest loans under Minnesota Statutes, section 17.117. Any unencumbered balance that is not used for pass-through to local governments does not cancel at the end of the first year and is available for the second year.

(d) \$700,000 the first year and \$700,000 the second year are for research, pilot projects, and technical assistance on proper implementation of best management practices

and more precise information on nonpoint contributions to impaired waters. This appropriation is available until spent.

(e) \$1,050,000 the first year and \$1,050,000 the second year are for research to quantify agricultural contributions to impaired waters and for development and evaluation of best management practices to protect and restore water resources while maintaining productivity. This appropriation is available until spent.

(f) \$250,000 the first year and \$250,000 the second year are for a research inventory database containing water-related research activities.

Sec. 3. <u>PUBLIC FACILITIES AUTHORITY</u>	\$	<u>16,710,000</u>	\$	<u>16,710,000</u>
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(a) \$11,185,000 the first year and \$11,185,000 the second year are for the total maximum daily load grant program under Minnesota Statutes, section 446A.073. This appropriation is available until spent.

(b) \$4,275,000 the first year and \$4,275,000 the second year are for the clean water legacy phosphorus reduction grant program under Minnesota Statutes, section 446A.074. This appropriation is available until spent.

(c) \$1,250,000 the first year and \$1,250,000 the second year are for small community wastewater treatment grants and loans under Minnesota Statutes, section 446A.075. This appropriation is available until spent.

(d) If there are any uncommitted funds at the end of each fiscal year under paragraph (a), (b), or (c), the Public Facilities Authority may transfer the remaining funds to eligible projects under any of the programs listed in this section based on their priority rank on the Pollution Control Agency's project priority list.

Sec. 4. <u>POLLUTION CONTROL AGENCY</u>	\$	<u>24,100,000</u>	\$	<u>22,600,000</u>
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(a) \$7,500,000 the first year and \$7,500,000

the second year are for completion of 20 percent of the needed statewide assessments of surface water quality and trends. Of this amount, \$100,000 the first year and \$100,000 the second year are for grants to the Red River Watershed Management Board to enhance and expand the existing water quality and watershed monitoring river watch activities in the schools in the Red River of the North. The Red River Watershed Management Board shall provide a report to the commissioner of the Pollution Control Agency and the legislative committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean water fund by February 15, 2013, on the expenditure of these funds.

(b) \$9,400,000 the first year and \$9,400,000 the second year are to develop total maximum daily load (TMDL) studies and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D. The agency shall complete an average of ten percent of the TMDL's each year over the biennium.

(c) \$1,125,000 the first year and \$1,125,000 the second year are for groundwater assessment, including enhancing the ambient monitoring network, modeling, and continuing to monitor for and assess contaminants of emerging concern.

(d) \$750,000 the first year and \$750,000 the second year are for water quality improvements in the lower St. Louis River and Duluth harbor. This appropriation must be matched at a rate of 65 percent nonstate money to 35 percent state money.

(e) \$1,000,000 the first year and \$1,000,000 the second year are for the clean water partnership program to provide grants to protect and improve the basins and watersheds of the state and provide financial

and technical assistance to study waters with nonpoint source pollution problems. Priority shall be given to projects preventing impairments and degradation of lakes, rivers, streams, and groundwater in accordance with Minnesota Statutes, section 114D.20, subdivision 2, clause (4). Any balance remaining in the first year does not cancel and is available for the second year.

(f) \$400,000 the first year and \$400,000 the second year are for storm water research and guidance.

(g) \$1,150,000 the first year and \$1,150,000 the second year are for TMDL research and database development.

(h) \$800,000 the first year and \$800,000 the second year are for national pollutant discharge elimination system wastewater and storm water TMDL implementation efforts.

(i) \$225,000 the first year and \$225,000 the second year are transferred to the commissioner of administration for the Environmental Quality Board in cooperation with the United States Geological Survey to characterize groundwater flow and aquifer properties in the I-94 corridor in cooperation with local units of government. This appropriation is available until June 30, 2014.

(j) \$1,000,000 the first year is for demonstration grants under Minnesota Statutes, section 116.195, to ethanol plants for improvements that reuse storm water or wastewater.

(k) \$500,000 the first year is for a wild rice standards study.

(l) \$250,000 the first year and \$250,000 the second year are for groundwater protection or prevention of groundwater degradation activities through enhancing the county-level delivery system for subsurface sewage treatment systems (SSTS). The commissioner shall consult with the SSTS Compliance Task

Force in developing a distribution allocation for the county base grants.

(m) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2013, as grants or contracts in this section are available until June 30, 2016.

Sec. 5. DEPARTMENT OF NATURAL RESOURCES

\$ 11,160,000 \$ 10,160,000

(a) \$1,825,000 the first year and \$1,825,000 the second year are for the continuation and expansion of stream flow monitoring.

(b) \$1,150,000 the first year and \$1,150,000 the second year are for lake Index of Biological Integrity (IBI) assessments, including assessment of 400 additional lakes and technical analysis to develop an aquatic plant IBI analysis. The commissioner shall work with the commissioner of the Pollution Control Agency on the development of an assessment tool.

(c) \$130,000 the first year and \$130,000 the second year are for assessing mercury contamination of fish, including monitoring to track the status of waters impaired by mercury and mercury reduction efforts over time.

(d) \$1,730,000 the first year and \$1,730,000 the second year are for TMDL development and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D, and for development of a watershed assessment tool.

(e) \$1,500,000 the first year and \$1,500,000 the second year are for water supply planning, aquifer protection, and monitoring activities.

(f) \$450,000 the first year and \$450,000 the second year are for establishing a Web-based electronic permitting system to capture water appropriation use information.

(g) \$1,725,000 the first year and \$1,725,000 the second year are for shoreland stewardship, TMDL implementation coordination, providing technical assistance to the Drainage Work Group and Drainage Management Team, and maintaining and updating data. Of this amount, \$235,000 each year is for maintaining and updating watershed boundaries and integrating high-resolution digital elevation data with watershed modeling and \$40,000 each year is for a biomonitoring database. TMDL implementation coordination efforts shall be focused on major watersheds with TMDL implementation plans, including forested watersheds.

(h) \$1,350,000 the first year and \$1,350,000 the second year are to acquire and distribute high-resolution digital elevation data using light detection and ranging to aid with impaired waters modeling and TMDL implementation under Minnesota Statutes, chapter 114D. The money shall be used to collect data for areas of the state that have not acquired such data prior to January 1, 2007, or to complete acquisition and distribution of the data for those areas of the state that have not previously received state funds for acquiring and distributing the data. Mapping and data set distribution under this paragraph must be completed within three years of funds availability. The commissioner shall utilize department staff whenever possible. The commissioner may contract for services only if the services cannot otherwise be provided by the department.

(i) \$300,000 the first year and \$300,000 the second year are for delivery of decision support tools through outreach, education, and citizen engagement.

(j) \$1,000,000 the first year is for implementation of the metropolitan groundwater monitoring and protection activities under Minnesota Laws 2010, chapter 361, article 2, section 4, clauses (1)

and (2).

Sec. 6. BOARD OF WATER AND SOIL RESOURCES

\$ 26,992,000 \$ 26,992,000

(a) \$13,750,000 the first year and \$13,750,000 the second year are for pollution reduction and restoration grants to local government units and joint powers organizations of local government units to protect surface water and drinking water; to keep water on the land; to protect, enhance, and restore water quality in lakes, rivers, and streams; and to protect groundwater and drinking water, including feedlot water quality and subsurface sewage treatment system (SSTS) projects and stream bank, stream channel, and shoreline restoration projects. The projects must be of long-lasting public benefit, include a match, and be consistent with TMDL implementation plans or local water management plans.

(b) \$3,000,000 the first year and \$3,000,000 the second year are for targeted local resource protection and enhancement grants. The board shall give priority consideration to projects and practices that complement, supplement, or exceed current state standards for protection, enhancement, and restoration of water quality in lakes, rivers, and streams or that protect groundwater from degradation. Of this amount, at least \$1,500,000 each year is for county SSTS implementation.

(c) \$900,000 the first year and \$900,000 the second year are to provide state oversight and accountability, evaluate results, and measure the value of conservation program implementation by local governments, including submission to the legislature by March 1 each year an annual report prepared by the board, in consultation with the commissioners of natural resources, health, agriculture, and the Pollution Control Agency, detailing the recipients and projects funded under this section. The board shall require grantees to specify the outcomes that

will be achieved by the grants prior to any grant awards.

(d) \$1,000,000 the first year and \$1,000,000 the second year are for technical assistance and grants for the conservation drainage program in consultation with the Drainage Work Group, created under Minnesota Statutes, section 103B.101, subdivision 13, that consists of projects to retrofit existing drainage systems with water quality improvement practices, evaluate outcomes, and provide outreach to landowners, public drainage authorities, drainage engineers and contractors, and others.

(e) \$5,800,000 the first year and \$5,800,000 the second year are to purchase and restore permanent conservation easements on riparian buffers adjacent to public waters, excluding wetlands, to keep water on the land in order to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase infiltration for groundwater recharge. The riparian buffers must be at least 50 feet unless there is a natural impediment, a road, or other impediment beyond the control of the landowner. This appropriation may be used for restoration of riparian buffers protected by easements purchased with this appropriation and for stream bank restorations when the riparian buffers have been restored.

(f) \$1,000,000 the first year and \$1,000,000 the second year are for permanent conservation easements on wellhead protection areas under Minnesota Statutes, section 103F.515, subdivision 2, paragraph (d). Priority must be placed on land that is located where the vulnerability of the drinking water supply is designated as high or very high by the commissioner of health.

(g) \$1,500,000 the first year and \$1,500,000 the second year are for community partners grants to local units of government for:
(1) structural or vegetative management

practices that reduce storm water runoff from developed or disturbed lands to reduce the movement of sediment, nutrients, and pollutants for restoration, protection, or enhancement of water quality in lakes, rivers, and streams and to protect groundwater and drinking water; and (2) installation of proven and effective water retention practices including, but not limited to, rain gardens and other vegetated infiltration basins and sediment control basins in order to keep water on the land. The projects must be of long-lasting public benefit, include a local match, and be consistent with TMDL implementation plans or local water management plans. Local government unit staff and administration costs may be used as a match.

(h) \$42,000 the first year and \$42,000 the second year are for a technical assistance panel to conduct up to ten restoration audits under Minnesota Statutes, section 114D.50, subdivision 6.

(i) The board shall contract for services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for \$500,000 the first year and \$500,000 the second year.

(j) The board may shift grant or cost-share funds in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address oversight responsibilities or high-priority needs identified in local water management plans.

(k) The appropriations in this section are available until June 30, 2014.

Sec. 7. DEPARTMENT OF HEALTH

\$ 2,988,000 \$ 3,050,000

(a) \$1,020,000 the first year and \$1,020,000 the second year are for addressing public health concerns related to contaminants found in Minnesota drinking water for which no health-based drinking water standard exists.

(b) \$1,415,000 the first year and \$1,415,000 the second year are for protection of drinking water sources.

(c) \$250,000 the first year and \$250,000 the second year are for cost-share assistance to public and private well owners for up to 50 percent of the cost of sealing unused wells.

(d) \$303,000 the first year and \$365,000 the second year are to expand the county well index.

Sec. 8. <u>METROPOLITAN COUNCIL</u>	<u>\$</u>	<u>500,000</u>	<u>\$</u>	<u>500,000</u>
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\$500,000 the first year and \$500,000 the second year are for implementation of the master water supply plan developed under Minnesota Statutes, section 473.1565.

Sec. 9. <u>LEGISLATURE</u>	<u>\$</u>	<u>211,000</u>	<u>\$</u>	<u>200,000</u>
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\$200,000 the first year and \$200,000 the second year are to the Legislative Coordinating Commission for administrative expenses of the Clean Water Council and for compensation and expense reimbursement of council members.

\$11,000 the first year is for the Legislative Coordinating Commission for the costs of developing and implementing a Web site to contain information on projects receiving appropriations from the clean water fund and other constitutionally dedicated funds.

Sec. 10. <u>DEPARTMENT OF ADMINISTRATION</u>	<u>\$</u>	<u>154,000</u>	<u>\$</u>	<u>-0-</u>
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\$154,000 the first year is for a grant to the Cowles Center for Dance and the Performing Arts for construction operations in Minneapolis relating to the proper capping and sealing of the abandoned well that once served the former West Hotel, to include costs related to the removal of any oil-lubricated pumps or other debris in a manner that does not compromise the two aquifers through which the well runs and any other expenses necessary to receive a certificate of full

compliance from the commissioner of health.

Sec. 11. **CARRYFORWARD**

(a) The appropriations in Laws 2009, chapter 172, article 2, section 4, paragraph (g), as amended by Laws 2010, chapter 361, article 2, section 2, are available until June 30, 2013, and may be spent to continue research and testing on the potential for coal tar contamination of waters, on the study of treatment and disposal options, and for grants to local units of government.

(b) The appropriation in Laws 2010, chapter 361, article 2, section 4, subdivision 1, for nitrogen and nitrate water quality standards rulemaking is available until June 30, 2012.

(c) The appropriations in Laws 2009, chapter 172, article 2, section 4, paragraph (a), as amended by Laws 2010, chapter 361, article 2, section 2, for total maximum daily load (TDML) study development and implementation are available until June 30, 2014.

(d) The appropriations in Laws 2009, chapter 172, article 2, section 2, paragraph (d), for research and pilot projects related to ways agricultural practices contribute to restoring impaired waters and assist with the development of TMDL plans, are available until spent.

Sec. 12. Minnesota Statutes 2010, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

- (1) member of the legislature;
- (2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, or attorney in the Office of Senate Counsel and Research or House Research;
- (3) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (4) solicitor general or deputy, assistant, or special assistant attorney general;
- (5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

(7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

(8) executive director of the State Board of Investment;

(9) deputy of any official listed in clauses (7) and (8);

(10) judge of the Workers' Compensation Court of Appeals;

(11) administrative law judge or compensation judge in the State Office of Administrative Hearings or unemployment law judge in the Department of Employment and Economic Development;

(12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;

(13) member or chief administrator of a metropolitan agency;

(14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

(15) member or executive director of the Higher Education Facilities Authority;

(16) member of the board of directors or president of Enterprise Minnesota, Inc.;

(17) member of the board of directors or executive director of the Minnesota State High School League;

(18) member of the Minnesota Ballpark Authority established in section 473.755;

(19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

(20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;

(21) supervisor of a soil and water conservation district;

(22) director of Explore Minnesota Tourism; or

(23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section 97A.056; or

(24) a citizen member of the Clean Water Council established in section 114D.31.

Sec. 13. Minnesota Statutes 2010, section 114D.10, is amended to read:

114D.10 LEGISLATIVE PURPOSE AND FINDINGS.

Subdivision 1. **Purpose.** The purpose of the Clean Water Legacy Act is to protect, enhance, and restore, and preserve the water quality of Minnesota's surface waters in lakes, rivers, and streams and to protect groundwater from degradation, by providing authority, direction, and resources to

achieve and maintain water quality standards for groundwater and surface waters as, including the standards required by section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313(d), and other applicable state and federal regulations.

Subd. 2. **Findings.** The legislature finds that:

(1) there is a close link between protecting, enhancing, and restoring, ~~and preserving~~ the quality of Minnesota's groundwater and surface waters and the ability to develop the state's economy, enhance its quality of life, and protect its human and natural resources;

(2) achieving the state's water quality goals will require long-term commitment and cooperation by all state and local agencies, and other public and private organizations and individuals, with responsibility and authority for water management, planning, and protection; and

(3) all persons and organizations whose activities affect the quality of waters, including point and nonpoint sources of pollution, have a responsibility to participate in and support efforts to achieve the state's water quality goals.

Sec. 14. Minnesota Statutes 2010, section 114D.20, subdivision 1, is amended to read:

Subdivision 1. **Coordination and cooperation.** In implementing this chapter, public agencies and private entities shall take into consideration the relevant provisions of local and other applicable water management, conservation, land use, land management, and development plans and programs. Public agencies with authority for local water management, conservation, land use, land management, and development plans shall take into consideration the manner in which their plans affect the implementation of this chapter. Public agencies shall identify opportunities to participate and assist in the successful implementation of this chapter, including the funding or technical assistance needs, if any, that may be necessary. In implementing this chapter, public agencies shall endeavor to engage the cooperation of organizations and individuals whose activities affect the quality of groundwater or surface waters, including point and nonpoint sources of pollution, and who have authority and responsibility for water management, planning, and protection. To the extent practicable, public agencies shall endeavor to enter into formal and informal agreements and arrangements with federal agencies and departments to jointly utilize staff and educational, technical, and financial resources to deliver programs or conduct activities to achieve the intent of this chapter, including efforts under the federal Clean Water Act and other federal farm and soil and water conservation programs. Nothing in this chapter affects the application of silvicultural exemptions under any federal, state, or local law or requires silvicultural practices more stringent than those recommended in the timber harvesting and forest management guidelines adopted by the Minnesota Forest Resources Council under section 89A.05.

Sec. 15. Minnesota Statutes 2010, section 114D.20, subdivision 2, is amended to read:

Subd. 2. **Goals for implementation.** The following goals must guide the implementation of this chapter:

(1) to identify impaired waters in accordance with federal TMDL requirements within ten years after the effective date of this section and thereafter to ensure continuing evaluation of surface waters for impairments;

(2) to submit TMDL's to the United States Environmental Protection Agency for all impaired waters in a timely manner in accordance with federal TMDL requirements;

- (3) to set a reasonable time for implementing restoration of each identified impaired water;
- (4) to provide assistance and incentives to prevent waters from becoming impaired and to improve the quality of waters that are listed as impaired but do not have an approved TMDL addressing the impairment;
- (5) to promptly seek the delisting of waters from the impaired waters list when those waters are shown to achieve the designated uses applicable to the waters; ~~and~~
- (6) to achieve compliance with federal Clean Water Act requirements in Minnesota;
- (7) to support effective measures to prevent the degradation of groundwater according to the groundwater degradation prevention goal under section 103H.001; and
- (8) to support effective measures to restore degraded groundwater.

Sec. 16. Minnesota Statutes 2010, section 114D.20, subdivision 3, is amended to read:

Subd. 3. **Implementation policies.** The following policies must guide the implementation of this chapter:

- (1) develop regional and watershed TMDL's and TMDL implementation plans, and TMDL's and TMDL implementation plans for multiple pollutants, where reasonable and feasible;
- (2) maximize use of available organizational, technical, and financial resources to perform sampling, monitoring, and other activities to identify degraded groundwater and impaired waters, including use of citizen monitoring and citizen monitoring data used by the Pollution Control Agency in assessing water quality ~~must meet~~ that meets the requirements in Appendix D of the Volunteer Surface Water Monitoring Guide, Minnesota Pollution Control Agency (2003);
- (3) maximize opportunities for restoration of degraded groundwater and impaired waters, by prioritizing and targeting of available programmatic, financial, and technical resources and by providing additional state resources to complement and leverage available resources;
- (4) use existing regulatory authorities to achieve restoration for point and nonpoint sources of pollution where applicable, and promote the development and use of effective nonregulatory measures to address pollution sources for which regulations are not applicable;
- (5) use restoration methods that have a demonstrated effectiveness in reducing impairments and provide the greatest long-term positive impact on water quality protection and improvement and related conservation benefits while incorporating innovative approaches on a case-by-case basis;
- (6) identify for the legislature any innovative approaches that may strengthen or complement existing programs;
- (7) identify and encourage implementation of measures to prevent surface waters from becoming impaired and to improve the quality of waters that are listed as impaired but have no approved TMDL addressing the impairment using the best available data and technology, and establish and report outcome-based performance measures that monitor the progress and effectiveness of protection and restoration measures; ~~and~~
- (8) monitor and enforce cost-sharing contracts and impose monetary damages in an amount up

to 150 percent of the financial assistance received for failure to comply; and

(9) identify and encourage implementation of measures to prevent groundwater from becoming degraded and measures that restore groundwater resources.

Sec. 17. Minnesota Statutes 2010, section 114D.20, subdivision 6, is amended to read:

Subd. 6. **Priorities for restoration of impaired waters.** In implementing restoration of impaired waters, in addition to the priority considerations in subdivision 5, the Clean Water Council shall give priority in its recommendations for restoration funding from the clean water ~~legacy account~~ fund to restoration projects that:

- (1) coordinate with and utilize existing local authorities and infrastructure for implementation;
- (2) can be implemented in whole or in part by providing support for existing or ongoing restoration efforts;
- (3) most effectively leverage other sources of restoration funding, including federal, state, local, and private sources of funds;
- (4) show a high potential for early restoration and delisting based upon scientific data developed through public agency or citizen monitoring or other means; and
- (5) show a high potential for long-term water quality and related conservation benefits.

Sec. 18. Minnesota Statutes 2010, section 114D.20, subdivision 7, is amended to read:

Subd. 7. **Priorities for funding prevention actions.** The Clean Water Council shall apply the priorities applicable under subdivision 6, as far as practicable, when recommending priorities for funding actions to prevent groundwater and surface waters from becoming degraded or impaired and to improve the quality of surface waters that are listed as impaired but do not have an approved TMDL.

Sec. 19. [114D.31] CLEAN WATER COUNCIL.

Subdivision 1. **Creation; membership.** (a) The Clean Water Council of 12 members is created in the legislative branch, consisting of:

- (1) two public members appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration;
- (2) two public members appointed by the speaker of the house;
- (3) four public members appointed by the governor;
- (4) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration; and
- (5) two members of the house of representatives appointed by the speaker of the house.

(b) Members appointed under paragraph (a) must not be registered lobbyists. In making appointments, the governor, senate Subcommittee on Committees of the Committee on Rules and Administration, and the speaker of the house shall consider geographic balance, gender, age, ethnicity, and varying interests. The governor's appointments to the council are subject to the

advice and consent of the senate.

(c) Public members appointed under paragraph (a) shall have practical experience or expertise or demonstrated knowledge in the science, policy, or practice of restoring, protecting, and enhancing the water quality in lakes, rivers, and streams, and to protect groundwater from degradation.

(d) Legislative members appointed under paragraph (a) shall include the chairs of the legislative committees with jurisdiction over environment and natural resources finance or their designees, one member from the minority party of the senate, and one member from the minority party of the house of representatives. Legislative members shall serve at the pleasure of the appointing authority.

(e) Public members serve four-year terms and shall be initially appointed according to the following schedule of terms:

(1) two public members appointed by the governor for a term ending the first Monday in January 2013;

(2) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2013;

(3) one public member appointed by the speaker of the house for a term ending the first Monday in January 2013;

(4) two public members appointed by the governor for a term ending the first Monday in January 2015;

(5) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2015; and

(6) one public member appointed by the speaker of the house for a term ending the first Monday in January 2015.

(f) Terms, compensation, and removal of public members are as provided in section 15.0575. A vacancy on the council may be filled by the appointing authority for the remainder of the unexpired term.

(g) The first meeting of the council shall be convened by the chair of the Legislative Coordinating Commission no later than November 15, 2011. Members shall elect a chair, vice-chair, secretary, and other officers as determined by the council. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

(h) Upon coordination with the Legislative Coordinating Commission, the council may appoint nonpartisan staff and contract with consultants as necessary to carry out the functions of the council. Up to one percent of the annual revenue to the fund may be used to pay for administrative expenses of the council and for compensation and expense reimbursement of council members.

Subd. 2. **Council recommendations.** (a) By January 15 each odd-numbered year, the council shall make recommendations to the legislature on appropriations of money from the clean water fund and other policies under this chapter that are consistent with the constitution and state law and that will achieve the outcomes of existing water plans.

(b) Recommendations of the council, including approval of recommendations for the clean water

fund, require an affirmative vote of at least nine members of the council.

(c) The council may work with the Lessard-Sams Outdoor Heritage Council, the Legislative-Citizen Commission on Minnesota Resources, the Board of Water and Soil Resources, soil and water conservation districts, and experts from Minnesota State Colleges and Universities and the University of Minnesota in developing the council's recommendations.

(d) The council shall develop and implement a process that ensures that citizens and potential recipients of funds are included throughout the process, including the development and finalization of the council's recommendations. The process must include a fair, equitable, and thorough process for reviewing requests for funding and a clear and easily understood process for ranking projects.

Subd. 3. **Conflict of interest.** (a) A council member may not be an advocate for or against a council action or vote on any action that may be a conflict of interest. A conflict of interest must be disclosed as soon as it is discovered. The council shall follow the policies and requirements related to conflicts of interest developed by the Office of Grants Management under section 16B.98.

(b) For the purposes of this section, a "conflict of interest" exists when a person has an organizational conflict of interest or direct financial interests and those interests present the appearance that it will be difficult for the person to impartially fulfill the person's duty. An "organizational conflict of interest" exists when a person has an affiliation with an organization that is subject to council activities that presents the appearance of a conflict between organizational interests and council member duties. An "organization conflict of interest" does not exist if the person's only affiliation with an organization is being a member of the organization.

Subd. 4. **Open meetings.** (a) Meetings of the council and other groups the council may establish shall be open to the public. Except where prohibited by law, the council shall establish additional processes to broaden public involvement in all aspects of its deliberations, including recording meetings, video conferencing, and publishing minutes. For the purposes of this subdivision, a meeting occurs when a quorum is present and the members take action on any matter relating to the duties of the council. The quorum requirement for the council shall be seven members.

(b) For legislative members of the council, enforcement of this subdivision is governed by section 3.055, subdivision 2. For nonlegislative members of the council, enforcement of this subdivision is governed by section 13D.06, subdivisions 1 and 2.

Subd. 5. **Audit.** The legislative auditor shall audit the clean water fund expenditures, including administrative and staffing expenditures, to ensure that the money is spent in compliance with all applicable law and the Constitution.

Sec. 20. Minnesota Statutes 2010, section 114D.35, is amended to read:

114D.35 PUBLIC AND STAKEHOLDER PARTICIPATION; SCIENTIFIC REVIEW; EDUCATION.

Subdivision 1. **Public and stakeholder participation.** Public agencies and private entities involved in the implementation of this chapter shall encourage participation by the public and stakeholders, including local citizens, landowners and managers, and public and private organizations, in the identification of identifying impaired waters, in developing TMDL's, ~~and~~ in planning, priority setting, and implementing restoration of impaired waters, in identifying degraded groundwater, and in protecting and restoring groundwater resources. In particular, the Pollution

Control Agency shall make reasonable efforts to provide timely information to the public and to stakeholders about impaired waters that have been identified by the agency. The agency shall seek broad and early public and stakeholder participation in scoping the activities necessary to develop a TMDL, including the scientific models, methods, and approaches to be used in TMDL development, and to implement restoration pursuant to section 114D.15, subdivision 7.

Subd. 2. **Expert scientific advice.** The Clean Water Council and public agencies and private entities shall make use of available public and private expertise from educational, research, and technical organizations, including the University of Minnesota and other higher education institutions, to provide appropriate independent expert advice on models, methods, and approaches used in identifying degraded ground water and impaired waters, developing TMDL's, and implementing prevention and restoration.

Subd. 3. **Education.** The Clean Water Council shall develop strategies for informing, educating, and encouraging the participation of citizens, stakeholders, and others regarding the identification of impaired waters, development of TMDL's, development of TMDL implementation plans, ~~and~~ implementation of restoration for impaired waters, identification of degraded groundwater, and protection and restoration of groundwater resources. Public agencies shall be responsible for implementing the strategies.

Sec. 21. Minnesota Statutes 2010, section 114D.50, subdivision 6, is amended to read:

Subd. 6. **Restoration evaluations.** ~~Beginning July 1, 2011,~~ The Board of Water and Soil Resources ~~shall~~ may convene a technical evaluation panel comprised of five members, including one technical representative from the Board of Water and Soil Resources, one technical representative from the Department of Natural Resources, one technical expert from the University of Minnesota or the Minnesota State Colleges and Universities, and two representatives with expertise related to the project being evaluated. The board may add a technical representative from a unit of federal or local government. The members of the technical evaluation panel may not be associated with the restoration, may vary depending upon the projects being reviewed, and shall avoid any potential conflicts of interest. Each year, the board ~~shall~~ may assign a coordinator to identify a sample of up to ten habitat restoration projects completed with clean water funding. The coordinator shall secure the restoration plans for the projects specified and direct the technical evaluation panel to evaluate the restorations relative to the law, current science, and the stated goals and standards in the restoration plan ~~and, when applicable, to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines~~. The coordinator shall summarize the findings of the panel and provide a report to the chairs of the respective house of representatives and senate policy and finance committees with jurisdiction over natural resources and spending from the clean water fund. The report shall determine if the restorations are meeting planned goals, any problems with the implementation of restorations, and, if necessary, recommendations on improving restorations. The report shall be focused on improving future restorations. Up to one-tenth of one percent of forecasted receipts from the clean water fund may be used for restoration evaluations under this section.

Sec. 22. Minnesota Statutes 2010, section 116.195, is amended to read:

116.195 BENEFICIAL USE OF WASTEWATER AND STORM WATER; CAPITAL GRANTS FOR DEMONSTRATION PROJECTS.

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the

meanings given them.

(b) "Agency" means the Pollution Control Agency.

(c) "Beneficial use of wastewater or storm water" means:

(1) use of the effluent from a wastewater treatment plant that replaces use of groundwater; or

(2) use of storm water that replaces the use of groundwater.

(d) "Capital project" means the acquisition or betterment of public land, buildings, and other public improvements of a capital nature for the treatment of wastewater intended for beneficial use or for the use of storm water to replace groundwater use. Capital project includes projects to retrofit, expand, or construct new treatment facilities.

Subd. 2. **Grants for capital project design.** The agency shall make grant awards to political subdivisions for up to 50 percent of the costs to predesign and design capital projects that demonstrate the beneficial use of wastewater or storm water. The maximum amount for a grant under this subdivision is \$500,000. The grant agreement must provide that the predesign and design work being funded is public information and available to anyone without charge. The agency must make the predesign and design work available on its Web site.

Subd. 3. **Grants for capital project implementation.** The agency shall make grant awards to political subdivisions for up to 50 percent of the costs to acquire, construct, install, furnish, and equip capital projects that demonstrate the beneficial use of wastewater or storm water. The political subdivision must submit design plans and specifications to the agency as part of the application.

The agency must consult with the Public Facilities Authority and the commissioner of natural resources in reviewing and ranking applications for grants under this section.

The application must identify the uses of the treated wastewater or storm water and greater weight will be given to applications that include a binding commitment to participate by the user or users.

The agency must give preference to projects that will reduce use of the greatest volume of groundwater from aquifers with the slowest rate of recharge.

Subd. 4. **Application form; procedures.** The agency shall develop an application form and procedures.

Subd. 5. **Reports.** The agency shall report by February 1 of each year to the chairs of the house of representatives and senate committees with jurisdiction over environment policy and finance and capital investment on the grants made and projects funded under this section. For each demonstration project funded, the report must include information on the scale of water constraints for the area, the volume of treated wastewater supply supplied or storm water available, the quality of the storm water or treated wastewater supplied and treatment implications for the industrial user, impacts to stream flow and downstream users, and any considerations related to water appropriation and discharge permits.

Sec. 23. **CIVIC ENGAGEMENT AND PUBLIC EDUCATION.**

A recipient of funds appropriated in this article shall incorporate civic engagement and public

education when implementing projects and programs funded under this article.

Sec. 24. AVAILABILITY OF APPROPRIATIONS.

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation.

Sec. 25. REPEALER.

Minnesota Statutes 2010, sections 114D.30; and 114D.45, are repealed."

Delete the title and insert:

"A bill for an act relating to natural resources; appropriating money from the outdoor heritage fund; appropriating money from the clean water fund; modifying certain outdoor heritage provisions; modifying the Clean Water Legacy Act; revising the Clean Water Council; providing appointments; amending Minnesota Statutes 2010, sections 10A.01, subdivision 35; 97A.056, subdivisions 2, 3, 5, 6, 9, 10, by adding a subdivision; 114D.10; 114D.20, subdivisions 1, 2, 3, 6, 7; 114D.35; 114D.50, subdivision 6; 116.195; Laws 2009, chapter 172, article 1, section 2, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 114D; repealing Minnesota Statutes 2010, sections 84.02, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 114D.30; 114D.45."

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

Senator Limmer from the Committee on Judiciary and Public Safety, to which was referred

S.F. No. 728: A bill for an act relating to public safety; providing for a child certified as an adult to be detained in a juvenile facility prior to trial and verdict; amending Minnesota Statutes 2010, section 260B.125, subdivision 8.

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

Page 1, line 15, delete everything after "facility"

Page 1, line 16, delete everything before the period

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

Senator Limmer from the Committee on Judiciary and Public Safety, to which was referred

S.F. No. 1162: A bill for an act relating to real property; landlord and tenant; clarifying definition of a residential tenant; amending Minnesota Statutes 2010, section 504B.285, subdivision 1a.

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 2010, section 504B.285, subdivision 1a, is amended to read:

Subd. 1a. **Grounds when the person holding over is a tenant in a foreclosed residential**

property. (a) For any eviction action commenced on or before December 31, 2012, with respect to residential real property or a dwelling where the person holding the residential real property or dwelling 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 immediate 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, 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, with respect to residential real property or a dwelling 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 sooner 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 that 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 or the unit's rent is reduced or subsidized by a federal, state, or local subsidy.

(c) For any eviction action commenced on or before December 31, 2012, ~~in the case of~~ with respect to residential real property or a dwelling involving 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 that 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 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, 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."

Delete the title and insert:

"A bill for an act relating to real property; landlord and tenant; clarifying application of foreclosure provisions for residential tenants; amending Minnesota Statutes 2010, section 504B.285, subdivision 1a."

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

Senator Limmer from the Committee on Judiciary and Public Safety, to which was referred

S.F. No. 1149: A bill for an act relating to data practices; classifying data obtained for design-build transportation projects; classifying certain data related to adopt-a-highway program; classifying data related to mileage-based road users; modifying provisions related to traffic accident data; amending Minnesota Statutes 2010, sections 13.72, subdivision 11, by adding subdivisions; 169.09, subdivision 13.

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 2010, section 13.72, subdivision 11, is amended to read:

Subd. 11. **Design-build transportation project data.** (a) This subdivision applies to government data of the Department of Transportation when the Department commissioner of transportation undertakes a design-build transportation project as defined in section 161.3410, subdivision 6, the statement of qualification evaluation criteria and scoring methodology, statement of qualification evaluations, technical proposal evaluation criteria and scoring methodology, and technical proposal evaluations are classified as protected nonpublic data with regard to data not on individuals and as confidential data on individuals. The statement of qualification evaluation criteria and scoring methodology and statement of qualification evaluations are public when the Department of Transportation announces the short list of qualified contractors. The technical proposal evaluation criteria, scoring methodology, and technical proposal evaluations are public when the project is awarded.

(b) When the commissioner solicits a request for qualifications (RFQ), as defined in section 161.3410, subdivision 9:

(1) the statement of qualifications evaluation criteria and scoring methodology, identifying information concerning the members of the technical review committee, and the statement of qualifications evaluations are confidential data on individuals or protected nonpublic data; and

(2) the statement of qualifications submitted by a potential design-build firm, as defined in section 161.3410, subdivision 4, is nonpublic data.

When the commissioner announces the short list of qualified design-build firms, the statement of qualifications evaluation criteria and scoring methodology and the statement of qualifications evaluations classified under clause (1) become public data.

(c) When the commissioner solicits a request for proposals (RFP), as defined in section 161.3410, subdivision 8:

(1) the technical proposal; alternative technical concepts; preapproved elements; price proposal; disadvantaged business enterprise and equal employment opportunity submittal; and data used to evaluate the disadvantaged business enterprise and equal employment opportunity submittal, are nonpublic data; and

(2) the technical proposal evaluation criteria and scoring methodology, and technical proposal evaluations are protected nonpublic data.

(d) When the commissioner opens the price proposals under section 161.3426, subdivision 1, paragraph (b):

(1) the technical proposal evaluation scores and the dollar amounts in the price proposals become public data;

(2) the statement of qualifications submitted by a potential design-build firm; the technical proposal; alternative technical concepts; preapproved elements; the disadvantaged business enterprise and equal employment opportunity submittal; and data used to evaluate the disadvantaged business enterprise and equal employment opportunity submittal, remain nonpublic data until the project is awarded, with the exception of trade secret data as defined and classified in section 13.37; and

(3) the technical proposal evaluation criteria and scoring methodology; technical proposal evaluations, other than scores made public under clause (1); and identifying information concerning the members of the technical review committee, remain protected nonpublic data until the project is awarded.

(e) If all responses to a request for proposals are rejected before awarding the project, data that do not become public under this subdivision retain their classification until a resolicitation of the request for proposals results in award of the project or a determination is made to abandon the project. If a resolicitation of proposals does not occur within one year of the announcement of the short list of qualified design-build firms, all data under this subdivision become public."

Page 3, line 3, delete "under section 13.02, subdivision 12" and insert "on individuals"

Page 3, line 9, delete "nonpublic or private" and insert "private data on individuals or nonpublic data"

Page 3, line 11, delete everything after the period and insert "Notwithstanding section 13.03, subdivision 6, a law enforcement agency may obtain access to data that are not public under this subdivision only pursuant to a search warrant based upon probable cause."

Page 3, delete line 12

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

Senator Parry from the Committee on State Government Innovation and Veterans, to which was referred

S.F. No. 1137: A bill for an act relating to state government; authorizing designation of state agency programs as performance-based organizations; proposing coding for new law in Minnesota Statutes, chapter 15.

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

Senator Parry from the Committee on State Government Innovation and Veterans, to

which was referred

S.F. No. 361: A bill for an act relating to state government; Mitochondrial Disease Awareness Week; proposing coding for new law in Minnesota Statutes, chapter 10.

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

Senator Parry from the Committee on State Government Innovation and Veterans, to which was referred

S.F. No. 1266: A bill for an act relating to state government; making changes to state government resource recovery program; amending Minnesota Statutes 2010, section 115A.15, subdivisions 2, 9, 10; repealing Minnesota Statutes 2010, section 115A.15, subdivisions 4, 6.

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

Page 2, line 3, reinstate the stricken "by weight"

Page 2, line 10, delete "in the metropolitan area"

Page 2, line 13, strike "in the metropolitan area"

Page 2, line 26, reinstate the stricken "(b)"

Page 2, line 31, reinstate the stricken language and after "commissioner" insert "of the Pollution Control Agency"

Page 2, lines 32 to 35, reinstate the stricken language

Page 3, line 1, reinstate the stricken language

Page 3, line 2, reinstate the stricken language and delete the new language

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

Senator Parry from the Committee on State Government Innovation and Veterans, to which was referred

S.F. No. 959: A bill for an act relating to veterans; extending eligibility for the disabled veterans homestead market value exemption for surviving spouses of qualified disabled veterans, and inclusion of certain approved primary family caregivers of qualified disabled veterans; amending Minnesota Statutes 2010, section 273.13, subdivision 34.

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 2010, section 273.13, subdivision 34, is amended to read:

Subd. 34. **Homestead of disabled veteran or family caregiver.** (a) All or a portion of the market value of property owned by a veteran ~~or by the veteran and the~~ and serving as the veteran's spouse ~~qualifying for homestead classification under subdivision 22 or 23,~~ is excluded in determining the property's taxable market value if ~~it serves as the homestead of a military veteran, as defined in~~

~~section 197.447, who~~ has a service-connected disability of 70 percent or more as certified by the United States Department of Veterans Affairs. To qualify for exclusion under this subdivision, the veteran must have been honorably discharged from the United States armed forces, as indicated by United States Government Form DD214 or other official military discharge papers, ~~and must be certified by the United States Veterans Administration as having a service-connected disability.~~

(b)(1) For a disability rating of 70 percent or more, \$150,000 of market value is excluded, except as provided in clause (2); and

(2) for a total (100 percent) and permanent disability, \$300,000 of market value is excluded.

(c) If:

(1) a disabled veteran qualifying for a valuation exclusion under paragraph (b), clause (2); or

(2) a member of any branch or unit of the United States armed forces who dies due to a service connected cause while serving honorably in active service, as indicated on United States Government Form DD1300 or DD2064;

predeceases the veteran's or service member's spouse, and if upon the death of the veteran or service member the spouse holds the legal or beneficial title to the homestead and permanently resides there, the exclusion shall carry over to the benefit of the ~~veteran's~~ spouse for ~~one additional assessment year~~ the current taxes payable year and for five additional taxes payable years or until such time as the spouse remarries, or sells, transfers, or otherwise disposes of the property, whichever comes first.

(d) A surviving spouse qualifying for a market valuation exclusion under paragraph (c), clause (2), is eligible for the same level of benefit as that described in paragraph (b), clause (2).

(e) If a veteran meets the disability criteria of paragraph (a) but does not own property classified as homestead in the state of Minnesota, then the homestead of the veteran's primary family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify for under paragraph (b).

~~(f)~~ (f) In the case of an agricultural homestead, only the portion of the property consisting of the house and garage and immediately surrounding one acre of land qualifies for the valuation exclusion under this subdivision.

~~(g)~~ (g) A property qualifying for a valuation exclusion under this subdivision is not eligible for the credit under section 273.1384, subdivision 1, or classification under subdivision 22, paragraph (b).

~~(h)~~ (h) To qualify for a valuation exclusion under this subdivision a property owner must apply to the assessor by July 1 of each assessment year, except that an annual reapplication is not required once a property has been accepted for a valuation exclusion under paragraph (a) and qualifies for the benefit described in paragraph (b), clause (2), and the property continues to qualify until there is a change in ownership.

(i) A first-time application by a qualifying spouse for the market value exclusion under paragraph (c), clause (2), may be made at any time during the year of or year following the death of the veteran or service member who predeceased the spouse.

(j) For purposes of this subdivision:

(1) "active service" has the meaning given in section 190.05;

(2) "own" means that the person's name is present as an owner on the property deed;

(3) "primary family caregiver" means a person who is approved by the secretary of the United States Department of Veterans Affairs for assistance as the primary provider of personal care services for an eligible veteran under the Program of Comprehensive Assistance for Family Caregivers, as established by Public Law 111-163 and codified as United States Code, title 38, section 1720G, as amended by Congress at any time; and

(4) "veteran" has the meaning given the term in section 197.447.

(k) The purpose of this provision of law providing a level of homestead property tax relief for gravely disabled veterans, their primary family caregivers, and their surviving spouses is to help ease the burdens of war for those among our state's citizens who bear those burdens most heavily.

EFFECTIVE DATE. This section is effective for assessment year 2011 and thereafter, for taxes payable in 2012 and thereafter."

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

Senator Parry from the Committee on State Government Innovation and Veterans, to which was referred

S.F. No. 1200: A bill for an act relating to the Capitol building; establishing a State Capitol Preservation Commission; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 15B.

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

Delete everything after the enacting clause and insert:

"Section 1. **[15B.32] STATE CAPITOL PRESERVATION COMMISSION.**

Subdivision 1. **Definitions.** (a) As used in this section, the terms defined in this subdivision shall have the following meanings.

(b) "Commission" means the State Capitol Preservation Commission created under this section.

(c) "Capitol area" means the geographic area defined in section 15B.02.

(d) "Board" means the Capitol Area Architectural and Planning Board created under section 15B.03.

(e) "Predesign" has the meaning given in section 16B.335, subdivision 3, paragraph (a).

Subd. 2. **Membership.** The State Capitol Preservation Commission consists of 16 members, appointed as follows:

(1) the governor;

(2) the lieutenant governor;

(3) the attorney general;

(4) the chief justice of the Supreme Court, or the chief justice's designee, who shall be a member of the Supreme Court;

(5) the majority leader of the senate or the majority leader's designee, who shall be a member of the senate;

(6) the speaker of the house or the speaker's designee, who shall be a member of the house of representatives;

(7) two members of the senate, including one member from the majority party appointed by the majority leader and one member from the minority party appointed by the minority leader;

(8) two members of the house of representatives, including one member appointed by the speaker of the house, and one member from the minority party appointed by the minority leader;

(9) the commissioner of the Department of Administration, or the commissioner's designee;

(10) the commissioner of the Department of Public Safety, or the commissioner's designee;

(11) the executive director of the Minnesota Historical Society, or the executive director's designee;

(12) the executive secretary of the Capitol Area Architectural and Planning Board; and

(13) two public members appointed by the governor, at least one of whom is experienced in the areas of architecture, design, or construction.

Subd. 3. **Terms and compensation.** A member serving on the commission because the member or the appointing authority for the member holds an elected or appointed office shall serve on the commission as long as the member or the appointing authority holds the office.

Public members of the commission shall serve two-year terms. The public members may not serve for more than three consecutive terms.

The removal of members and filling of vacancies on the commission are as provided in section 15.059. Public members may receive compensation and expenses as provided under section 15.059, subdivision 3.

Subd. 4. **Officers and meetings.** (a) The governor is the chair of the commission. The lieutenant governor is the vice-chair of the commission and may act as the chair of the commission in the absence of the governor. The governor may designate a staff member to attend commission meetings and vote on the governor's behalf in the absence of the governor.

(b) The commission shall meet at least quarterly and at other times at the call of the chair. Meetings of the commission are subject to chapter 13D.

Subd. 5. **Administrative support.** The commission may designate an executive secretary and obtain administrative support through a contract with a state agency or other means.

Subd. 6. **Duties.** (a) The commission:

(1) shall exercise ongoing coordination of the restoration and preservation of the Capitol

building;

(2) shall consult with and advise the commissioner of administration, the board, and the Minnesota Historical Society regarding their applicable statutory responsibilities for and in the Capitol building;

(3) may assist in the selection of an architectural firm to assist in the preparation of the predesign plan for the restoration of the Capitol building;

(4) shall develop a comprehensive, multiyear, predesign plan for the restoration of the Capitol building and review the plan periodically, and, as appropriate, to amend and modify the plan. The predesign plan shall identify appropriate and required functions of the Capitol building; identify and address space requirements for legislative, executive, and judicial branch functions; and identify and address the long-term maintenance and preservation requirements of the Capitol building. In developing the predesign plan, the commission shall take into account the comprehensive plan for the Minnesota State Capitol area, as amended in 2010, the rules governing zoning and design for the Capitol area, parking, mass transit, citizen access, the tunnel system, information technology needs, energy efficiency, security, educational programs, including public and school tours, and any additional space needs for the efficient operation of state government;

(5) shall develop and implement a comprehensive financial plan to fund the preservation and restoration of the Capitol building;

(6) shall provide annual reports about the condition of the Capitol building and its needs, as well as all activities related to the restoration of the Capitol building; and

(7) may solicit gifts, grants, or donations of any kind from any private or public source to carry out the purposes of this statute. All gifts, grants, or donations received by the commission shall be deposited in a state Capitol preservation account established in the special revenue fund. Money in the account is appropriated to the commissioner of administration for the activities of the commission and implementation of the predesign plan under this section.

(b) By January 15 of each year, the commission shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over the commission regarding the activities and efforts of the commission in the preceding calendar year, including recommendations adopted by the commission, the comprehensive financial plan required under paragraph (a), clause (5), and any proposed draft legislation necessary to implement the recommendations of the commission.

Subd. 7. **Expiration.** Notwithstanding section 15.059, subdivision 5, the State Capitol Preservation Commission expires on July 1, 2015.

Sec. 2. [15B.34] CAPITOL BUILDING POWERS AND DUTIES.

The board shall:

(1) jointly, with the commissioner of administration and the Minnesota Historical Society, establish standards and policies for the repair, furnishing, appearance, cleanliness of, and change to the public and ceremonial areas of the Capitol building;

(2) review and approve plans and specifications and any changes to approved plans and specifications involving the alteration of the public and ceremonial areas and the exterior of the

Capitol building;

(3) jointly, with the Minnesota Historical Society, review and approve the design, structural composition, and location of all monuments, memorials, or works of art presently located in the public and ceremonial areas of the State Capitol, or which shall be placed in the public or ceremonial areas, in accordance with section 138.68; and

(4) assist the commission with performance of its duties as needed.

Sec. 3. [16B.2405] CAPITOL BUILDING POWERS AND DUTIES.

The commissioner, upon receipt of funding for these purposes, shall:

(1) maintain and operate the Capitol building and grounds in accordance with section 16B.24 and other applicable law;

(2) designate a project manager to oversee and manage predesign, design, and construction contracts and funding for all modifications to the Capitol building;

(3) manage design and construction projects and funding for the Capitol building, in accordance with section 16B.31 and other applicable law;

(4) lease space in the Capitol building, as provided in section 16B.24, to state agencies, constitutional officers, and the court administrator on behalf of the judicial branch, and allocate space in the Capitol building to the legislative branch as determined by the commission;

(5) provide information about the Capitol building to the commission, legislative bodies, and others as needed regarding maintenance, operation, leasing, condition assessments, design, and construction projects; and

(6) assist the commission with performance of its duties as needed.

Sec. 4. [138.70] CAPITOL BUILDING POWERS AND DUTIES.

The Minnesota Historical Society shall:

(1) assist and advise in research and preservation of historical features of the Capitol building, appropriate custodial policies, and maintaining and repairing works of art in accordance with section 138.69;

(2) jointly, with the Capitol Area Architectural and Planning Board, review and approve the design, structural composition, and location of all monuments, memorials, or works of art presently located in the public and ceremonial areas of the Capitol building, or proposed for placement in the public or ceremonial areas, in accordance with section 138.68;

(3) assist with planning and design of restoration and renovations of the Capitol building, in order to provide public access and education through public interpretive programs, in accordance with the society's statutory responsibilities under section 138.69; and

(4) assist the commission with performance of its duties as needed.

Sec. 5. STATE CAPITOL PRESERVATION COMMISSION APPOINTMENTS AND FIRST MEETING.

The appointing authorities designated in Minnesota Statutes, section 15B.32, subdivision 2, must complete their initial appointments to the commission no later than August 1, 2011. The governor, or the governor's designee, shall convene the first meeting of the commission within 30 days after the appointments required under this section have been completed.

Sec. 6. **APPROPRIATION.**

\$550,000 in fiscal year 2012 is appropriated from the arts and cultural heritage fund to the commissioner of administration for the purposes of Minnesota Statutes, section 15B.34. This appropriation is available until spent."

Amend the title numbers accordingly

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

Senator Parry from the Committee on State Government Innovation and Veterans, to which was referred

S.F. No. 327: A bill for an act relating to veterans; specifying the county in which a new veterans cemetery must be located; amending Laws 2010, chapter 333, article 2, section 23.

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

Delete everything after the enacting clause and insert:

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

Subd. 3. **Veterans Cemeteries**

1,500,000

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

to be spent in accordance with Minnesota Statutes, section 16B.307.

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

Sec. 23. PLANNING NEW VETERANS CEMETERIES.

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

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

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

- (1) determining the need for the cemetery;
- (2) investigating the availability of suitable land for the cemetery;
- (3) assessment of impacts of the cemetery;
- (4) encouragement of support from veteran service organizations and local governments; and
- (5) preparation and submission of a preapplication for a grant from the United States Department of Veterans Affairs for commitment of funding for establishing the cemetery.

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

Sec. 3. EFFECTIVE DATE.

Sections 1 and 2 are effective the day following final enactment."

Amend the title accordingly

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1093, 817, 1146, 1270, 994, 1285, 1135, 1286, 1289, 1134, 728, 1162, 1149, 361 and 1266 were read the second time.

MOTIONS AND RESOLUTION - CONTINUED

Senator Rosen moved that her name be stricken as a co-author to S.F. No. 1118. The motion prevailed.

Senator Senjem moved that S.F. No. 1046 be withdrawn from the Committee on Jobs and Economic Growth and re-referred to the Committee on State Government Innovation and Veterans. The motion prevailed.

Senator Jungbauer moved that S.F. No. 64 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Local Government and Elections. The motion prevailed.

MEMBERS EXCUSED

Senators Metzen, Scheid, Sheran and Sparks were excused from the Session of today. Senator Rest was excused from the Session of today from 10:30 to 11:10 a.m. Senators Brown and Cohen were excused from the Session of today from 10:45 to 10:55 a.m.

ADJOURNMENT

Senator Koch moved that the Senate do now adjourn until 11:00 a.m., Monday, May 2, 2011. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate