

FIFTY-EIGHTH DAY

St. Paul, Minnesota, Tuesday, May 17, 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. Bob Hart.

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Madam President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 194.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 16, 2011

Madam President:

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

S.F. No. 1130: A bill for an act relating to unemployment insurance; modifying unemployment insurance and workforce development provisions; amending Minnesota Statutes 2010, sections 116L.17, subdivision 1; 116L.561, subdivision 7; 268.035, subdivisions 4, 19a, 20, 23, 29, 32; 268.051, subdivisions 5, 6, 8; 268.057, subdivision 2; 268.07, subdivisions 2, 3b; 268.085, subdivision 3; 268.095, subdivision 10; 268.115, subdivision 1; 268.184, subdivisions 1, 1a; Laws 2009, chapter 78, article 3, section 16.

Senate File No. 1130 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 16, 2011

Senator Pederson moved that S.F. No. 1130 be laid on the table. The motion prevailed.

Madam President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 57:

H.F. No. 57: A bill for an act relating to public safety; establishing the crimes of sale or possession of synthetic cannabinoids; including a person under the influence of a synthetic cannabinoid for a driving while impaired crime; providing for a penalty; amending Minnesota Statutes 2010, sections 152.027, by adding a subdivision; 169A.20, subdivisions 1, 1a, 1b, 1c.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Kriesel, McNamara and Gauthier have been appointed as such committee on the part of the House.

House File No. 57 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 16, 2011

Senator Hall moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 57, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Madam President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 201:

H.F. No. 201: A bill for an act relating to health; limiting use of funds for state-sponsored health programs for funding abortions.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Scott, Bills and Fritz have been appointed as such committee on the part of the House.

House File No. 201 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 16, 2011

Senator Thompson moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 201, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Madam President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 936:

H.F. No. 936: A bill for an act relating to health; prohibiting abortions at or after 20 weeks postfertilization age unless certain exceptions apply; providing civil and criminal penalties; amending Minnesota Statutes 2010, section 145.4131, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 8; 145.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Holberg, LeMieur and Hosch have been appointed as such committee on the part of the House.

House File No. 936 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 16, 2011

Senator Hoffman moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 936, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Madam President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 229, 738, 1577, 392, 844, 563, 642, 1343, 1023, 1406 and 1544.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 16, 2011

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 229: A bill for an act relating to public safety; authorizing judges to prohibit certain juvenile sex offenders from residing near their victims; amending Minnesota Statutes 2010, section 260B.198, subdivision 1, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 76, now on General Orders.

H.F. No. 738: A bill for an act relating to public safety; modifying certain harassment restraining order provisions; amending Minnesota Statutes 2010, section 609.748, subdivisions 4, 5, 6.

Senator Koch moved that H.F. No. 738 be laid on the table. The motion prevailed.

H.F. No. 1577: A bill for an act relating to public safety; establishing a sex offender policy task force.

Senator Koch moved that H.F. No. 1577 be laid on the table. The motion prevailed.

H.F. No. 392: A bill for an act relating to education; modifying provisions relating to school bus safety and standards; amending Minnesota Statutes 2010, sections 169.4501, subdivisions 1, 2; 169.4503, subdivisions 5, 20, by adding subdivisions; repealing Minnesota Statutes 2010, section 169.454, subdivision 10.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 992, now on General Orders.

H.F. No. 844: A bill for an act relating to workforce development; providing for a public library adviser to the Governor's Workforce Development Council; amending Minnesota Statutes 2010, section 116L.665, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1204, now on General Orders.

H.F. No. 563: A bill for an act relating to education finance; authorizing school board to create full-service school zones; amending Minnesota Statutes 2010, sections 123B.88, by adding a subdivision; 123B.92, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 372, now on General Orders.

H.F. No. 642: 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 728, now on General Orders.

H.F. No. 1343: A bill for an act relating to civil actions; providing immunity in certain cases involving the use of school facilities for recreational activities; amending Minnesota Statutes 2010, section 466.03, subdivision 6e, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1068, now on General Orders.

H.F. No. 1023: A bill for an act relating to judiciary; modifying certain provisions relating to courts, the sharing and release of certain data, juvenile delinquency proceedings, child support calculations, protective orders, wills and trusts, property interests, protected persons and wards, receiverships, assignments for the benefit of creditors, notice regarding civil rights, and seat belts; amending Minnesota Statutes 2010, sections 13.82, by adding a subdivision; 13.84, subdivision 6; 169.686, subdivision 1; 169.79, subdivision 6; 169.797, subdivision 4; 203B.06, subdivision 3; 260B.163, subdivision 1; 260C.331, subdivision 3; 279.37, subdivision 8; 302A.753, subdivisions 2, 3; 302A.755; 302A.759, subdivision 1; 302A.761; 308A.945, subdivisions 2, 3; 308A.951; 308A.961, subdivision 1; 308A.965; 308B.935, subdivisions 2, 3; 308B.941; 308B.951, subdivision 1; 308B.955; 316.11; 317A.255, subdivision 1; 317A.753, subdivisions 3, 4; 317A.755; 317A.759, subdivision 1; 322B.836, subdivisions 2, 3; 322B.84; 357.021, subdivision 6; 359.061, subdivisions 1, 2; 462A.05, subdivision 32; 469.012, subdivision 2i; 514.69; 514.70; 518.552, by adding a subdivision; 518A.29; 518B.01, subdivision 8; 524.2-712; 524.2-1103; 524.2-1104; 524.2-1106; 524.2-1107; 524.2-1114; 524.2-1115; 524.2-1116; 524.5-502; 525.091, subdivisions 1, 3; 540.14; 559.17, subdivision 2; 576.04; 576.06; 576.08; 576.09; 576.11; 576.121; 576.123; 576.144; 576.15; 576.16; proposing coding for new law in Minnesota Statutes, chapters 5B; 201; 243; 576; 577; 630; repealing Minnesota Statutes 2010, sections 302A.759, subdivision 2; 308A.961, subdivision 2; 308B.951, subdivisions 2, 3; 317A.759, subdivision 2; 576.01; 577.01; 577.02; 577.03; 577.04; 577.05; 577.06; 577.08; 577.09; 577.10.

Senator Koch moved that H.F. No. 1023 be laid on the table. The motion prevailed.

H.F. No. 1406: 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, 5a; 144D.08; 237.50; 237.51; 237.52; 237.53; 237.54; 237.55; 237.56; 245A.03, subdivision 7; 245A.11, subdivision 8; 252.32, 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, 10; 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, subdivision 2t; 256B.438, subdivisions 1, 3, 4, by adding a subdivision; 256B.441, subdivision 55a; 256B.49, subdivisions 13, 14, 15, 21; 256B.4912; 256G.02, subdivision 6; proposing coding for

new law in Minnesota Statutes, chapter 252; repealing Minnesota Statutes 2010, section 144A.073, subdivisions 4, 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1120, now on General Orders.

H.F. No. 1544: A bill for an act relating to counties; providing a process for making certain county offices appointive in Marshall, Freeborn, and Mower Counties.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1217, now on General Orders.

REPORTS OF COMMITTEES

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

Senator Koch, from the Committee on Rules and Administration, to which was referred

H.F. No. 1467 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1467	1357				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1467 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1467, the second engrossment; and insert the language after the enacting clause of S.F. No. 1357, the second engrossment; further, delete the title of H.F. No. 1467, the second engrossment; and insert the title of S.F. No. 1357, the second engrossment.

And when so amended H.F. No. 1467 will be identical to S.F. No. 1357, and further recommends that H.F. No. 1467 be given its second reading and substituted for S.F. No. 1357, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. No. 1467 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Bakk introduced–

S.F. No. 1433: A bill for an act relating to capital investment; appropriating money for repairs to an elevator shaft in Soudan Underground Mine State Park; authorizing the sale and issuance of bonds.

Referred to the Committee on Capital Investment.

Senator Langseth introduced–

S.F. No. 1434: A bill for an act relating to property taxation; requiring the valuation notice to specifically note when a property has been reclassified from the previous assessment year; amending Minnesota Statutes 2010, section 273.121, subdivision 1.

Referred to the Committee on Taxes.

Senator Langseth introduced–

S.F. No. 1435: A bill for an act relating to youth; establishing the Minnesota Youth Council; proposing coding for new law as Minnesota Statutes, chapter 16F.

Referred to the Committee on State Government Innovation and Veterans.

Senator Langseth introduced–

S.F. No. 1436: A bill for an act relating to human services; providing for a nursing facility rate increase in Clay County and Koochiching County; amending Minnesota Statutes 2010, section 256B.434, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Senators Parry, DeKruif and Sheran introduced–

S.F. No. 1437: A bill for an act relating to transportation; governing definition and regulation of farm trucks; amending Minnesota Statutes 2010, sections 168.002, subdivision 8; 171.01, subdivision 33; 171.02, subdivision 2.

Referred to the Committee on Transportation.

MOTIONS AND RESOLUTIONS

Senator Langseth moved that the names of Senators Stumpf and Rosen be added as co-authors to S.F. No. 1428. The motion prevailed.

Senator Torres Ray moved that the name of Senator Rest be added as a co-author to S.F. No.

1431. The motion prevailed.

Senator Brown introduced –

Senate Resolution No. 85: A Senate resolution congratulating Trent Hoffer of Princeton, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senators Ingebrigtsen and Saxhaug introduced –

Senate Resolution No. 86: A Senate resolution honoring Bob Lessard on the occasion of his 80th birthday.

Referred to the Committee on Rules and Administration.

Senator Koch moved that H.F. No. 66 be taken from the table, and given a second reading. The motion prevailed.

H.F. No. 66: A bill for an act relating to the state budget; budget priorities; repealing the political contribution refund; amending Minnesota Statutes 2010, sections 270A.03, subdivision 7; 289A.50, subdivision 1; 290.01, subdivision 6; repealing Minnesota Statutes 2010, sections 10A.30; 10A.31, subdivisions 1, 3, 3a, 4, 5, 5a, 6, 6a, 7, 7a, 10, 10a, 10b, 11; 10A.315; 10A.321; 10A.322, subdivision 4; 13.4967, subdivision 2; 290.06, subdivision 23.

H.F. No. 66 was read the second time.

Senator Koch moved that H.F. No. 66 be laid on the table. The motion prevailed.

Senator Koch moved that H.F. No. 611 be taken from the table, and given a second reading. The motion prevailed.

H.F. No. 611: A bill for an act relating to economic development; creating a small business loan guarantee program; proposing coding for new law in Minnesota Statutes, chapter 116J.

H.F. No. 611 was read the second time.

Senator Koch moved that H.F. No. 611 be laid on the table. The motion prevailed.

Senator Koch moved that H.F. No. 955 be taken from the table, and given a second reading. The motion prevailed.

H.F. No. 955: A bill for an act relating to public safety; transferring responsibility for maintaining the level III predatory offender Web site from the Department of Corrections to the Bureau of Criminal Apprehension; amending Minnesota Statutes 2010, section 244.052, subdivisions 4, 4b.

H.F. No. 955 was read the second time.

Senator Koch moved that H.F. No. 955 be laid on the table. The motion prevailed.

Senator Koch moved that H.F. No. 808 be taken from the table, and given a second reading. The motion prevailed.

H.F. No. 808: A bill for an act relating to motor vehicles; providing for \$2 donation for public information and education on anatomical gifts; creating anatomical gift account; appropriating money; amending Minnesota Statutes 2010, sections 168.12, subdivision 5; 171.06, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 171.

H.F. No. 808 was read the second time.

Senator Koch moved that H.F. No. 808 be laid on the table. The motion prevailed.

Senator Koch moved that H.F. No. 1234 be taken from the table, and given a second reading. The motion prevailed.

H.F. No. 1234: A bill for an act relating to state government; requiring the commissioner of administration to issue a request for proposals and enter into a contract for strategic sourcing consulting services; appropriating money.

H.F. No. 1234 was read the second time.

Senator Koch moved that H.F. No. 1234 be laid on the table. The motion prevailed.

RECESS

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

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

APPOINTMENTS

Senator Koch from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1326: Senators Gerlach, Dahms and Scheid.

S.F. No. 1363: Senators Ingebrigtsen, Pederson, Nelson, Cohen and Hall.

H.F. No. 936: Senators Hoffman, Kubly and Gazelka.

H.F. No. 201: Senators Thompson, Hall and Stumpf.

Senator Koch moved that the foregoing appointments be approved. The motion prevailed.

RECESS

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

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

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

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

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

H.F. No. 1011: A bill for an act relating to natural resources; providing for disposition of trout and salmon management account; appropriating money; amending Minnesota Statutes 2010, section 97A.075, subdivision 3.

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

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

S.F. No. 874: A bill for an act relating to courts; authorizing the court to seek partial payment or reimbursement of costs from a party proceeding in forma pauperis; amending Minnesota Statutes 2010, section 563.01, subdivision 3.

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

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

S.F. No. 1042: A bill for an act relating to transportation; regulating driver education and driver examination related to carbon monoxide poisoning; making technical changes; amending Minnesota Statutes 2010, sections 171.0701; 171.13, subdivision 1, by adding a subdivision.

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

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

S.F. No. 1260: A bill for an act relating to local government; allowing counties to use certified public accounting firms for audits; changing certain county publication requirements; amending authority to use alcohol enforcement account funds; expanding application of qualified newspaper requirements; changing duties of Ramsey County Community Corrections Department; amending collective bargaining agreement on aggregate value of benefits; repealing bid process for certain county publications; repealing notice to commissioner of certain liquor licenses; repealing county petition for additional clerks; repealing seed and feed loan program; amending Minnesota Statutes 2010, sections 6.48; 279.09; 299A.77; 331A.11; 375.055, subdivision 1; 383A.404, by adding a subdivision; 471.6161, subdivision 5; repealing Minnesota Statutes 2010, sections 279.07; 279.08; 340A.403, subdivision 4; 382.265; 383A.404, subdivision 5; 395.14; 395.15; 395.16; 395.17; 395.18; 395.19; 395.20; 395.21; 395.22; 395.23; 395.24.

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

Page 1, delete section 1

Page 4, line 10, delete "Unless" and insert "To the extent" and delete "a" and insert "the"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete everything before "changing"

Amend the title numbers accordingly

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

SECOND READING OF SENATE BILLS

S.F. Nos. 874, 1042 and 1260 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 1011 was read the second time.

RECESS

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

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. 821, S.F. Nos. 361, 54, 1183, 530, 885, H.F. No. 724, S.F. Nos. 1270, 1266, 1234, 1205, 302, H.F. Nos. 1425 and 1426.

SPECIAL ORDER

H.F. No. 821: A bill for an act relating to higher education; changing eligibility for the senior citizen higher education program; amending Minnesota Statutes 2010, section 135A.51, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 12, as follows:

Those who voted in the affirmative were:

Bakk	Dibble	Ingebrigtsen	Miller	Sheran
Benson	Fischbach	Jungbauer	Nelson	Sieben
Berglin	Gazelka	Kelash	Newman	Skoe
Bonoff	Gerlach	Koch	Nienow	Sparks
Brown	Gimse	Kruse	Olson	Stumpf
Carlson	Goodwin	Lillie	Ortman	Thompson
Chamberlain	Hall	Limmer	Parry	Vandever
Cohen	Hann	Lourey	Pederson	Wiger
Dahms	Higgins	Magnus	Rest	Wolf
Daley	Hoffman	Metzen	Robling	
DeKruif	Howe	Michel	Senjem	

Those who voted in the negative were:

Harrington	Latz	Pappas	Saxhaug
Kubly	Marty	Pogemiller	Tomassoni
Langseth	McGuire	Reinert	Torres Ray

So the bill passed and its title was agreed to.

SPECIAL ORDER

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.

Senator Magnus moved to amend S.F. No. 361 as follows:

Page 1, after line 4, insert:

"Section 1. **LEO'S LAW.**

This act may be cited as "Leo's Law."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 361 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Brown	Dahms	Fischbach	Goodwin
Benson	Carlson	Daley	Gazelka	Hall
Berglin	Chamberlain	DeKruif	Gerlach	Hann
Bonoff	Cohen	Dibble	Gimse	Harrington

Higgins	Latz	Nelson	Rest	Thompson
Hoffman	Lillie	Newman	Robling	Tomassoni
Howe	Limmer	Nienow	Rosen	Torres Ray
Ingebrigtsen	Lourey	Olson	Saxhaug	Vandever
Jungbauer	Magnus	Ortman	Senjem	Wiger
Kelash	Marty	Pappas	Sheran	Wolf
Koch	McGuire	Parry	Sieben	
Kruse	Metzen	Pederson	Skoe	
Kubly	Michel	Pogemiller	Sparks	
Langseth	Miller	Reinert	Stumpf	

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

SPECIAL ORDER

S.F. No. 54: A bill for an act relating to claims against the state; providing for settlement of certain claims; appropriating money.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1183: A bill for an act relating to civil law; restoring state and local government tort liability limits to pre-2008 levels in certain instances; prohibiting state and local government contracts that require contractors to provide liability insurance or other security in excess of those limits; amending Minnesota Statutes 2010, sections 3.736, subdivision 4; 466.04, subdivisions 1, 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 530: A bill for an act relating to civil actions; regulating interest on verdicts, awards, and judgments; amending Minnesota Statutes 2010, section 549.09, subdivisions 1, 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bakk

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 885: A bill for an act relating to legislative enactments; correcting erroneous, ambiguous, and omitted text and obsolete references; removing redundant, conflicting, and superseded provisions; making miscellaneous corrections to laws, statutes, and rules; amending Minnesota Statutes 2010, sections 5.15; 13.04, subdivision 4a; 13.319, subdivision 1; 13.3806, by adding a subdivision; 13.381, subdivision 1; 13.411, subdivision 1; 13.4967, subdivision 1; 13.607, subdivision 1; 13.6401, subdivision 1, by adding a subdivision; 13.6905, subdivision 1, by adding

a subdivision; 13.7191, subdivision 1, by adding a subdivision; 13.785, subdivision 1; 13.7931, subdivision 1; 13.841, subdivision 1, by adding a subdivision; 13.851, subdivision 1, by adding a subdivision; 15B.24, subdivision 1; 60A.121, subdivision 5; 82.67, subdivision 3; 115A.072, subdivision 1; 115A.908, subdivision 2; 115B.25, subdivision 8; 115B.34, subdivision 1; 116W.03, subdivision 5; 120B.022, subdivision 1; 121A.15, subdivisions 8, 9; 123B.72, subdivision 3; 123B.76, subdivision 3; 125A.027, subdivision 4; 125A.29; 125A.56, subdivision 1; 127A.45, subdivision 12; 152.027, subdivision 4; 168.1293, subdivision 5; 168D.01, subdivision 4; 168D.02, subdivision 1; 169.771, subdivision 1; 174.82; 203B.06, subdivision 3; 204B.34, subdivision 1; 204C.13, subdivision 6; 205A.10, subdivision 2; 216B.1691, subdivision 5; 216B.1692, subdivisions 1, 2; 216C.01, subdivision 1a; 219.01; 239.002; 244.11, subdivision 3; 245B.031, subdivision 5; 256B.0625, subdivision 14; 260D.07; 268.046, subdivision 1; 273.054; 273.063; 273.1103; 279.33; 295.75, subdivision 9; 297I.01, subdivision 16; 299F.56, subdivisions 11, 16; 299F.57, subdivision 1; 299J.03, subdivision 2; 299M.03, subdivision 2; 326B.118; 326B.986, subdivision 4; 326B.992; 383D.411; 394.21, subdivision 3; 394.232; 462.3535, subdivisions 1, 8; 466.07, subdivision 1; 501B.16; 514.977; 515B.1-102; 517.08, subdivision 1b; 518D.314; 524.1-304; 572A.01, subdivision 1; 572A.02, subdivisions 5, 6; 572A.03, subdivision 2; 576.011, subdivision 1; 580.041, subdivision 2; 580.06, subdivision 2; 609.485, subdivision 2; 609.5314, subdivision 3; 609.902, subdivision 4; 611A.033; 628.56; 628.63; 628.68; 630.18; 631.05; Laws 2009, chapter 88, article 2, section 43; Laws 2010, chapter 184, section 18; Laws 2010, chapter 280, section 40; Laws 2010, chapter 382, section 87, subdivision 8; Laws 2010, chapter 389, article 1, sections 7; 8; 9; repealing Minnesota Statutes 2010, sections 462.3535, subdivisions 9, 10; 626.8441, subdivision 1; Laws 2006, chapter 259, article 13, section 10; Laws 2008, chapter 202, section 10; Laws 2009, chapter 82, section 2; Laws 2010, chapter 184, section 7; Laws 2010, chapter 310, article 6, section 1; article 16, section 2; Laws 2010, chapter 359, article 12, section 18; Laws 2010, chapter 392, article 1, section 6; Laws 2010, First Special Session chapter 1, article 15, section 8; Minnesota Rules, part 7890.0120, subpart 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 724: A bill for an act relating to highways; removing Route No. 332 from trunk highway system; repealing Minnesota Statutes 2010, section 161.115, subdivision 263.

Senator Howe moved to amend H.F. No. 724 as follows:

Page 1, after line 4, insert:

"Section 1. Minnesota Statutes 2010, section 161.082, is amended by adding a subdivision to read:

Subd. 4. **Turnback agreements.** The commissioner must not enter into a turnback agreement with a county until ten days after notification to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance of the terms and conditions of the agreement.

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

Sec. 2. Minnesota Statutes 2010, section 161.082, is amended by adding a subdivision to read:

Subd. 5. **Prohibition.** A turnback agreement between the commissioner and a county must prohibit the county from levying special assessments to support reconstruction, recondition, improvement, and maintenance of turnback routes for a minimum period of 20 years following execution of the agreement.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 30, as follows:

Those who voted in the affirmative were:

Benson	Gazelka	Howe	Limmer	Ortman
Brown	Gerlach	Ingebrigtsen	Magnus	Pederson
Carlson	Gimse	Jungbauer	Michel	Robling
Chamberlain	Hall	Koch	Miller	Rosen
Daley	Hann	Kruse	Newman	Saxhaug
DeKruif	Hoffman	Lillie	Nienow	Vanderveer

Those who voted in the negative were:

Bakk	Goodwin	Lourey	Reinert	Sparks
Berglin	Harrington	Marty	Rest	Stumpf
Bonoff	Kelash	McGuire	Senjem	Thompson
Cohen	Kubly	Metzen	Sheran	Tomassoni
Dahms	Langseth	Nelson	Sieben	Torres Ray
Dibble	Latz	Pogemiller	Skoe	Wiger

The motion did not prevail. So the amendment was not adopted.

H.F. No. 724 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 57 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Gerlach	Kubly	Nelson	Sheran
Benson	Gimse	Langseth	Newman	Sieben
Berglin	Goodwin	Latz	Nienow	Skoe
Brown	Hall	Lillie	Ortman	Sparks
Carlson	Hann	Limmer	Parry	Thompson
Chamberlain	Harrington	Lourey	Pederson	Tomassoni
Cohen	Hoffman	Magnus	Pogemiller	Torres Ray
Dahms	Howe	Marty	Reinert	Vandaveer
Daley	Ingebrigtsen	McGuire	Rest	Wiger
DeKruif	Jungbauer	Metzen	Rosen	
Dibble	Kelash	Michel	Saxhaug	
Gazelka	Koch	Miller	Senjem	

So the bill passed and its title was agreed to.

SPECIAL ORDER

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.

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 52 and nays 1, as follows:

Those who voted in the affirmative were:

Bakk	Gerlach	Kruse	Michel	Sheran
Benson	Gimse	Kubly	Miller	Sieben
Berglin	Hall	Langseth	Nelson	Skoe
Brown	Hann	Latz	Nienow	Sparks
Chamberlain	Harrington	Lillie	Ortman	Thompson
Cohen	Hoffman	Limmer	Pederson	Torres Ray
Dahms	Howe	Lourey	Pogemiller	Vandaveer
Daley	Ingebrigtsen	Magnus	Reinert	Wiger
DeKruif	Jungbauer	Marty	Robling	
Dibble	Kelash	McGuire	Rosen	
Gazelka	Koch	Metzen	Senjem	

Those who voted in the negative were:

Newman

So the bill passed and its title was agreed to.

SPECIAL ORDER

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.

Senator Wiger moved to amend S.F. No. 1266 as follows:

Page 2, line 13, reinstate the stricken language and after "commissioner" insert "of the Pollution Control Agency"

Page 2, line 14, reinstate the stricken "agency that the goal has not been met" and reinstate "and shall"

Page 2, lines 15 and 16, reinstate the stricken language

Page 2, line 30, delete the new language and strike the old language

Page 2, strike lines 31 to 35

Page 3, line 1, delete "(c)" and insert "(b)"

The motion prevailed. So the amendment was adopted.

S.F. No. 1266 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Gazelka	Koch	Metzen	Rosen
Benson	Gerlach	Kruse	Michel	Senjem
Berglin	Gimse	Kubly	Miller	Sheran
Brown	Hall	Langseth	Nelson	Sieben
Carlson	Hann	Latz	Newman	Skoe
Chamberlain	Harrington	Lillie	Nienow	Thompson
Cohen	Hoffman	Limmer	Ortman	Vanderveer
Dahms	Howe	Lourey	Pederson	Wiger
Daley	Ingebrigtsen	Magnus	Pogemiller	
DeKruif	Jungbauer	Marty	Reinert	
Dibble	Kelash	McGuire	Robling	

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

SPECIAL ORDER

S.F. No. 1234: A bill for an act relating to the secretary of state; simplifying certain certificates issued to business entities; modifying provisions governing certain contracts entered into by nonprofit corporations; 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; amending Minnesota Statutes 2010, sections 5.001, subdivision 2; 302A.711, subdivision 4; 302A.734, subdivision 2; 302A.751, subdivision 1; 303.08, subdivision 2; 303.17, subdivisions 2, 3, 4; 317A.255, subdivision 1; 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, chapter 323A; repealing Minnesota Statutes 2010, sections 302A.801; 302A.805; 308A.151; 317A.022, subdivision 1; 317A.801; 317A.805; 318.02, subdivision 5.

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 52 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Gazelka	Kelash	McGuire	Robling
Benson	Gerlach	Koch	Metzen	Rosen
Berglin	Gimse	Kruse	Michel	Senjem
Brown	Goodwin	Kubly	Miller	Sheran
Carlson	Hall	Langseth	Nelson	Sieben
Chamberlain	Hann	Latz	Newman	Skoe
Cohen	Harrington	Lillie	Nienow	Thompson
Dahms	Hoffman	Limmer	Ortman	Vanderveer
Daley	Howe	Lourey	Pederson	
DeKruif	Ingebrigtsen	Magnus	Pogemiller	
Dibble	Jungbauer	Marty	Reinert	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1205: A bill for an act relating to energy; eliminating certain allocations and temporarily prohibiting approval of certain expenditures from renewable development account; amending Minnesota Statutes 2010, section 116C.779, subdivisions 1, 3.

Senator Brown moved to amend S.F. No. 1205 as follows:

Page 3, after line 21, insert:

"Sec. 4. **SOLAR ELECTRIC PROJECT GRANT.**

\$955,000 must be allocated from available funds in the renewable development account for a grant to Independent School District No. 726, Becker, for the purpose of installing a solar electric project in its schools. The grant is available until January 1, 2015, and is subject to terms and conditions imposed by the public utility holding the account to ensure the grant is used for the intended purpose. The grant is not subject to approval by the Public Utilities Commission.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

S.F. No. 1205 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 52 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Benson	Berglin	Brown	Carlson
------	--------	---------	-------	---------

Chamberlain	Hall	Kubly	Michel	Rosen
Cohen	Hann	Langseth	Miller	Sheran
Dahms	Harrington	Latz	Nelson	Sieben
Daley	Hoffman	Lillie	Newman	Skoe
DeKruif	Howe	Limmer	Nienow	Thompson
Dibble	Ingebrigtsen	Lourey	Ortman	Tomassoni
Gazelka	Jungbauer	Magnus	Pederson	Vandev eer
Gerlach	Kelash	Marty	Pogemiller	
Gimse	Koch	McGuire	Reinert	
Goodwin	Kruse	Metzen	Robling	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 302: A bill for an act relating to insurance; regulating dental provider contracts and provider audits; amending Minnesota Statutes 2010, sections 62Q.76, by adding a subdivision; 62Q.78, by adding subdivisions.

Senator Vandev eer moved to amend S.F. No. 302 as follows:

Page 1, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 2010, section 62Q.78, is amended by adding a subdivision to read:

Subd. 5. **Provider audits.** (a) A dental organization that conducts audits of dental providers shall:

(1) provide a written explanation to the dental provider of the reason for the audit and the process the dental organization intends to use to audit patient charts, as well as a written explanation of the processes available to the provider once the dental organization completes its review of the audited patient records; and

(2) allow the provider a reasonable period of time from the date that the provider receives the verified audit or investigation findings to review, meet, and negotiate a resolution to the audit or investigation.

(b) If a dental organization conducts a provider audit, the dental organization must use a licensed dentist whose license is in good standing to review patient charts."

The motion prevailed. So the amendment was adopted.

S.F. No. 302 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Dahms	Goodwin	Jungbauer	Lillie
Benson	Daley	Hall	Kelash	Limmer
Berglin	DeKruif	Hann	Koch	Lourey
Brown	Dibble	Harrington	Kruse	Magnus
Carlson	Gazelka	Hoffman	Kubly	Marty
Chamberlain	Gerlach	Howe	Langseth	McGuire
Cohen	Gimse	Ingebrigtsen	Latz	Metzen

Michel
Miller
Nelson
Newman

Nienow
Ortman
Pederson
Pogemiller

Reinert
Robling
Rosen
Senjem

Sheran
Sieben
Skoe
Thompson

Tomassoni
Vandev eer

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 170 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 170

A bill for an act relating to education; requiring teacher candidates to pass basic skills exam; amending Minnesota Statutes 2010, sections 122A.09, subdivision 4; 122A.18, subdivision 2.

May 14, 2011

The Honorable Michelle L. Fischbach
President of the Senate

The Honorable Kurt Zellers
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 170 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 170 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 122A.09, subdivision 4, is amended to read:

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

(b) The board must adopt rules requiring a person to ~~successfully complete~~ pass a skills examination in reading, writing, and mathematics as a requirement for initial teacher licensure. ~~Such rules must require college and universities offering a board-approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the skills examination, including those for whom English is a second language.~~ The board must adopt rules requiring a person who enters a board-approved teacher preparation program on or after January 1, 2014, to pass a skills examination in reading, writing, and mathematics as a requirement for entering that program.

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

(d) The board must provide the leadership and shall adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes.

(e) The board must adopt rules requiring candidates for initial licenses to ~~successfully complete~~ pass an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective by September 1, 2001. The rules under this paragraph also must require candidates for initial licenses to teach prekindergarten or elementary students to ~~successfully complete~~ pass, as part of the examination of licensure-specific teaching skills, test items assessing the candidates' knowledge, skill, and ability in comprehensive, scientifically based reading instruction under section 122A.06, subdivision 4, and their knowledge and understanding of the foundations of reading development, the development of reading comprehension, and reading assessment and instruction, and their ability to integrate that knowledge and understanding.

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

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

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

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

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

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

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

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

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

Sec. 2. Minnesota Statutes 2010, section 122A.18, subdivision 2, is amended to read:

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

(b) ~~The board must require a person who enters a board-approved teacher preparation program before January 1, 2014, to successfully complete pass an examination of skills in reading, writing, and mathematics before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs. The board must require colleges and universities offering a board-approved teacher preparation program to provide remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on the skills examination, including those for whom English is a second language. The colleges and universities must provide assistance in the specific academic areas of deficiency in which the person did not achieve a qualifying score.~~ To be granted an initial teaching license, the board must require a person who enters a board-approved teacher preparation program on or after January 1, 2014, to pass an examination of skills in reading, writing, and mathematics before entering that program. The board must issue a one-year license to teach in Minnesota to an otherwise qualified person who completed a teacher preparation program outside the state of Minnesota, during which time that person must take and pass the state skills examination in reading, writing, and math. School districts ~~must provide similar, may offer~~ appropriate, and timely remedial assistance that includes a formal diagnostic component and mentoring to those persons employed by the district who completed their teacher education preparation program outside the state of Minnesota, received a one-year license to teach in Minnesota and did not achieve a qualifying score on the skills examination, including those persons for whom English is a second language. The Board of Teaching shall report annually to the education committees of the legislature on the total number of teacher candidates during the most recent school year taking the skills examination, the number who achieve a qualifying score on the examination, the number who do not achieve a qualifying score on the examination, the distribution of all candidates' scores, the number of candidates who have taken the examination at least once before, and the number of candidates who have taken the examination at least once before and achieve a qualifying score.

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

~~(1) providing evidence of participating in an approved remedial assistance program provided by a school district or postsecondary institution that includes a formal diagnostic component in the specific areas in which the licensee did not obtain qualifying scores; and~~

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

~~(d)~~ (c) The Board of Teaching must grant continuing licenses only to those persons who have

met board criteria for granting a continuing license, which includes ~~successfully completing~~ passing the skills examination in reading, writing, and mathematics.

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

Sec. 3. Minnesota Statutes 2010, section 122A.23, subdivision 2, is amended to read:

Subd. 2. Applicants licensed in other states. (a) Subject to the requirements of sections 122A.18, ~~subdivision~~ subdivisions 2, paragraph (b), and 8, and 123B.03, the Board of Teaching must issue a teaching license or a temporary teaching license under paragraphs (b) to (e) to an applicant who holds at least a baccalaureate degree from a regionally accredited college or university and holds or held a similar out-of-state teaching license that requires the applicant to successfully complete a teacher preparation program approved by the issuing state, which includes field-specific teaching methods and student teaching or essentially equivalent experience.

(b) The Board of Teaching must issue a teaching license to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license to teach the same content field and grade levels if the scope of the out-of-state license is no more than one grade level less than a similar Minnesota license.

(c) The Board of Teaching, consistent with board rules, must issue up to three one-year temporary teaching licenses to an applicant who holds or held an out-of-state teaching license to teach the same content field and grade levels, where the scope of the out-of-state license is no more than one grade level less than a similar Minnesota license, but has not successfully completed all exams and human relations preparation components required by the Board of Teaching.

(d) The Board of Teaching, consistent with board rules, must issue up to three one-year temporary teaching licenses to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license to teach the same content field and grade levels, where the scope of the out-of-state license is no more than one grade level less than a similar Minnesota license, but has not completed field-specific teaching methods or student teaching or equivalent experience.

The applicant may complete field-specific teaching methods and student teaching or equivalent experience by successfully participating in a one-year school district mentorship program consistent

with board-adopted standards of effective practice and Minnesota graduation requirements.

(e) The Board of Teaching must issue a temporary teaching license for a term of up to three years only in the content field or grade levels specified in the out-of-state license to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license where the out-of-state license is more limited in the content field or grade levels than a similar Minnesota license.

(f) The Board of Teaching must not issue to an applicant more than three one-year temporary teaching licenses under this subdivision.

(g) The Board of Teaching must not issue a license under this subdivision if the applicant has not attained the additional degrees, credentials, or licenses required in a particular licensure field."

Delete the title and insert:

"A bill for an act relating to education; requiring teacher candidates to pass basic skills exam; amending Minnesota Statutes 2010, sections 122A.09, subdivision 4; 122A.18, subdivision 2; 122A.23, subdivision 2."

We request the adoption of this report and repassage of the bill.

Senate Conferees: Theodore J. "Ted" Daley, Al D. DeKruif, Charles W. Wiger

House Conferees: Andrea Kieffer, Sondra Erickson, Kory Kath

Senator Daley moved that the foregoing recommendations and Conference Committee Report on S.F. No. 170 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 170 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Gazelka	Kelash	Metzen	Rosen
Benson	Gerlach	Koch	Michel	Senjem
Berglin	Gimse	Kruse	Miller	Sheran
Brown	Goodwin	Kubly	Nelson	Sieban
Carlson	Hall	Latz	Newman	Skoe
Chamberlain	Hann	Lillie	Nienow	Thompson
Cohen	Harrington	Limmer	Ortman	Tomassoni
Dahms	Hoffman	Lourey	Pederson	Vandevveer
Daley	Howe	Magnus	Pogemiller	
DeKruif	Ingebrigtsen	Marty	Reinert	
Dibble	Jungbauer	McGuire	Robling	

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

RECESS

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

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

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS - CONTINUED**SPECIAL ORDER**

H.F. No. 1425: A bill for an act relating to redistricting; adopting a legislative districting plan for use in 2012 and thereafter; amending Minnesota Statutes 2010, sections 2.031, subdivision 1; 2.91, subdivision 1; repealing Minnesota Statutes 2010, sections 2.031, subdivision 2; 2.444; 2.484.

Senator Rest moved that H.F. No. 1425 be re-referred to the Committee on Rules and Administration.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 28 and nays 37, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson	Gazelka	Jungbauer	Nelson	Rosen
Brown	Gerlach	Koch	Newman	Senjem
Carlson	Gimse	Kruse	Nienow	Thompson
Chamberlain	Hall	Lillie	Olson	Vanderveer
Dahms	Hann	Limmer	Ortman	Wolf
Daley	Hoffman	Magnus	Parry	
DeKruif	Howe	Michel	Pederson	
Fischbach	Ingebrigtsen	Miller	Robling	

The motion did not prevail.

CALL OF THE SENATE

Senator Rest imposed a call of the Senate for the balance of the proceedings on H.F. No. 1425. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 1425 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 36 and nays 29, as follows:

Those who voted in the affirmative were:

Benson	Gazelka	Jungbauer	Nelson	Senjem
Brown	Gerlach	Koch	Newman	Thompson
Carlson	Gimse	Kruse	Olson	Vandever
Chamberlain	Hall	Lillie	Ortman	Wolf
Dahms	Hann	Limmer	Parry	
Daley	Hoffman	Magnus	Pederson	
DeKruif	Howe	Michel	Robling	
Fischbach	Ingebrigtsen	Miller	Rosen	

Those who voted in the negative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1426: A bill for an act relating to redistricting; adopting a congressional districting plan for use in 2012 and thereafter; adopting districting principles for legislative and congressional districts; amending Minnesota Statutes 2010, sections 2.731; 2.91, subdivision 1; repealing Minnesota Statutes 2010, section 2.031, subdivision 2.

CALL OF THE SENATE

Senator Rest imposed a call of the Senate for the balance of the proceedings on H.F. No. 1426. The Sergeant at Arms was instructed to bring in the absent members.

Senator Rest moved that H.F. No. 1426 be re-referred to the Committee on Rules and Administration.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 28 and nays 36, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson	Gazelka	Koch	Newman	Senjem
Brown	Gerlach	Kruse	Nienow	Thompson
Carlson	Gimse	Lillie	Olson	Vandev eer
Chamberlain	Hall	Limmer	Ortman	Wolf
Dahms	Hoffman	Magnus	Parry	
Daley	Howe	Michel	Pederson	
DeKruif	Ingebrigtsen	Miller	Robling	
Fischbach	Jungbauer	Nelson	Rosen	

The motion did not prevail.

H.F. No. 1426 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 36 and nays 28, as follows:

Those who voted in the affirmative were:

Benson	Gazelka	Jungbauer	Nelson	Senjem
Brown	Gerlach	Koch	Newman	Thompson
Carlson	Gimse	Kruse	Olson	Vandev eer
Chamberlain	Hall	Lillie	Ortman	Wolf
Dahms	Hann	Limmer	Parry	
Daley	Hoffman	Magnus	Pederson	
DeKruif	Howe	Michel	Robling	
Fischbach	Ingebrigtsen	Miller	Rosen	

Those who voted in the negative were:

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

So the bill passed and its title was agreed to.

RECESS

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

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

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 887 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 887

A bill for an act relating to state government; appropriating money for jobs, economic development, and housing; modifying certain programs; modifying fees and licensing, registration, and continuing education provisions; amending Minnesota Statutes 2010, sections 116J.035, by adding a subdivision; 116J.8737, subdivisions 1, 2, 4; 116L.04, subdivision 1; 181.723, subdivision 5; 182.6553, subdivision 6; 326B.04, subdivision 2; 326B.091; 326B.098; 326B.13, subdivision 8; 326B.148, subdivision 1; 326B.42, subdivisions 8, 9, 10, by adding subdivisions; 326B.435, subdivision 2; 326B.438; 326B.46, subdivisions 1a, 1b, 2, 3; 326B.47, subdivisions 1, 3; 326B.49, subdivision 1; 326B.56, subdivision 1; 326B.58; 326B.82, subdivisions 2, 3, 7, 9; 326B.821, subdivisions 1, 5, 5a, 6, 7, 8, 9, 10, 11, 12, 15, 16, 18, 19, 20, 22, 23; 326B.865; 326B.89, subdivisions 6, 8; 327.32, subdivisions 1a, 1b, 1e; 327.33, subdivisions 1, 2; 341.321; Laws 2009, chapter 78, article 1, section 18; proposing coding for new law in Minnesota Statutes, chapter 326B; repealing Minnesota Statutes 2010, sections 326B.82, subdivisions 4, 6; 326B.821, subdivision 3.

May 16, 2011

The Honorable Michelle L. Fischbach
President of the Senate

The Honorable Kurt Zellers
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 887 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 887 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1**JOBS, ECONOMIC DEVELOPMENT, AND HOUSING APPROPRIATIONS****Section 1. JOBS, ECONOMIC DEVELOPMENT, AND HOUSING APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		<u>2012</u>		<u>2013</u>		<u>Total</u>
<u>General</u>	\$	<u>78,059,000</u>	\$	<u>76,016,000</u>	\$	<u>154,075,000</u>
<u>Workforce Development</u>		<u>15,815,000</u>		<u>15,787,000</u>		<u>31,602,000</u>
<u>Remediation</u>		<u>700,000</u>		<u>700,000</u>		<u>1,400,000</u>
<u>Workers' Compensation</u>		<u>22,574,000</u>		<u>22,574,000</u>		<u>45,148,000</u>
Total	\$	<u>117,148,000</u>	\$	<u>115,077,000</u>	\$	<u>232,225,000</u>

Sec. 2. JOBS, ECONOMIC DEVELOPMENT, AND HOUSING.

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 general fund, or another

is \$325,000 each year beginning in fiscal year 2014 and thereafter.

(c) \$150,000 the first year is from the general fund for a grant to WomenVenture for women's business development programs and for programs that encourage and assist women to enter nontraditional careers in the trades; manual and technical occupations; science, technology, engineering, and mathematics-related occupations; and green jobs. This appropriation may be matched dollar for dollar with any resources available from the federal government for these purposes with priority given to initiatives that have a goal of increasing by at least ten percent the number of women in occupations where women currently comprise less than 25 percent of the workforce. This is a onetime appropriation.

(d) \$79,000 the first year is from the general fund and \$42,000 the first year is from the workforce development fund for a grant to the Metropolitan Economic Development Association for continuing minority business development programs in the metropolitan area. This appropriation must be used for the sole purpose of providing free or reduced fee business consulting services to minority entrepreneurs and contractors. This is a onetime appropriation.

(e)(1) \$425,000 the first year is a onetime appropriation from the general fund for a grant to BioBusiness Alliance of Minnesota for bioscience business development programs to promote and position the state as a global leader in bioscience business activities. These funds may be used to create, recruit, retain, and expand biobusiness activity in Minnesota; implement the destination 2025 statewide plan; update a statewide assessment of the bioscience industry and the competitive position of Minnesota-based bioscience businesses relative to other states and other nations; and develop and implement business and

scenario-planning models to create, recruit, retain, and expand biobusiness activity in Minnesota.

(2) The BioBusiness Alliance must report each year by February 15 to the committees of the house of representatives and the senate having jurisdiction over bioscience industry activity in Minnesota on the use of funds; the number of bioscience businesses and jobs created, recruited, retained, or expanded in the state since the last reporting period; the competitive position of the biobusiness industry; and utilization rates and results of the business and scenario-planning models and outcomes resulting from utilization of the business and scenario-planning models.

(f) \$37,000 the first year is from the general fund for a grant to the Minnesota Inventors Congress, of which at least \$3,700 must be used for youth inventors. This is a onetime appropriation.

(g)(1) \$85,000 the first year is from the workforce development fund for a grant under Minnesota Statutes, section 116J.421, to the Rural Policy and Development Center at St. Peter, Minnesota. The grant shall be used for research and policy analysis on emerging economic and social issues in rural Minnesota, to serve as a policy resource center for rural Minnesota communities, to encourage collaboration across higher education institutions, to provide interdisciplinary team approaches to research and problem-solving in rural communities, and to administer overall operations of the center. This is a onetime appropriation.

(2) The grant shall be provided upon the condition that each state-appropriated dollar be matched with a nonstate dollar. Acceptable matching funds are nonstate contributions that the center has received and have not been used to match previous state grants. Any funds not spent the first year are available the

second year.

(h) \$189,000 the first year is for entrepreneur and small business development direct professional business assistance in Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Watonwan, and Waseca Counties. These services must include, but are not limited to, preventure assistance for individuals considering starting a business. Funds must be awarded to an organization or organizations that can demonstrate leverage of at least an equal amount of federal funds. Any balance in the first year does not cancel but is available in the second year. The grant recipient must report to the commissioner by February 1 of each year that the organization receives a grant with the number of customers served; the amount of direct consulting hours delivered; the number of new businesses started; the amount of capital accessed for business start-up or expansion; and the number of jobs created and retained in each county. The commissioner must report to the house of representatives and senate committees with jurisdiction over economic development finance on the effectiveness of these programs for assisting in the development of entrepreneurs and small businesses. This is a onetime appropriation.

(i) \$691,000 the second year is from the general fund and \$288,000 the second year is from the workforce development fund for the business development competitive grant pilot program.

(1) The commissioner shall develop and implement a competitive grant program for business development assistance and services including, but not limited to: minority business development, women's business development, rural business development, bioscience business development, and services to inventors. Of this amount, up to five percent is for administration and monitoring of the business development competitive grant program.

(2) The commissioner must report to the legislative committees having jurisdiction over economic development issues by January 10 each year on the following: methodologies and processes for soliciting and evaluating grant proposals; criteria and methodology for selecting grant recipients; methods and procedures for monitoring the use of grant awards including expenditures for administrative expenses by grant recipients; and methods for measuring outcomes and accomplishments of grant recipients including but not limited to the total number of new jobs created by each grant recipient, average wage of new jobs created, amount of private funds leveraged, number of new businesses created and the number of new jobs per business, return on investment to the state, and ongoing solicitation and feedback from interested parties regarding ongoing improvement and enhancement to the competitive grant program. The commissioner must also report on department expenditures related to the administration and monitoring of grants under this subdivision.

<u>Subd. 3. Workforce Development</u>	<u>44,206,000</u>	<u>42,056,000</u>
<u>Appropriations by Fund</u>		
<u>General</u>	<u>29,581,000</u>	<u>27,431,000</u>
<u>Workforce Development</u>	<u>14,625,000</u>	<u>14,625,000</u>

(a) \$3,872,000 each year is from the general fund for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until spent.

(b) \$10,800,000 the first year and \$8,800,000 the second year are from the general fund for the state's vocational rehabilitation program under Minnesota Statutes, chapter 268A.

(c) \$5,928,000 the first year and \$5,778,000

the second year are from the general fund for the state services for the blind activities.

(d) \$2,150,000 each year is from the general fund for grants to centers for independent living under Minnesota Statutes, section 268A.11.

(e) \$315,000 the first year is from the general fund and \$89,000 the first year is from the workforce development fund for a grant under Minnesota Statutes, section 116J.8747, to Twin Cities RISE! to provide training to hard-to-train individuals. Funds unexpended in the first year are available for expenditure in the second year. This is a onetime appropriation.

(f) \$100,000 the first year is from the general fund and \$42,000 the first year is from the workforce development fund for a grant to Northern Connections in Perham to implement and operate a workforce program that provides one-stop supportive services to individuals as they transition into the workforce. This is a onetime appropriation.

(g) \$4,722,000 each year is from the general fund and \$6,761,000 each year is from the workforce development fund for extended employment services for persons with severe disabilities or related conditions under Minnesota Statutes, section 268A.15. Of the general fund appropriation, \$125,000 each year is to supplement funds paid for wage incentives for the community support fund established in Minnesota Rules, part 3300.2045.

(h) \$1,479,000 each year is from the general fund for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. Grants may be used for special projects for young people with mental illness transitioning from school to work and people with serious mental illness receiving services through a mental health court or civil commitment

court. Special projects must demonstrate interagency collaboration.

(i) \$135,000 the first year is from the general fund and \$149,000 the first year is from the workforce development fund for a grant under Minnesota Statutes, section 268A.03, to Rise, Inc. for the Minnesota Employment Center for People Who are Deaf or Hard of Hearing. Money not expended the first year is available the second year. This is a onetime appropriation.

(j) \$80,000 the first year is from the general fund and \$170,000 the first year is from the workforce development fund for a grant to Lifetrack Resources for its immigrant and refugee collaborative program, including those related to job-seeking skills and workplace orientation, intensive job development, functional work English, and on-site job coaching. This appropriation may also be used in Rochester. This is a onetime appropriation.

(k) \$1,169,000 the first year is from the workforce development fund for the Opportunities Industrialization Center programs. The OIC state council must not be colocated with the Department of Employment and Economic Development. Of this amount, \$3,000 may be used for relocation expenses. This is a onetime appropriation.

(l) \$630,000 the second year is from the general fund and \$1,619,000 the second year is from the workforce development fund for the adult workforce development competitive grant pilot program.

(1) The commissioner in consultation with the Governor's Workforce Development Council shall develop and implement a competitive grant program for adult workforce development activities including, but not limited to: job training, job search, job placement, preemployment and job readiness skills, employment-related self-advocacy

skills, employment services targeted to people who are deaf or hard of hearing, and transition to work from public assistance. Of this amount, up to five percent is for administration and monitoring of the adult workforce development competitive grant pilot program.

(2) The commissioner must report to the legislative committees having jurisdiction over economic development issues by January 10 each year on the following: methodologies and processes for soliciting and evaluating grant proposals; criteria and methodology for selecting grant recipients; methods and procedures for monitoring the use of grant awards including expenditures for administrative expenses by grant recipients; and methods for measuring outcomes and accomplishments of grant recipients including but not limited to the total number of job placements by each grant recipient, average wage of jobs in which clients served by grant recipients are placed, specific job skills developed and measures of improved employability or employment opportunities by the clients of the grant recipients, amount of private funds leveraged, return on investment to the state, and ongoing solicitation and feedback from interested parties regarding ongoing improvement and enhancement to the competitive grant program. The commissioner must also report on department expenditures related to the administration and monitoring of grants under this subdivision.

(m) \$2,975,000 the first year is a onetime appropriation from the workforce development fund for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561.

(n) \$765,000 the first year is a onetime appropriation from the workforce development fund for grants for the Minneapolis summer youth employment program. The commissioner shall establish

criteria for awarding the grant.

(o) \$255,000 the first year is from the workforce development fund for a grant to the Minneapolis learn-to-earn summer youth employment program. This is a onetime appropriation.

(p) \$637,000 the first year is a onetime appropriation from the workforce development fund for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth jobs skills development. This project, which may have career guidance components, including health and life skills, is to encourage, train, and assist youth in job-seeking skills, workplace orientation, and job-site knowledge through coaching. This grant requires a 25 percent match from nonstate resources.

(q) \$474,000 the first year is a onetime appropriation from the workforce development fund for grants to fund summer youth employment in St. Paul. The commissioner shall establish criteria for awarding the grant.

(r) \$850,000 the first year is a onetime appropriation from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366.

(s) \$289,000 the first year is a onetime appropriation from the workforce development fund for grants to provide interpreters for a regional transition program that specializes in providing culturally appropriate transition services leading to employment for deaf, hard-of-hearing, and deafblind students.

(t) \$6,245,000 the second year is from the workforce development fund for the youth workforce development competitive grant pilot program.

(1) The commissioner in consultation with the

Governor's Workforce Development Council shall develop and implement a competitive grant program to provide workforce development activities and training to youth in Minnesota. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant pilot program.

(2) The commissioner must report to the legislative committees having jurisdiction over economic development issues by January 10 each year on the following: methodologies and processes for soliciting and evaluating grant proposals; criteria and methodology for selecting grant recipients; methods and procedures for monitoring the use of grant awards including expenditures for administrative expenses by grant recipients; and methods for measuring outcomes and accomplishments of grant recipients including but not limited to the total number of youth served by each grant recipient, number of job placements, job search, training or placement services, education or other employment-related services, employment-related self-advocacy skills, preemployment skill development, average wage of jobs, amount of private funds leveraged, return on investment to the state, and ongoing solicitation and feedback from interested parties regarding ongoing improvement and enhancement to the competitive grant program. The commissioner must also report on department expenditures related to the administration and monitoring of grants under this subdivision.

(3) In awarding grants under this subdivision, consideration must be given to programs that target deaf, hard of hearing, and deaf/blind students.

<u>Subd. 4. State-Funded Administration</u>	<u>858,000</u>	<u>858,000</u>
 <u>Sec. 4. HOUSING FINANCE AGENCY</u>		
<u>Subdivision 1. Total Appropriation</u>	<u>\$ 37,897,000</u>	<u>\$ 37,897,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

This appropriation is for transfer to the housing development fund for the programs specified. Except as otherwise indicated, this transfer is part of the agency's permanent budget base.

<u>Subd. 2. Challenge Program</u>	<u>6,955,000</u>	<u>6,955,000</u>
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For the economic development and housing challenge program under Minnesota Statutes, section 462A.33. Of this amount, \$1,208,000 each year shall be made available during the first eight months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians in the first eight months of the fiscal year shall be available for any eligible activity under Minnesota Statutes, section 462A.33.

<u>Subd. 3. Housing Trust Fund</u>	<u>9,555,000</u>	<u>9,555,000</u>
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For deposit in the housing trust fund account, for the purposes provided under Minnesota Statutes, section 462A.201.

<u>Subd. 4. Rental Assistance for Mentally Ill</u>	<u>2,638,000</u>	<u>2,638,000</u>
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For the rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097.

<u>Subd. 5. Family Homeless Prevention</u>	<u>7,465,000</u>	<u>7,465,000</u>
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For the family homeless prevention and assistance programs under Minnesota Statutes, section 462A.204.

<u>Subd. 6. Home Ownership Assistance Fund</u>	<u>797,000</u>	<u>797,000</u>
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For the home ownership assistance program under Minnesota Statutes, section 462A.21, subdivision 8.

Subd. 7. Affordable Rental Investment Fund7,313,0007,313,000

(a) For the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b. The appropriation is to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39.

(b) The owner of federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. The owner must also enter into an agreement that gives local units of government, housing and redevelopment authorities, and nonprofit housing organizations the right of first refusal if the rental property is offered for sale. Priority must be given among comparable federally assisted rental properties to properties with the longest remaining term under an agreement for federal assistance. Priority must also be given among comparable rental housing developments to developments that are or will be owned by local government units, a housing and redevelopment authority, or a nonprofit housing organization.

(c) The appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties. For purposes of this subdivision, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

Subd. 8. Housing Rehabilitation2,449,0002,449,000

For the housing rehabilitation program under Minnesota Statutes, section 462A.05, subdivision 14, for rental housing

developments.

Subd. 9. Homeownership Education, Counseling, and Training

600,000

600,000

For the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209. Notwithstanding Minnesota Statutes, section 462A.209, subdivision 7, paragraph (b), more than one-half of the funds awarded for foreclosure prevention and assistance activities may be used for mortgage or financial counseling services.

Subd. 10. Capacity-Building Grants

125,000

125,000

For nonprofit capacity-building grants under Minnesota Statutes, section 462A.21, subdivision 3b.

Sec. 5. DEPARTMENT OF LABOR AND INDUSTRY

Subdivision 1. Total Appropriation

\$

22,545,000

\$

22,545,000

Appropriations by Fund

	<u>2012</u>	<u>2013</u>
<u>General</u>	<u>800,000</u>	<u>800,000</u>
<u>Workers' Compensation</u>	<u>20,871,000</u>	<u>20,871,000</u>
<u>Workforce Development</u>	<u>874,000</u>	<u>874,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Workers' Compensation

14,832,000

14,832,000

This appropriation is from the workers' compensation fund.

\$200,000 each year is for grants to the Vinland Center for rehabilitation services. Grants shall be distributed as the department refers injured workers to the Vinland Center for rehabilitation services.

<u>Subd. 3. Labor Standards and Apprenticeship</u>	<u>1,674,000</u>	<u>1,674,000</u>
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Appropriations by Fund

General	<u>800,000</u>	<u>800,000</u>
Workforce Development	<u>874,000</u>	<u>874,000</u>

(a) \$800,000 each year is from the general fund for the labor standards and apprenticeship program.

(b) \$747,000 each year is appropriated from the workforce development fund for the apprenticeship program under Minnesota Statutes, chapter 178, and includes \$85,000 for labor education and advancement program grants and to expand and promote registered apprenticeship training in nonconstruction trade programs.

(c) \$127,000 each year is appropriated from the workforce development fund for prevailing wage enforcement.

<u>Subd. 4. General Support</u>	<u>6,039,000</u>	<u>6,039,000</u>
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This appropriation is from the workers' compensation fund.

Sec. 6. BUREAU OF MEDIATION SERVICES

<u>Subdivision 1. Total Appropriation</u>	<u>\$ 1,525,000</u>	<u>\$ 1,525,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Mediation Services</u>	<u>1,471,000</u>	<u>1,471,000</u>
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<u>Subd. 3. Labor Management Cooperation Grants</u>	<u>54,000</u>	<u>54,000</u>
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\$54,000 each year is for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

Sec. 7. WORKERS' COMPENSATION COURT
OF APPEALS

\$ 1,703,000 \$ 1,703,000

This appropriation is from the workers'
compensation fund.

Sec. 8. BOARD OF ACCOUNTANCY

\$ 480,000 \$ 480,000

Sec. 9. BOARD OF ARCHITECTURE,
ENGINEERING, LAND SURVEYING,
LANDSCAPE ARCHITECTURE, GEOSCIENCE,
AND INTERIOR DESIGN

\$ 774,000 \$ 774,000

Sec. 10. BOARD OF COSMETOLOGIST
EXAMINERS

\$ 1,046,000 \$ 1,046,000

Sec. 11. BOARD OF BARBER EXAMINERS

\$ 257,000 \$ 257,000

Sec. 12. MINNESOTA SCIENCE AND
TECHNOLOGY AUTHORITY

\$ -0- \$ 107,000

Sec. 13. TRANSFERS

The unexpended balance, estimated to
be \$1,575,000, of funds collected for
unemployment insurance state administration
under Minnesota Statutes, section 268.18,
subdivision 2, is transferred to the general
fund.

ARTICLE 2

MISCELLANEOUS ECONOMIC DEVELOPMENT PROVISIONS

Section 1. Minnesota Statutes 2010, section 115C.08, subdivision 4, is amended to read:

Subd. 4. **Expenditures.** (a) Money in the fund may only be spent:

- (1) to administer the petroleum tank release cleanup program established in this chapter;
- (2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;
- (3) for costs of recovering expenses of corrective actions under section 115C.04;
- (4) for training, certification, and rulemaking under sections 116.46 to 116.50;
- (5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks;

(6) for reimbursement of the environmental response, compensation, and compliance account under subdivision 5 and section 115B.26, subdivision 4;

(7) for administrative and staff costs as set by the board to administer the petroleum tank release program established in this chapter;

(8) for corrective action performance audits under section 115C.093;

(9) for contamination cleanup grants, as provided in paragraph (c);

(10) to assess and remove abandoned underground storage tanks under section 115C.094 and, if a release is discovered, to pay for the specific consultant and contractor services costs necessary to complete the tank removal project, including, but not limited to, excavation soil sampling, groundwater sampling, soil disposal, and completion of an excavation report; and

(11) for property acquisition by the agency when the agency has determined that purchasing a property where a release has occurred is the most appropriate corrective action. The acquisition of all properties is subject to approval by the board.

(b) Except as provided in paragraph (c), money in the fund is appropriated to the board to make reimbursements or payments under this section.

(c) In fiscal years 2010 and 2011, \$3,700,000 is annually appropriated from the fund to the commissioner of employment and economic development for contamination cleanup grants under section 116J.554. Beginning in fiscal year 2012 and each year thereafter, \$6,200,000 is annually appropriated from the fund to the commissioner of employment and economic development for contamination cleanup grants under section 116J.554. Of this amount, the commissioner may spend up to \$225,000 annually for administration of the contamination cleanup grant program and up to \$800,000 annually for the purposes of section 116J.554 without regard to the requirements of clauses (1) and (2) of this paragraph. The appropriation does not cancel and is available until expended. The appropriation shall not be withdrawn from the fund nor the fund balance reduced until the funds are requested by the commissioner of employment and economic development. The commissioner shall schedule requests for withdrawals from the fund to minimize the necessity to impose the fee authorized by subdivision 2. Unless otherwise provided, the appropriation in this paragraph may be used for:

(1) project costs at a qualifying site if a portion of the cleanup costs are attributable to petroleum contamination or new and used tar and tar-like substances, including but not limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits in the earth or are distillates, fractions, or residues from the processing of petroleum crude or petroleum products as defined in section 296A.01; and

(2) the costs of performing contamination investigation if there is a reasonable basis to suspect the contamination is attributable to petroleum or new and used tar and tar-like substances, including but not limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits in the earth or are distillates, fractions, or residues from the processing of petroleum crude or petroleum products as defined in section 296A.01.

Sec. 2. Minnesota Statutes 2010, section 116J.035, is amended by adding a subdivision to read:

Subd. 7. **Monitoring pass-through grant recipients.** The commissioner shall monitor the activities and outcomes of programs and services funded by legislative appropriations and administered by the department on a pass-through basis. Unless amounts are otherwise appropriated for administrative costs, the commissioner may retain up to five percent of the amount appropriated to the department for grants to pass-through entities. Amounts retained are deposited to a special revenue account and are appropriated to the commissioner for costs incurred in administering and monitoring the pass-through grants.

Sec. 3. Minnesota Statutes 2010, section 116J.551, subdivision 1, is amended to read:

Subdivision 1. **Grant account.** A contaminated site cleanup and development grant account is created in the special revenue fund, general fund, petroleum tank fund, and remediation fund. Money in ~~the~~ any account may be used, as appropriated by law, to make grants as provided in section 116J.554 and to pay for the commissioner's costs in reviewing applications and making grants. Notwithstanding section 16A.28, money appropriated to the ~~account~~ accounts for this program from any source is available until spent.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2010.

Sec. 4. **[116J.881] SMALL BUSINESS LOAN GUARANTEE PROGRAM.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Borrower" means a small business receiving an eligible loan under this section.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Eligible loan" means a loan to a small business to be used for business purposes exclusively in Minnesota, including: construction; remodeling or renovation; leasehold improvements; the purchase of land and buildings; business acquisitions, including employee stock ownership plan financing; machinery or equipment purchases, maintenance, or repair; expenses related to moving into or within Minnesota; and working capital when the working capital is secured by fixed assets.

(e) "Loan guarantee" means a guarantee of 70 percent of the loan amount provided by a QED lender. The guaranteed portion of the loan must not exceed \$1,500,000.

(f) "Loan guarantee trust fund" means a dedicated fund established under this section for the purpose of compensation for defaulted loan guarantees and for program administration.

(g) "Loan purchaser" means an institutional investor that purchases, holds, and services small business loans on a nonrecourse basis from QED lenders participating in the small business loan guarantee program.

(h) "Qualified economic development lender" or "QED lender" means a public entity or a private nonprofit economic development organization whose headquarters is located in Minnesota with not less than three years of active lending experience that provides financing to small businesses in partnership with banks and other commercial lenders, and that originates subordinated loans to small businesses for sale to the secondary market.

(i) "Secondary market" means the market in which loans are sold to investors, either directly or through an intermediary.

(j) "Small business" means a business employing no more than 500 persons in Minnesota.

(k) "Subordinated loan" means a loan secured by a lien that is lower in priority than one or more specified other liens.

Subd. 2. **Loan guarantee program.** A small business loan guarantee program to support the origination and sale of eligible subordinated loans to the secondary market by providing a credit enhancement in the form of a partial guarantee of small business loans that are made to Minnesota businesses by a QED lender is created in the Department of Employment and Economic Development. A loan guarantee shall be provided for eligible loans under this section only when a bank or other commercial lender provides at least 50 percent of the total amount loaned to the small business. The loan guarantee shall apply only to the portion of the loan that was made by the QED lender.

Subd. 3. **Required provisions.** Loan guarantees under this section for loans to be sold on the secondary market by QED lenders shall provide that:

(1) principal and interest payments made by the borrower under the terms of the loan are applied by the loan purchaser to reduce the guaranteed and nonguaranteed portion of the loan on a proportionate basis. The nonguaranteed portion shall not receive preferential treatment over the guaranteed portion;

(2) the loan purchaser shall not accelerate repayment of the loan or exercise other remedies if the borrower defaults, unless:

(i) the borrower fails to make a required payment of principal or interest;

(ii) the commissioner consents in writing; or

(iii) the loan guarantee agreement provides for accelerated repayment or other remedies.

In the event of a default, the loan purchaser may not make a demand for payment pursuant to the guarantee unless the commissioner agrees in writing that the default has materially affected the rights or security of the parties, and finds that the loan purchaser is entitled to receive payment pursuant to the loan guarantee;

(3) there is a written commitment from one or more secondary market investors to purchase the loan, subject to the provision of a state loan guarantee;

(4) the QED lender has timely prepared and delivered to the commissioner, annually by the date specified in the loan guarantee, an audited or reviewed financial statement for the loan, prepared by a certified public accountant according to generally accepted accounting principles, and documentation that the borrower used the loan proceeds solely for purposes of its Minnesota operations;

(5) the commissioner has access to the original loan documents prior to approval of the state credit enhancement to facilitate the sale of the loan to the secondary market;

(6) the QED lender maintains adequate records and documents concerning the original loan so that the commissioner may determine the borrower's financial condition and compliance with program requirements; and

(7) orderly liquidation of collateral securing the original loan is provided for in the event of default, with an option on the part of the commissioner to acquire the loan purchaser's interest in the assets pursuant to the loan guarantee.

Subd. 4. **Loan guarantee trust fund established.** A loan guarantee trust fund account in the special revenue fund is created in the state treasury to pay for defaulted loan guarantees. The commissioner shall administer this fund and provide annual reports concerning the performance of the fund to the chairs of the standing committees of the house of representatives and senate having jurisdiction over economic development issues.

Subd. 5. **Limitation.** At no time shall total outstanding loan guarantees for loans sold to the secondary market exceed five times the amount on deposit in the loan guarantee trust fund.

Subd. 6. **Guarantee fee.** Participating QED lenders shall pay a fee to the fund of 0.25 percent of the principal amount of each guaranteed loan upon approval of each loan guarantee. The guarantee fee, along with any interest earnings from the trust fund, shall be used only for the administration of the small business loan guarantee program and as additional loan loss reserves.

Subd. 7. **Loan guarantee application.** The commissioner shall prepare a form for QED lenders to use in applying for loan guarantees under this section. The form shall include the following information:

(1) the name and contact information for the QED lender, including the name and title of a contact person;

(2) the names of the financial institutions, including the names and titles of contact persons, that are participating in the total financing being provided to the small business borrower, along with the dollar amount of the loan provided by the financial institution;

(3) the percentage and dollar amount of the subordinated debt loan provided to the Minnesota small business by the QED lender; and

(4) the loan guarantee amount that is requested from the program.

Subd. 8. **Notice and application process.** Subject to the availability of funds under subdivision 4, the commissioner shall publish a notice regarding the opportunity for QED lenders to originate loans for which the loan guarantee may be secured as the loans are prepared for sale to the secondary market. The commissioner shall decide whether to provide a loan guarantee for each loan based on:

(1) the completeness of the loan guarantee application;

(2) the availability of funds in the loan guarantee trust fund; and

(3) execution of agreements that satisfy requirements established in subdivision 3.

Sec. 5. Minnesota Statutes 2010, section 268.18, subdivision 2, is amended to read:

Subd. 2. Overpayment because of fraud. (a) Any applicant who receives unemployment benefits by knowingly misrepresenting, misstating, or failing to disclose any material fact, or who makes a false statement or representation without a good faith belief as to the correctness of the statement or representation, has committed fraud. After the discovery of facts indicating fraud, the commissioner must make a determination that the applicant obtained unemployment benefits by

fraud and that the applicant must promptly repay the unemployment benefits to the trust fund. In addition, the commissioner must assess a penalty equal to 40 percent of the amount fraudulently obtained. This penalty is in addition to penalties under section 268.182.

(b) Unless the applicant files an appeal within 20 calendar days after the sending of the determination of overpayment by fraud to the applicant by mail or electronic transmission, the determination is final. Proceedings on the appeal are conducted in accordance with section 268.105.

(c) If the applicant fails to repay the unemployment benefits, penalty, and interest assessed, the total due may be collected by the methods allowed under state and federal law. A determination of overpayment by fraud must state the methods of collection the commissioner may use to recover the overpayment. Money received in repayment of fraudulently obtained unemployment benefits, penalties, and interest is first applied to the unemployment benefits overpaid, then to the penalty amount due, then to any interest due. ~~62.5 percent of the~~ Payments made toward the penalty are credited to the contingent account ~~and 37.5 percent credited to the administration account.~~

(d) If an applicant has been overpaid unemployment benefits under the law of another state because of fraud and that state certifies that the applicant is liable to repay the unemployment benefits and requests the commissioner to recover the overpayment, the commissioner may offset from future unemployment benefits otherwise payable the amount of overpayment.

(e) Unemployment benefits paid for weeks more than four years before the date of a determination of overpayment by fraud issued under this subdivision are not considered overpaid unemployment benefits.

Sec. 6. Minnesota Statutes 2010, section 268.18, subdivision 2b, is amended to read:

Subd. 2b. **Interest.** (a) On any unemployment benefits fraudulently obtained, and any penalty amounts assessed under subdivision 2, the commissioner must assess interest at the rate of 1-1/2 percent per month on any amount that remains unpaid beginning 30 calendar days after the date of the determination of overpayment by fraud. A determination of overpayment by fraud must state that interest will be assessed.

(b) If the determination did not state that interest will be assessed, interest is assessed beginning 30 calendar days after notification, by mail or electronic transmission, to the applicant that interest is now assessed.

(c) Interest payments under this section are credited to the ~~administration~~ contingent account.

Sec. 7. Minnesota Statutes 2010, section 268.199, is amended to read:

268.199 CONTINGENT ACCOUNT.

(a) There is created in the state treasury a special account, to be known as the contingent account, ~~that does not lapse nor revert to any other fund or account.~~ This account consists of all money collected under this chapter that is required to be placed in this account and any interest earned on the account. ~~All money in this account is appropriated and available for administration of the Minnesota unemployment insurance program unless otherwise appropriated by session law.~~

(b) All money in this account must be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for the other special accounts

in the state treasury.

(c) Beginning in fiscal year 2012 and each fiscal year thereafter, all money in the account shall be transferred to the general fund before the closing of the fiscal year.

Sec. 8. Minnesota Statutes 2010, section 268A.15, subdivision 4, is amended to read:

Subd. 4. **Evaluation.** The commissioner of employment and economic development shall evaluate the extended employment program to determine whether the purpose of extended employment as defined in subdivision 2 is being achieved. The evaluation must include information for the preceding funding year derived from the independent compliance audits of extended employment service providers submitted to the department on or before October 31 of each year. The evaluation must include an assessment of whether workers in the extended employment program are satisfied with their employment. A written report of this evaluation must be prepared at least every two years and made available to the public.

Sec. 9. Minnesota Statutes 2010, section 298.17, is amended to read:

298.17 OCCUPATION TAXES TO BE APPORTIONED.

All occupation taxes paid by persons, copartnerships, companies, joint stock companies, corporations, and associations, however or for whatever purpose organized, engaged in the business of mining or producing iron ore or other ores, when collected shall be apportioned and distributed in accordance with the Constitution of the state of Minnesota, article X, section 3, in the manner following: 90 percent shall be deposited in the state treasury and credited to the general fund of which four-ninths shall be used for the support of elementary and secondary schools; and ten percent of the proceeds of the tax imposed by this section shall be deposited in the state treasury and credited to the general fund for the general support of the university. Of the moneys apportioned to the general fund by this section there is annually appropriated and credited to the Iron Range Resources and Rehabilitation Board account in the special revenue fund an amount equal to that which would have been generated by a ~~1.5~~ .75 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year, to be expended for the purposes of section 298.22. The money appropriated pursuant to this section shall be used (1) to provide environmental development grants to local governments located within any county in region 3 as defined in governor's executive order number 60, issued on June 12, 1970, which does not contain a municipality qualifying pursuant to section 273.134, paragraph (b), or (2) to provide economic development loans or grants to businesses located within any such county, provided that the county board or an advisory group appointed by the county board to provide recommendations on economic development shall make recommendations to the Iron Range Resources and Rehabilitation Board regarding the loans. Payment to the Iron Range Resources and Rehabilitation Board account shall be made by May 15 annually.

Of the money allocated to Koochiching County, one-third must be paid to the Koochiching County Economic Development Commission.

Sec. 10. Minnesota Statutes 2010, section 341.321, is amended to read:

341.321 FEE SCHEDULE.

(a) The fee schedule for professional licenses issued by the commission is as follows:

- (1) referees, ~~\$25~~ \$45 for each initial license and each renewal;
- (2) promoters, \$400 for each initial license and each renewal;
- (3) judges and knockdown judges, ~~\$25~~ \$45 for each initial license and each renewal;
- (4) trainers, ~~\$25~~ \$45 for each initial license and each renewal;
- (5) ring announcers, ~~\$25~~ \$45 for each initial license and each renewal;
- (6) seconds, ~~\$25~~ \$45 for each initial license and each renewal;
- (7) timekeepers, ~~\$25~~ \$45 for each initial license and each renewal;
- (8) combatants, ~~\$25~~ \$45 for each initial license and each renewal;
- (9) managers, ~~\$25~~ \$45 for each initial license and each renewal; and
- (10) ringside physicians, ~~\$25~~ \$45 for each initial license and each renewal.

In addition to the license fee and the late filing penalty fee in section 341.32, subdivision 2, if applicable, an individual who applies for a ~~combatant~~ professional license on the same day the combative sporting event is held shall pay a late fee of \$100 plus the original license fee of \$45 at the time the application is submitted.

(b) The fee schedule for amateur licenses issued by the commission is as follows:

- (1) referees, ~~\$10~~ \$45 for each initial license and each renewal;
- (2) promoters, ~~\$100~~ \$400 for each initial license and each renewal;
- (3) judges and knockdown judges, ~~\$10~~ \$45 for each initial license and each renewal;
- (4) trainers, ~~\$10~~ \$45 for each initial license and each renewal;
- (5) ring announcers, ~~\$10~~ \$45 for each initial license and each renewal;
- (6) seconds, ~~\$10~~ \$45 for each initial license and each renewal;
- (7) timekeepers, ~~\$10~~ \$45 for each initial license and each renewal;
- (8) combatant, ~~\$10~~ \$25 for each initial license and each renewal;
- (9) managers, ~~\$10~~ \$45 for each initial license and each renewal; and
- (10) ringside physicians, ~~\$10~~ \$45 for each initial license and each renewal.

(c) The commission shall establish a contest fee for each combative sport contest. The professional combative sport contest fee is \$1,500 per event or not more than four percent of the gross ticket sales, whichever is greater, as determined by the commission when the combative sport contest is scheduled, except that the amateur combative sport contest fee shall be ~~\$150~~ \$500 or not more than four percent of the gross ticket sales, whichever is greater. The commission shall consider the size and type of venue when establishing a contest fee. The commission may establish the maximum number of complimentary tickets allowed for each event by rule. ~~A~~ A professional or amateur combative sport contest fee is nonrefundable.

(d) All fees and penalties collected by the commission must be deposited in the commission account in the special revenue fund.

Sec. 11. Laws 2009, chapter 78, article 1, section 18, is amended to read:

Sec. 18. **COMBATIVE SPORTS COMMISSION** \$ **80,000** \$ **80,000**

~~This is a onetime appropriation. The Combative Sports Commission expires on July 1, 2011, unless the commissioner of finance determines that the commission's projected expenditures for the fiscal biennium ending June 30, 2013, will not exceed the commission's projected revenues for the fiscal biennium ending June 30, 2013, from fees and penalties authorized in Minnesota Statutes 2008, chapter 341.~~

ARTICLE 3

LABOR AND INDUSTRY

Section 1. Minnesota Statutes 2010, section 181.723, subdivision 5, is amended to read:

Subd. 5. **Application.** To obtain an independent contractor exemption certificate, the individual must submit, in the manner prescribed by the commissioner, a complete application and the certificate fee required under subdivision 14.

(a) A complete application must include all of the following information:

- (1) the individual's full name;
- (2) the individual's residence address and telephone number;
- (3) the individual's business name, address, and telephone number;
- (4) the services for which the individual is seeking an independent contractor exemption certificate;
- (5) the individual's Social Security number;
- (6) the individual's or the individual's business federal employer identification number, if a number has been issued to the individual or the individual's business;
- (7) any information or documentation that the commissioner requires by rule that will assist the department in determining whether to grant or deny the individual's application; and
- (8) the individual's sworn statement that the individual meets all of the following conditions:
 - (i) maintains a separate business with the individual's own office, equipment, materials, and other facilities;
 - (ii) holds or has applied for a federal employer identification number or has filed business

or self-employment income tax returns with the federal Internal Revenue Service if the person has performed services in the previous year for which the individual is seeking the independent contractor exemption certificate;

(iii) operates under contracts to perform specific services for specific amounts of money and under which the individual controls the means of performing the services;

(iv) incurs the main expenses related to the service that the individual performs under contract;

(v) is responsible for the satisfactory completion of services that the individual contracts to perform and is liable for a failure to complete the service;

(vi) receives compensation for service performed under a contract on a commission or per-job or competitive bid basis and not on any other basis;

(vii) may realize a profit or suffer a loss under contracts to perform service;

(viii) has continuing or recurring business liabilities or obligations; and

(ix) the success or failure of the individual's business depends on the relationship of business receipts to expenditures.

(b) Individuals who are applying for or renewing a residential building contractor or residential remodeler license under sections 326B.197, 326B.802, 326B.805, 326B.81, 326B.815, 326B.821 to 326B.86, 326B.87 to 326B.885, and 327B.041, and any rules promulgated pursuant thereto, may simultaneously apply for or renew an independent contractor exemption certificate. The commissioner shall create an application form that allows for the simultaneous application for both a residential building contractor or residential remodeler license and an independent contractor exemption certificate. If individuals simultaneously apply for or renew a residential building contractor or residential remodeler license and an independent contractor exemption certificate using the form created by the commissioner, individuals shall only be required to provide, in addition to the information required by section 326B.83 and rules promulgated pursuant thereto, the sworn statement required by paragraph (a), clause (8), and any additional information required by this subdivision that is not also required by section 326B.83 and any rules promulgated thereto. ~~When individuals submit a simultaneous application on the form created by the commissioner for both a residential building contractor or residential remodeler license and an independent contractor exemption certificate, the application fee shall be \$150.~~ An independent contractor exemption certificate that is in effect before March 1, 2009, shall remain in effect until March 1, 2013, unless revoked by the commissioner or canceled by the individual.

(c) Within 30 days of receiving a complete application and the certificate fee, the commissioner must either grant or deny the application. The commissioner may deny an application for an independent contractor exemption certificate if the individual has not submitted a complete application and certificate fee or if the individual does not meet all of the conditions for holding the independent contractor exemption certificate. The commissioner may revoke an independent contractor exemption certificate if the commissioner determines that the individual no longer meets all of the conditions for holding the independent contractor exemption certificate, commits any of the actions set out in subdivision 7, or fails to cooperate with a department investigation into the continued validity of the individual's certificate. Once issued, an independent contractor exemption certificate remains in effect for four years unless:

- (1) revoked by the commissioner; or
- (2) canceled by the individual.

(d) If the department denies an individual's original or renewal application for an independent contractor exemption certificate or revokes an independent contractor exemption certificate, the commissioner shall issue to the individual an order denying or revoking the certificate. The commissioner may issue an administrative penalty order to an individual or person who commits any of the actions set out in subdivision 7. The commissioner may file and enforce the unpaid portion of a penalty as a judgment in district court without further notice or additional proceedings.

(e) An individual or person to whom the commissioner issues an order under paragraph (d) shall have 30 days after service of the order to request a hearing. The request for hearing must be in writing and must be served on or faxed to the commissioner at the address or facsimile number specified in the order by the 30th day after service of the order. If the individual does not request a hearing or if the individual's request for a hearing is not served on or faxed to the commissioner by the 30th day after service of the order, the order shall become a final order of the commissioner and will not be subject to review by any court or agency. The date on which a request for hearing is served by mail shall be the postmark date on the envelope in which the request for hearing is mailed. If the individual serves or faxes a timely request for hearing, the hearing shall be a contested case hearing and shall be held in accordance with chapter 14.

Sec. 2. Minnesota Statutes 2010, section 182.6553, subdivision 6, is amended to read:

Subd. 6. **Enforcement.** This section shall be enforced by the commissioner under ~~section~~ sections 182.66 and 182.661. A violation of this section is subject to the penalties provided under section 182.666.

Sec. 3. Minnesota Statutes 2010, section 326B.04, subdivision 2, is amended to read:

Subd. 2. **Deposits.** Unless otherwise specifically designated by law: (1) all money collected under sections 144.122, paragraph (f); 181.723; 326B.092 to 326B.096; 326B.101 to 326B.194; 326B.197; 326B.32 to 326B.399; 326B.43 to 326B.49; 326B.52 to 326B.59; 326B.802 to 326B.885; 326B.90 to 326B.998; 327.31 to 327.36; and 327B.01 to 327B.12, except penalties, is credited to the construction code fund; (2) all fees collected under ~~section 45.23~~ sections 326B.098 to 326B.099 in connection with continuing education for ~~residential contractors, residential remodelers, and residential roofers~~ any license, registration, or certificate issued pursuant to this chapter are credited to the construction code fund; and (3) all penalties assessed under the sections set forth in clauses (1) and (2) and all penalties assessed under sections 144.99 to 144.993 in connection with any violation of sections 326B.43 to 326B.49 or 326B.52 to 326B.59 or the rules adopted under those sections are credited to the assigned risk safety account established by section 79.253.

Sec. 4. Minnesota Statutes 2010, section 326B.091, is amended to read:

326B.091 DEFINITIONS.

Subdivision 1. **Applicability.** For purposes of sections 326B.091 to ~~326B.098~~ 326B.099, the terms defined in this section have the meanings given them.

Subd. 2. **Applicant.** "Applicant" means a person who has submitted to the department an

application for a an initial or renewal license.

Subd. 3. **License.** "License" means any registration, certification, or other form of approval authorized by this chapter 326B and chapter 327B to be issued by the commissioner or department as a condition of doing business or conducting a trade, profession, or occupation in Minnesota. License includes specifically but not exclusively an authorization issued by the commissioner or department: to perform electrical work, plumbing or water conditioning work, high pressure piping work, or residential building work of a residential contractor, residential remodeler, or residential roofer; to install manufactured housing; to serve as a building official; or to operate a boiler or boat.

Subd. 4. **Licensee.** "Licensee" means the person named on the license as the person authorized to do business or conduct the trade, profession, or occupation in Minnesota.

Subd. 5. **Notification date.** "Notification date" means the date of the written notification from the department to an applicant that the applicant is qualified to take the examination required for licensure.

Subd. 5b. **Qualifying individual.** "Qualifying individual" means the individual responsible for obtaining continuing education on behalf of a residential building contractor, residential remodeler, or residential roofer licensed pursuant to sections 326B.801 to 326B.885.

Subd. 6. **Renewal deadline.** "Renewal deadline," when used with respect to a license, means 30 days before the date that the license expires.

Sec. 5. Minnesota Statutes 2010, section 326B.098, is amended to read:

326B.098 CONTINUING EDUCATION.

Subdivision 1. **Applicability Department seminars.** This section applies to seminars offered by the department for the purpose of allowing enabling licensees to meet continuing education requirements for license renewal.

Subd. 2. **Rescheduling.** An individual who is registered with the department to attend a seminar may reschedule one time only, to attend the same seminar on a date within one year after the date of the seminar the individual was registered to attend.

Subd. 3. **Fees nonrefundable.** All seminar fees paid to the department are nonrefundable except for any overpayment of fees or if the department cancels the seminar.

Sec. 6. 326B.0981] CONTINUING EDUCATION; NONDEPARTMENT SEMINARS.

This section applies to seminars that are offered by an entity other than the department for the purpose of enabling licensees to meet continuing education requirements for license renewal.

Sec. 7. Minnesota Statutes 2010, section 326B.13, subdivision 8, is amended to read:

Subd. 8. **Effective date of rules.** A rule to adopt or amend the State Building Code is effective 180 days after the filing of the rule with the secretary of state under section 14.16 or 14.26 publication of the rule's notice of adoption in the State Register. The rule may provide for a later effective date. The rule may provide for an earlier effective date if the commissioner or board proposing the rule finds that an earlier effective date is necessary to protect public health and safety after considering, among other things, the need for time for training of individuals to comply with and enforce the

rule.

Sec. 8. Minnesota Statutes 2010, section 326B.148, subdivision 1, is amended to read:

Subdivision 1. **Computation.** To defray the costs of administering sections 326B.101 to 326B.194, a surcharge is imposed on all permits issued by municipalities in connection with the construction of or addition or alteration to buildings and equipment or appurtenances after June 30, 1971. The commissioner may use any surplus in surcharge receipts to award grants for code research and development and education.

If the fee for the permit issued is fixed in amount the surcharge is equivalent to one-half mill (.0005) of the fee or 50 cents, except that effective July 1, 2010, until June 30, ~~2011~~ 2013, the permit surcharge is equivalent to one-half mill (.0005) of the fee or \$5, whichever amount is greater. For all other permits, the surcharge is as follows:

(1) if the valuation of the structure, addition, or alteration is \$1,000,000 or less, the surcharge is equivalent to one-half mill (.0005) of the valuation of the structure, addition, or alteration;

(2) if the valuation is greater than \$1,000,000, the surcharge is \$500 plus two-fifths mill (.0004) of the value between \$1,000,000 and \$2,000,000;

(3) if the valuation is greater than \$2,000,000, the surcharge is \$900 plus three-tenths mill (.0003) of the value between \$2,000,000 and \$3,000,000;

(4) if the valuation is greater than \$3,000,000, the surcharge is \$1,200 plus one-fifth mill (.0002) of the value between \$3,000,000 and \$4,000,000;

(5) if the valuation is greater than \$4,000,000, the surcharge is \$1,400 plus one-tenth mill (.0001) of the value between \$4,000,000 and \$5,000,000; and

(6) if the valuation exceeds \$5,000,000, the surcharge is \$1,500 plus one-twentieth mill (.00005) of the value that exceeds \$5,000,000.

Sec. 9. Minnesota Statutes 2010, section 326B.42, is amended by adding a subdivision to read:

Subd. 1b. **Backflow prevention rebuilder.** A "backflow prevention rebuilder" is an individual who is qualified by training prescribed by the Plumbing Board and possesses a master or journeyman plumber's license to engage in the testing, maintenance, and rebuilding of reduced pressure zone type backflow prevention assemblies as regulated by the plumbing code.

Sec. 10. Minnesota Statutes 2010, section 326B.42, is amended by adding a subdivision to read:

Subd. 1c. **Backflow prevention tester.** A "backflow prevention tester" is an individual who is qualified by training prescribed by the Plumbing Board to engage in the testing of reduced pressure zone type backflow prevention assemblies as regulated by the plumbing code.

Sec. 11. Minnesota Statutes 2010, section 326B.42, subdivision 8, is amended to read:

Subd. 8. **Plumbing contractor.** "Plumbing contractor" means a licensed contractor whose responsible licensed plumber individual is a licensed master plumber.

Sec. 12. Minnesota Statutes 2010, section 326B.42, subdivision 9, is amended to read:

Subd. 9. **Responsible licensed plumber individual.** A contractor's "responsible licensed plumber individual" means the licensed master plumber or licensed restricted master plumber designated in writing by the contractor in the contractor's license application, or in another manner acceptable to the commissioner, as the individual responsible for the contractor's compliance with sections 326B.41 to 326B.49, all rules adopted under these sections and sections 326B.50 to 326B.59, and all orders issued under section 326B.082.

Sec. 13. Minnesota Statutes 2010, section 326B.42, subdivision 10, is amended to read:

Subd. 10. **Restricted plumbing contractor.** "Restricted plumbing contractor" means a licensed contractor whose responsible licensed plumber individual is a licensed restricted master plumber.

Sec. 14. Minnesota Statutes 2010, section 326B.435, subdivision 2, is amended to read:

Subd. 2. **Powers; duties; administrative support.** (a) The board shall have the power to:

(1) elect its chair, vice-chair, and secretary;

(2) adopt bylaws that specify the duties of its officers, the meeting dates of the board, and containing such other provisions as may be useful and necessary for the efficient conduct of the business of the board;

(3) adopt the plumbing code that must be followed in this state and any plumbing code amendments thereto. The plumbing code shall include the minimum standards described in sections 326B.43, subdivision 1, and 326B.52, subdivision 1. The board shall adopt the plumbing code and any amendments thereto pursuant to chapter 14 and as provided in subdivision 6, paragraphs (b), (c), and (d);

(4) review requests for final interpretations and issue final interpretations as provided in section 326B.127, subdivision 5;

(5) adopt rules that regulate the licensure, certification, or registration of plumbing contractors, journeymen, unlicensed individuals, master plumbers, restricted master plumbers, restricted journeymen, restricted plumbing contractors, backflow prevention rebuilders and testers, water conditioning contractors, and water conditioning installers, and other persons engaged in the design, installation, and alteration of plumbing systems or engaged in or working at the business of water conditioning installation or service, or engaged in or working at the business of medical gas system installation, maintenance, or repair, except for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e) and (f);

(6) adopt rules that regulate continuing education for individuals licensed as master plumbers, journeyman plumbers, restricted master plumbers, restricted journeyman plumbers, water conditioning contractors, and water conditioning installers, and for individuals certified under sections 326B.437 and 326B.438. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e) and (f);

(7) refer complaints or other communications to the commissioner, whether oral or written, as provided in subdivision 8, that allege or imply a violation of a statute, rule, or order that the commissioner has the authority to enforce pertaining to code compliance, licensure, or an offering to perform or performance of unlicensed plumbing services;

- (8) approve per diem and expenses deemed necessary for its members as provided in subdivision 3;
- (9) approve license reciprocity agreements;
- (10) select from its members individuals to serve on any other state advisory council, board, or committee; and
- (11) recommend the fees for licenses, registrations, and certifications.

Except for the powers granted to the Plumbing Board, the Board of Electricity, and the Board of High Pressure Piping Systems, the commissioner of labor and industry shall administer and enforce the provisions of this chapter and any rules promulgated pursuant thereto.

(b) The board shall comply with section 15.0597, subdivisions 2 and 4.

(c) The commissioner shall coordinate the board's rulemaking and recommendations with the recommendations and rulemaking conducted by the other boards created pursuant to this chapter. The commissioner shall provide staff support to the board. The support includes professional, legal, technical, and clerical staff necessary to perform rulemaking and other duties assigned to the board. The commissioner of labor and industry shall supply necessary office space and supplies to assist the board in its duties.

Sec. 15. [326B.437] REDUCED PRESSURE BACKFLOW PREVENTION REBUILDERS AND TESTERS.

(a) No person shall perform or offer to perform the installation, maintenance, repair, replacement, or rebuilding of reduced pressure zone backflow prevention assemblies unless the person obtains a plumbing contractor's license. An individual shall not engage in the testing, maintenance, repair, or rebuilding of reduced pressure zone backflow prevention assemblies, as regulated by the Plumbing Code, unless the individual is certified by the commissioner as a backflow prevention rebuilder.

(b) An individual shall not engage in testing of a reduced pressure zone backflow prevention assembly, as regulated by the Plumbing Code, unless the individual possesses a backflow prevention rebuilder certificate or is certified by the commissioner as a backflow prevention tester.

(c) Certificates are issued for an initial period of two years and must be renewed every two years thereafter for as long as the certificate holder installs, maintains, repairs, rebuilds, or tests reduced pressure zone backflow prevention assemblies. For purposes of calculating fees under section 326B.092, an initial or renewed backflow prevention rebuilder or tester certificate shall be considered an entry level license.

(d) The Plumbing Board shall adopt expedited rules under section 14.389 that are related to the certification of backflow prevention rebuilders and backflow prevention testers. Section 326B.13, subdivision 8, does not apply to these rules. Notwithstanding the 18-month limitation under section 14.125, this authority expires on December 31, 2014.

(e) The department shall recognize certification programs that are a minimum of 16 contact hours and include the passage of an examination. The examination must consist of a practical and a written component. This paragraph expires when the Plumbing Board adopts rules under paragraph (d).

Sec. 16. Minnesota Statutes 2010, section 326B.438, is amended to read:

326B.438 MEDICAL GAS SYSTEMS.

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

(b) "Medical gas" means medical gas as defined under the National Fire Protection Association NFPA 99C Standard on Gas and Vacuum Systems.

(c) "Medical gas system" means a level 1, 2, or 3 piped medical gas and vacuum system as defined under the National Fire Protection Association NFPA 99C Standard on Gas and Vacuum Systems.

Subd. 2. **License and certification required.** ~~A No person shall perform or offer to perform the installation, maintenance, or repair of medical gas systems unless the person obtains a contractor license. An individual shall not engage in the installation, maintenance, or repair of a medical gas system unless the person individual possesses a current Minnesota master or journeyman plumber's license and is certified by the commissioner under rules adopted by the Minnesota Plumbing Board. The certification must be renewed annually biennially for as long as the certificate holder engages in the installation, maintenance, or repair of medical gas and vacuum systems. If a medical gas and vacuum system certificate is not renewed within 12 months after its expiration the medical gas and vacuum certificate is permanently forfeited.~~

Subd. 3. **Exemptions.** ~~(a) A person~~ An individual who on August 1, 2010, holds ~~possesses a valid certificate authorized by meeting the requirements of the American Society of Sanitary Engineering (ASSE) Standard 6010 and is a qualified brazer in accordance with standards recommended by the provisions required in the National Fire Protection Association under NFPA (NFPA) 99C is exempt from the licensing requirements of subdivision 2 and may install, maintain, and repair a medical gas system. This exemption applies only if the person individual maintains a valid certification authorized by the ASSE in accordance with ASSE Standard 6010 and the brazer qualifications in NFPA 99C, and is certified by the commissioner under rules adopted by the Minnesota Plumbing Board.~~

~~(b) A person who on August 1, 2010, possesses a current Minnesota master or journeyman plumber's license and a valid certificate authorized by the ASSE in accordance with standards recommended by the National Fire Protection Association under NFPA 99C is exempt from the requirements of subdivision 2 and may install, maintain, and repair a medical gas system. This exemption applies only if a person maintains a valid Minnesota master or journeyman plumber's license and valid certification authorized by the ASSE.~~

Subd. 4. **Fees.** ~~The fee for a medical gas certificate~~ For the purpose of calculating fees under section 326B.092, an initial or renewed medical gas certificate issued by the commissioner according to subdivision 2 is \$30 per year shall be considered a journeyman level license.

EFFECTIVE DATE. The requirement under subdivision 2 and subdivision 3 that a master journeyman plumber or exempt individual must be certified by the commissioner and the fee in subdivision 4 are not effective until 180 days after the Minnesota Plumbing Board adopts rules.

Sec. 17. Minnesota Statutes 2010, section 326B.46, subdivision 1, is amended to read:

Subdivision 1. **License required.** (a) No individual shall engage in or work at the business of a master plumber, restricted master plumber, journeyman plumber, and restricted journeyman plumber unless licensed to do so by the commissioner. A license is not required for individuals performing building sewer or water service installation who have completed pipe laying training as prescribed by the commissioner. A master plumber may also work as a journeyman plumber, a restricted journeyman plumber, and a restricted master plumber. A journeyman plumber may also work as a restricted journeyman plumber. Anyone not so licensed may do plumbing work which complies with the provisions of the minimum standards prescribed by the Plumbing Board on premises or that part of premises owned and actually occupied by the worker as a residence, unless otherwise forbidden to do so by a local ordinance.

(b) No person shall engage in the business of planning, superintending, or installing plumbing or shall install plumbing in connection with the dealing in and selling of plumbing material and supplies unless at all times a licensed master plumber, or in cities and towns with a population of fewer than 5,000 according to the last federal census, a restricted master plumber, who shall be responsible for proper installation, is in charge of the plumbing work of the person.

(c) Except as provided in subdivision 2 1a, no person shall perform or offer to perform plumbing work with or without compensation unless the person obtains a contractor's license. A contractor's license does not of itself qualify its holder to perform the plumbing work authorized by holding a master, journeyman, restricted master, or restricted journeyman license.

Sec. 18. Minnesota Statutes 2010, section 326B.46, subdivision 1a, is amended to read:

Subd. 1a. **Exemptions from licensing.** (a) An individual without a contractor license may do plumbing work on the individual's residence in accordance with subdivision 1, paragraph (a).

(b) An individual who is an employee working on the maintenance and repair of plumbing equipment, apparatus, or facilities owned or leased by the individual's employer and which is within the limits of property owned or leased, and operated or maintained by the individual's employer, shall not be required to maintain a contractor license as long as the employer has on file with the commissioner a current certificate of responsible ~~person~~. ~~The certificate must be signed by the responsible individual.~~ The responsible individual must be a master plumber or, in an area of the state that is not a city or town with a population of more than 5,000 according to the last federal census, a restricted master plumber. The certificate must be signed by the responsible individual and must state that the person signing the certificate is responsible for ensuring that the maintenance and repair work performed by the employer's employees ~~comply~~ complies with sections 326B.41 to 326B.49, all rules adopted under those sections and sections 326B.50 to 326B.59, and all orders issued under section 326B.082. The employer must pay a filing fee to file a certificate of responsible ~~person~~ individual with the commissioner. The certificate shall expire two years from the date of filing. In order to maintain a current certificate of responsible ~~person~~ individual, the employer must resubmit a certificate of responsible ~~person~~ individual, with a filing fee, no later than two years from the date of the previous submittal. The filing of the certificate of responsible ~~person~~ individual does not exempt any employee of the employer from the requirements of this chapter regarding individual licensing as a plumber or registration as a plumber's apprentice.

(c) If a contractor employs a licensed plumber, the licensed plumber does not need a separate contractor license to perform plumbing work on behalf of the employer within the scope of the licensed plumber's license.

(d) A person may perform and offer to perform building sewer or water service installation without a contractor's license if the person is in compliance with the bond and insurance requirements of subdivision 2.

Sec. 19. Minnesota Statutes 2010, section 326B.46, subdivision 1b, is amended to read:

Subd. 1b. Employment of master plumber or restricted master plumber. (a) Each contractor must designate a responsible licensed plumber, who shall be responsible for the performance of all plumbing work in accordance with sections 326B.41 to 326B.49, all rules adopted under these sections and sections 326B.50 to 326B.59, and all orders issued under section 326B.082. A plumbing contractor's responsible ~~licensed plumber~~ individual must be a master plumber. A restricted plumbing contractor's responsible ~~licensed plumber~~ individual must be a master plumber or a restricted master plumber. A plumbing contractor license authorizes the contractor to offer to perform and, through licensed and registered individuals, to perform plumbing work in all areas of the state. A restricted plumbing contractor license authorizes the contractor to offer to perform and, through licensed and registered individuals, to perform plumbing work in all areas of the state except in cities and towns with a population of more than 5,000 according to the last federal census.

(b) If the contractor is an individual or sole proprietorship, the responsible licensed ~~plumber~~ individual must be the individual, proprietor, or managing employee. If the contractor is a partnership, the responsible licensed ~~plumber~~ individual must be a general partner or managing employee. If the contractor is a limited liability company, the responsible licensed ~~plumber~~ individual must be a chief manager or managing employee. If the contractor is a corporation, the responsible licensed ~~plumber~~ individual must be an officer or managing employee. If the responsible licensed ~~plumber~~ individual is a managing employee, the responsible licensed ~~plumber~~ individual must be actively engaged in performing plumbing work on behalf of the contractor, and cannot be employed in any capacity as a plumber for any other contractor. An individual may be the responsible licensed ~~plumber~~ individual for only one contractor.

(c) All applications and renewals for contractor licenses shall include a verified statement that the applicant or licensee has complied with this subdivision.

Sec. 20. Minnesota Statutes 2010, section 326B.46, subdivision 2, is amended to read:

Subd. 2. Bond; insurance. ~~As a condition of licensing, each contractor~~ (a) The bond and insurance requirements of paragraphs (b) and (c) apply to each person who performs or offers to perform plumbing work within the state, including any person who offers to perform or performs sewer or water service installation without a contractor's license. If the person performs or offers to perform any plumbing work other than sewer or water service installation, then the person must meet the requirements of paragraphs (b) and (c) as a condition of holding a contractor's license.

(b) Each person who performs or offers to perform plumbing work within the state shall give and maintain bond to the state in the amount of at least \$25,000 for (1) all plumbing work entered into within the state or (2) all plumbing work and subsurface sewage treatment work entered into within the state. If the bond is for both plumbing work and subsurface sewage treatment work, the bond must comply with the requirements of this section and section 115.56, subdivision 2, paragraph (e). The bond shall be for the benefit of persons injured or suffering financial loss by reason of failure to comply with the requirements of the State Plumbing Code and, if the bond is for both plumbing work and subsurface sewage treatment work, financial loss by reason of failure to comply with the requirements of sections 115.55 and 115.56. The bond shall be filed with the commissioner and shall

be written by a corporate surety licensed to do business in the state.

~~In addition, as a condition of licensing, each contractor~~ (c) Each person who performs or offers to perform plumbing work within the state shall have and maintain in effect public liability insurance, including products liability insurance with limits of at least \$50,000 per person and \$100,000 per occurrence and property damage insurance with limits of at least \$10,000. The insurance shall be written by an insurer licensed to do business in the state of Minnesota and. Each licensed master plumber person who performs or offers to perform plumbing work within the state shall maintain on file with the commissioner a certificate evidencing the insurance. In the event of a policy cancellation, the insurer shall send written notice to the commissioner at the same time that a cancellation request is received from or a notice is sent to the insured.

Sec. 21. Minnesota Statutes 2010, section 326B.46, subdivision 3, is amended to read:

Subd. 3. **Bond and insurance exemption.** ~~If a master plumber or restricted master plumber person who is in compliance with the bond and insurance requirements of subdivision 2, employs a licensed plumber, the~~ or an individual who has completed pipe laying training as prescribed by the commissioner, that employee plumber shall not be required to meet the bond and insurance requirements of subdivision 2. An individual who is an employee working on the maintenance and repair of plumbing equipment, apparatus, or facilities owned or leased by the individual's employer and which is within the limits of property owned or leased, and operated or maintained by the individual's employer, shall not be required to meet the bond and insurance requirements of subdivision 2.

Sec. 22. Minnesota Statutes 2010, section 326B.47, subdivision 1, is amended to read:

Subdivision 1. **Registration; supervision; records.** (a) All unlicensed individuals, other than plumber's apprentices and individuals who have completed pipe laying training as prescribed by the commissioner, must be registered under subdivision 3.

(b) A plumber's apprentice or registered unlicensed individual is authorized to assist in the installation of plumbing only while under the direct supervision of a master, restricted master, journeyman, or restricted journeyman plumber. The master, restricted master, journeyman, or restricted journeyman plumber is responsible for ensuring that all plumbing work performed by the plumber's apprentice or registered unlicensed individual complies with the plumbing code. The supervising master, restricted master, journeyman, or restricted journeyman must be licensed and must be employed by the same employer as the plumber's apprentice or registered unlicensed individual. Licensed individuals shall not permit plumber's apprentices or registered unlicensed individuals to perform plumbing work except under the direct supervision of an individual actually licensed to perform such work. Plumber's apprentices and registered unlicensed individuals shall not supervise the performance of plumbing work or make assignments of plumbing work to unlicensed individuals.

(c) Contractors employing plumber's apprentices or registered unlicensed individuals to perform plumbing work shall maintain records establishing compliance with this subdivision that shall identify all plumber's apprentices and registered unlicensed individuals performing plumbing work, and shall permit the department to examine and copy all such records.

Sec. 23. Minnesota Statutes 2010, section 326B.47, subdivision 3, is amended to read:

Subd. 3. **Registration, rules, applications, renewals, and fees.** An unlicensed individual may register by completing and submitting to the commissioner an application form provided by the commissioner, with all fees required by section 326B.092. A completed application form must state the date the individual began training, the individual's age, schooling, previous experience, and employer, and other information required by the commissioner. The Plumbing Board may prescribe rules, not inconsistent with this section, for the registration of unlicensed individuals. Applications for initial registration may be submitted at any time. Registration must be renewed annually and shall be for the period from July 1 of each year to June 30 of the following year.

Sec. 24. Minnesota Statutes 2010, section 326B.49, subdivision 1, is amended to read:

Subdivision 1. **Application, examination, and license fees.** (a) Applications for master and journeyman plumber's licenses shall be made to the commissioner, with all fees required by section 326B.092. Unless the applicant is entitled to a renewal, the applicant shall be licensed by the commissioner only after passing a satisfactory examination developed and administered by the commissioner, based upon rules adopted by the Plumbing Board, showing fitness.

(b) All initial journeyman plumber's licenses shall be effective for more than one calendar year and shall expire on December 31 of the year after the year in which the application is made. All master plumber's licenses shall expire on December 31 of each even-numbered year after issuance or renewal. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of master and journeyman plumber's licenses from one year to two years. By June 30, 2011, all renewed master and journeyman plumber's licenses shall be two-year licenses.

(c) Applications for contractor licenses shall be made to the commissioner, with all fees required by section 326B.092. All contractor licenses shall expire on December 31 of each odd-numbered year after issuance or renewal.

(d) For purposes of calculating license fees and renewal license fees required under section 326B.092:

(1) the following licenses shall be considered business licenses: plumbing contractor and restricted plumbing contractor;

(2) the following licenses shall be considered master licenses: master plumber and restricted master plumber;

(3) the following licenses shall be considered journeyman licenses: journeyman plumber and restricted journeyman plumber; and

(4) the registration of a plumber's apprentice under section 326B.47, subdivision 3, shall be considered an entry level license.

(e) For each filing of a certificate of responsible ~~person~~ individual by an employer, the fee is \$100.

(f) The commissioner shall charge each person giving bond under section 326B.46, subdivision 2, paragraph (b), a biennial bond filing fee of \$100, unless the person is a licensed contractor.

Sec. 25. Minnesota Statutes 2010, section 326B.56, subdivision 1, is amended to read:

Subdivision 1. **Bonds.** (a) As a condition of licensing, each water conditioning contractor shall give and maintain a bond to the state as described in paragraph (b). No applicant for a water conditioning contractor ~~or installer~~ license who maintains the bond under paragraph (b) shall be otherwise required to meet the bond requirements of any political subdivision.

(b) Each bond given to the state under this subdivision shall be in the total sum of \$3,000 conditioned upon the faithful and lawful performance of all water conditioning installation or servicing done within the state. The bond shall be for the benefit of persons suffering injuries or damages due to the work. The bond shall be filed with the commissioner and shall be written by a corporate surety licensed to do business in this state. The bond must remain in effect at all times while the application is pending and while the license is in effect.

Sec. 26. Minnesota Statutes 2010, section 326B.58, is amended to read:

326B.58 FEES; RENEWAL.

(a) Each initial water conditioning master and water conditioning journeyman license shall be effective for more than one calendar year and shall expire on December 31 of the year after the year in which the application is made.

(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of water conditioning master and journeyman licenses from one year to two years. By June 30, 2011, all renewed water conditioning contractor ~~and installer~~ licenses shall be two-year licenses. The Plumbing Board may by rule prescribe for the expiration and renewal of licenses.

(c) All water conditioning contractor licenses shall expire on December 31 of the year after issuance or renewal.

(d) For purposes of calculating license fees and renewal fees required under section 326B.092:

(1) a water conditioning journeyman license shall be considered a journeyman license;

(2) a water conditioning master license shall be considered a master license; and

(3) a water conditioning contractor license shall be considered a business license.

Sec. 27. Minnesota Statutes 2010, section 326B.82, subdivision 2, is amended to read:

Subd. 2. **Appropriate and related knowledge.** "Appropriate and related knowledge" means facts, information, or principles that are clearly relevant to the ~~licensee in performing~~ licensee's responsibilities under a license issued by the commissioner. These facts, information, or principles must convey substantive and procedural knowledge as it relates to postlicensing issues and must be relevant to the technical aspects of a ~~particular area of continuing education~~ regulated industry.

Sec. 28. Minnesota Statutes 2010, section 326B.82, subdivision 3, is amended to read:

Subd. 3. **Classroom hour.** "Classroom hour" means ~~a 50-minute hour~~ 50 minutes of educational content.

Sec. 29. Minnesota Statutes 2010, section 326B.82, subdivision 7, is amended to read:

Subd. 7. **Medical hardship.** "Medical hardship" ~~includes~~ means a documented physical

disability or medical condition.

Sec. 30. Minnesota Statutes 2010, section 326B.82, subdivision 9, is amended to read:

Subd. 9. **Regulated industries industry.** "Regulated ~~industries industry~~" means ~~residential contracting, residential remodeling, or residential roofing. Each of these is a regulated industry~~ any business, trade, profession, or occupation that requires a license issued under this chapter or chapter 327B as a condition of doing business in Minnesota.

Sec. 31. Minnesota Statutes 2010, section 326B.821, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The purpose of this section is to establish standards for residential building contractor continuing education. ~~The standards must include requirements for continuing education in the implementation of energy codes or energy conservation measures applicable to residential buildings.~~

Sec. 32. Minnesota Statutes 2010, section 326B.821, subdivision 5, is amended to read:

Subd. 5. **Content.** (a) Continuing education consists of approved courses that impart appropriate and related knowledge in the ~~residential construction industry~~ regulated industries pursuant to ~~sections 326B.802 to 326B.885 this chapter~~ and other relevant applicable federal and state laws, rules, and regulations. Courses may include relevant materials that are included in licensing exams subject to the limitations imposed in subdivision 11. The burden of demonstrating that courses impart appropriate and related knowledge is upon the person seeking approval or credit.

(b) Except as required for Internet continuing education, course examinations will not be required for continuing education courses ~~unless they are required by the sponsor.~~

(c) ~~Textbooks are not required to be used for continuing education courses.~~ If textbooks are not used as part of the course, the sponsor must provide students with a syllabus containing, ~~at a minimum,~~ the course title, the times and dates of the course offering, the name, address, and telephone number of the course sponsor and, the name and affiliation of the instructor, and a detailed outline of the subject materials to be covered. Any written or printed material given to students must be of readable quality and contain accurate and current information.

(d) Upon completion of an approved course, licensees shall earn one hour of continuing education credit for each classroom hour approved by the commissioner. ~~One credit hour of continuing education is equivalent to 50 minutes of educational content.~~ Each continuing education course must be attended in its entirety in order to receive credit for the number of approved hours. Courses may be approved for full or partial credit, and for more than one regulated industry.

(e) Continuing education credit in an approved course shall be awarded to presenting instructors on the basis of one credit for each hour of ~~preparation for the duration~~ of the initial presentation. Continuing education credit ~~may not be earned if the licensee has previously obtained credit for the same course as a licensee or as an instructor within the three years immediately prior~~ credits for completion of an approved course may only be used once for renewal of a specific license.

~~(e)~~ (f) Courses will be approved using the following guidelines:

(1) course content must demonstrate significant intellectual or practical content and deal with matters directly related to the practice of residential construction in the regulated industry,

workforce safety, or the business of running a ~~residential construction~~ company in the regulated industry. Courses may also address the professional responsibility or ethical obligations of ~~residential contractors to homeowners and suppliers~~ a licensee related to work in the regulated industry;

(2) the following courses may be ~~automatically~~ approved if they are specifically designed for the ~~residential construction~~ regulated industry and are in compliance with paragraph ~~(f)~~ (g):

(i) courses approved by the Minnesota Board of Continuing Legal Education; or

(ii) courses approved by the International Code Council, National Association of Home Building, or other nationally recognized professional organization of the ~~residential construction~~ regulated industry; and

(3) courses must be presented and attended in a suitable classroom or construction setting, except for Internet education courses which must meet the requirements of subdivision 5a. Courses presented via video recording, simultaneous broadcast, or teleconference may be approved provided the sponsor is available at all times during the presentation, except for Internet education courses which must meet the requirements of subdivision 5a.

~~(f)~~ (g) The following courses will not be approved for credit:

(1) courses designed solely to prepare students for a license examination;

(2) courses in mechanical office skills, including typing, speed reading, or other machines or equipment. Computer courses are allowed, if appropriate and related to the ~~residential construction~~ regulated industry;

(3) courses in sales promotion, including meetings held in conjunction with the general business of the licensee;

(4) courses in motivation, salesmanship, psychology, or personal time management;

(5) courses that are primarily intended to impart knowledge of specific products of specific companies, if the use of the product or products relates to the sales promotion or marketing of one or more of the products discussed; or

(6) courses where any of the educational content of the course is the State Building Code that include code provisions that have not been adopted into the State Building Code unless the course materials clarify whether or not that the code provisions have been officially adopted into a future version of the State Building Code and the effective date of enforcement, if applicable.

(h) Nothing in this subdivision shall limit an authority expressly granted to the Board of Electricity, Board of High Pressure Piping Systems, or Plumbing Board.

Sec. 33. Minnesota Statutes 2010, section 326B.821, subdivision 5a, is amended to read:

Subd. 5a. **Internet continuing education.** (a) The design and delivery of an Internet continuing education course must be approved by the International Distance Education Certification Center (IDECC) before the course is submitted for the commissioner's approval. The IDECC approval must accompany the course submitted.

- (b) An Internet continuing education course must:
- (1) specify the minimum computer system requirements;
 - (2) provide encryption that ensures that all personal information, including the student's name, address, and credit card number, cannot be read as it passes across the Internet;
 - (3) include technology to guarantee seat time;
 - (4) include a high level of interactivity;
 - (5) include graphics that reinforce the content;
 - (6) include the ability for the student to contact an instructor or course sponsor within a reasonable amount of time;
 - (7) include the ability for the student to get technical support within a reasonable amount of time;
 - (8) include a statement that the student's information will not be sold or distributed to any third party without prior written consent of the student. Taking the course does not constitute consent;
 - (9) be available 24 hours a day, seven days a week, excluding minimal downtime for updating and administration, except that this provision does not apply to live courses taught by an actual instructor and delivered over the Internet;
 - (10) provide viewing access to the online course at all times to the commissioner, excluding minimal downtime for updating and administration;
 - (11) include a process to authenticate the student's identity;
 - (12) inform the student and the commissioner how long after its purchase a course will be accessible;
 - (13) inform the student that license education credit will not be awarded for taking the course after it loses its status as an approved course;
 - (14) provide clear instructions on how to navigate through the course;
 - (15) provide automatic bookmarking at any point in the course;
 - (16) provide questions after each unit or chapter that must be answered before the student can proceed to the next unit or chapter;
 - (17) include a reinforcement response when a quiz question is answered correctly;
 - (18) include a response when a quiz question is answered incorrectly;
 - (19) include a final examination in which the student must correctly answer 70 percent of the questions;
 - (20) allow the student to go back and review any unit at any time, except during the final examination;
 - (21) provide a course evaluation at the end of the course. At a minimum, the evaluation must ask the student to report any difficulties caused by the online education delivery method;

(22) provide a completion certificate when the course and exam have been completed and the provider has verified the completion. Electronic certificates are sufficient and shall include the name of the provider, date and location of the course, educational program identification that was provided by the department, hours of instruction or continuing education hours, and licensee's or attendee's name and license, certification, or registration number or the last four digits of the licensee's or attendee's Social Security number; and

(23) allow the commissioner the ability to electronically review the class to determine if credit can be approved.

(c) The final examination must be either an encrypted online examination or a paper examination that is monitored by a proctor who certifies that the student took the examination.

Sec. 34. Minnesota Statutes 2010, section 326B.821, subdivision 6, is amended to read:

Subd. 6. **Course approval.** (a) Courses must be approved by the commissioner in advance and will be approved on the basis of the applicant's compliance with the provisions of this section relating to continuing education in the regulated industries. The commissioner shall make the final determination as to the approval and assignment of credit hours for courses. Courses must be at least one hour in length.

Licensees requesting credit for continuing education courses that have not been previously approved by the commissioner shall, on a form prescribed by the commissioner, submit an application for approval of continuing education credit accompanied by a nonrefundable fee of \$20 for each course to be reviewed. To be approved, courses must be in compliance with the provisions of this section governing the types of courses that will and will not be approved.

Approval will not be granted for time spent on meals or other unrelated activities. Breaks may not be accumulated in order to dismiss the class early. Classes shall not be offered by a provider to any one student for longer than eight hours in one day, excluding meal breaks.

(b) Application for course approval must be submitted on a form approved by the commissioner at least 30 days before the course offering.

(c) Approval must be granted for a subsequent offering of identical continuing education courses without requiring a new application if a notice of the subsequent offering is filed with the commissioner at least 30 days in advance of the date the course is to be held. The commissioner shall deny future offerings of courses if they are found not to be in compliance with the laws relating to course approval.

Sec. 35. Minnesota Statutes 2010, section 326B.821, subdivision 7, is amended to read:

Subd. 7. **Courses open to all.** All course offerings must be open to any interested individuals. Access may be restricted by the sponsor based on class size only. Courses ~~must~~ shall not be approved if attendance is restricted to any particular group of people, except for company-sponsored courses allowed by applicable law.

Sec. 36. Minnesota Statutes 2010, section 326B.821, subdivision 8, is amended to read:

Subd. 8. **Course sponsor.** (a) Each course of study shall have at least one sponsor, approved by the commissioner, who is responsible for supervising the program and ensuring compliance with all

relevant law. Sponsors may engage an additional approved sponsor in order to assist the sponsor or to act as a substitute for the sponsor ~~in the event of an emergency or illness.~~

(b) Sponsors must submit an application and sworn statement stating they agree to abide by the requirements of this section and any other applicable statute or rule pertaining to ~~residential construction~~ continuing education in the regulated industry.

(c) A sponsor may also be an instructor.

(d) Failure to comply with ~~requirements~~ paragraph (b) may result in loss of sponsor approval for up to two years in accordance with section 326B.082.

Sec. 37. Minnesota Statutes 2010, section 326B.821, subdivision 9, is amended to read:

Subd. 9. **Responsibilities.** A sponsor is responsible for:

(1) ensuring compliance with all laws and rules relating to continuing educational offerings governed by the commissioner;

(2) ensuring that students are provided with current and accurate information relating to the laws and rules governing ~~their licensed activity~~ the regulated industry;

(3) supervising and evaluating courses and instructors. Supervision includes ensuring that all areas of the curriculum are addressed without redundancy and that continuity is present throughout the entire course;

(4) ensuring that instructors are qualified to teach the course offering;

(5) furnishing the commissioner, upon request, with copies of course ~~and instructor~~ evaluations ~~and~~. Evaluations must be completed by students at the time the course is offered;

(6) ~~furnishing the commissioner, upon request, with copies of the qualifications of instructors. Evaluations must be completed by students at the time the course is offered and by sponsors within five days after the course offering;~~

~~(7)~~ (7) investigating complaints related to course offerings or instructors. A copy of the written complaint must be sent to the commissioner within ten days of receipt of the complaint and a copy of the complaint resolution must be sent not more than ten days after resolution is reached;

~~(8)~~ (8) maintaining accurate records relating to course offerings, instructors, tests taken by students if required, and student attendance for a period of three years from the date on which the course was completed. These records must be made available to the commissioner upon request. In the event the sponsor ceases operations before termination of the sponsor application, the sponsor must provide to the commissioner digital copies of all course and attendance records of courses held for the previous three years;

~~(9)~~ (9) attending workshops or instructional programs as reasonably required by the commissioner;

~~(10)~~ (10) providing course completion certificates within ten days of, but not before, completion of the entire course. A sponsor may require payment of the course tuition as a condition of receiving the course completion certificate. ~~Course completion certificates must be completed in their entirety.~~

~~Course completion certificates must and shall~~ contain the following:

(i) the statement: "If you have any comments about this course offering, please mail them to the Minnesota Department of Labor and Industry.";

(ii) the current address of the department ~~must be included. A sponsor may require payment of the course tuition as a condition for receiving the course completion certificate,~~ name of the provider, date and location of the course, educational program identification provided by the department, and hours of instruction or continuing education hours; and

(iii) the licensee's or attendee's name and license, certificate, or registration number or the last four digits of the licensee's or attendee's Social Security number; and

~~(10)~~ (11) notifying the commissioner in writing within ten days of any change in the information in an application for approval on file with the commissioner.

Sec. 38. Minnesota Statutes 2010, section 326B.821, subdivision 10, is amended to read:

Subd. 10. **Instructors.** (a) Each continuing education course shall have an instructor who is qualified by education, training, or experience to ensure competent instruction. Failure to have only qualified instructors teach at an approved course offering will result in loss of course approval. Sponsors are responsible to ensure that an instructor is qualified to teach the course offering.

(b) Qualified continuing education instructors must have one of the following qualifications:

(1) four years' practical experience in the subject area being taught;

(2) a college or graduate degree in the subject area being taught;

(3) direct experience in the development of laws, rules, or regulations related to the ~~residential construction~~ regulated industry; or

(4) demonstrated expertise in the subject area being taught. Instructors providing instruction related to electricity, plumbing, or high pressure piping systems must comply with all applicable continuing education rules adopted by the Board of Electricity, the Plumbing Board, or the Board of High Pressure Piping Systems.

(c) ~~Approved~~ Qualified continuing education instructors are responsible for:

(1) compliance with all laws and rules relating to continuing education;

(2) providing students with current and accurate information;

(3) maintaining an atmosphere conducive to learning in the classroom;

(4) verifying attendance of students, and certifying course completion;

(5) providing assistance to students and responding to questions relating to course materials; and

(6) attending the workshops or instructional programs that are required by the commissioner.

Sec. 39. Minnesota Statutes 2010, section 326B.821, subdivision 11, is amended to read:

Subd. 11. **Prohibited practices for sponsors and instructors.** (a) In connection with an

approved continuing education course, sponsors and instructors shall not:

(1) recommend ~~or~~, promote, or disparage the specific services, products, processes, procedures, or practices of a particular business person in the regulated industry;

(2) encourage or recruit ~~individuals~~ students to engage the services of, or become associated with, a particular business;

(3) use materials for the sole purpose of promoting a particular business;

(4) require students to participate in other programs or services offered by an instructor or sponsor;

(5) attempt, either directly or indirectly, to discover questions or answers on an examination for a license;

(6) disseminate to any other person specific questions, problems, or information known or believed to be included in licensing examinations;

(7) misrepresent any information submitted to the commissioner;

(8) fail to reasonably cover, or ensure coverage of, all points, issues, and concepts contained in the course outline approved by the commissioner during the approved instruction; or

(9) issue inaccurate course completion certificates.

(b) Sponsors shall notify the commissioner within ten days of a felony or gross misdemeanor conviction or of disciplinary action taken against an occupational or professional license held by the sponsor or an instructor teaching an approved course. The notification conviction or disciplinary action shall be grounds for the commissioner to withdraw the approval of the sponsor and to disallow the use of the sponsor or instructor.

Sec. 40. Minnesota Statutes 2010, section 326B.821, subdivision 12, is amended to read:

Subd. 12. **Fees Course tuition.** ~~Fees~~ Tuition for an approved course of study and related materials must be clearly identified to students. In the event that a course is canceled for any reason, all ~~fees tuition~~ must be returned within 15 days from the date of cancellation. In the event that a course is postponed for any reason, students shall be given the choice of attending the course at a later date or having their ~~fees tuition~~ refunded in full within 15 days from the date of postponement. If a student is unable to attend a course or cancels the registration in a course, sponsor policies regarding refunds shall govern.

Sec. 41. Minnesota Statutes 2010, section 326B.821, subdivision 15, is amended to read:

Subd. 15. **Advertising courses.** (a) Paragraphs (b) to (g) govern the advertising of continuing education courses.

(b) Advertising must be truthful and not deceptive or misleading. Courses may not be advertised as approved for continuing education credit unless approval has been granted in writing by the commissioner.

(c) Once a course is approved, all advertisement, pamphlet, circular, or other similar materials pertaining to an approved course circulated or distributed in this state, must prominently display the

following statement:

"This course has been approved by the Minnesota Department of Labor and Industry for (approved number of hours) hours for ~~residential-contractor~~ (regulated industry) continuing education."

(d) Advertising of approved courses must be clearly distinguishable from the advertisement of other nonapproved courses and services.

(e) Continuing education courses may not be advertised before approval unless the course is described in any advertising as "approval pending." The sponsor must verbally notify ~~licensees~~ students before commencement of the course if the course has been denied credit, has not been approved for credit, or has only been approved for partial credit by the commissioner.

(f) The number of hours for which a course has been approved must be prominently displayed on an advertisement for the course. If the course offering is longer than the number of hours of credit to be given, it must be clear that credit is not earned for the entire course.

(g) The course approval number must not be included in any advertisement.

Sec. 42. Minnesota Statutes 2010, section 326B.821, subdivision 16, is amended to read:

Subd. 16. **Notice to students.** At the beginning of each approved offering, the following notice must be handed out in printed form or must be read to students:

"This educational offering is recognized by the Minnesota Department of Labor and Industry as satisfying (insert number of hours approved) hours of credit toward ~~residential-contractor~~ (insert regulated industry) continuing education requirements."

Sec. 43. Minnesota Statutes 2010, section 326B.821, subdivision 18, is amended to read:

Subd. 18. **Falsification of reports or certificates.** A licensee, its ~~qualified person~~ qualifying individual, or an applicant found to have falsified an education report or certificate to the commissioner shall be considered to have violated the laws relating to the regulated industry for which the person has a license and shall be subject to ~~censure, limitation, condition, suspension, or revocation of the license or denial of the application for licensure~~ the enforcement provisions of section 326B.082.

The commissioner reserves the right to audit a licensee's continuing education records.

Sec. 44. Minnesota Statutes 2010, section 326B.821, subdivision 19, is amended to read:

Subd. 19. **Waivers and extensions.** ~~If a licensee provides documentation to the commissioner that the licensee or its qualifying person is unable, and will continue to be unable, to attend actual classroom course work because of a physical disability, medical condition, or similar reason, attendance at continuing education courses shall be waived for a period not to exceed one year. The commissioner shall require that the licensee or its qualifying person satisfactorily complete a self-study program to include reading a sufficient number of textbooks, or listening to a sufficient number of tapes, related to the residential building contractor industry, as would be necessary for the licensee to satisfy continuing educational credit hour needs. The commissioner shall award the licensee credit hours for a self-study program by determining how many credit hours would be granted to a classroom course involving the same material and giving the licensee the same number~~

~~of credit hours under this section. The licensee may apply each year for a new waiver upon the same terms and conditions as were necessary to secure the original waiver, and must demonstrate that in subsequent years, the licensee was unable to complete actual classroom course work. The commissioner may request documentation of the condition upon which the request for waiver is based as is necessary to satisfy the commissioner of the existence of the condition and that the condition does preclude attendance at continuing education courses.~~

Upon written proof demonstrating a medical hardship, the commissioner shall extend, for up to 90 days, the time period during which the continuing education must be successfully completed. ~~Loss of income from either attendance at courses or cancellation of a license is not a bona fide financial hardship.~~ Requests for extensions must be submitted to the commissioner in writing no later than 60 days before the education is due and must include an explanation with verification of the hardship, plus verification of enrollment at an approved course of study on or before the extension period expires.

Sec. 45. Minnesota Statutes 2010, section 326B.821, subdivision 20, is amended to read:

Subd. 20. **Reporting requirements.** Required Continuing education credits must be reported by the sponsor in a manner prescribed by the commissioner. Licensees are responsible for maintaining copies of course completion certificates.

Sec. 46. Minnesota Statutes 2010, section 326B.821, subdivision 22, is amended to read:

Subd. 22. **Continuing education approval.** Continuing education courses must be approved in advance by the commissioner of labor and industry. ~~"Sponsor" means any person or entity offering approved education.~~

Sec. 47. Minnesota Statutes 2010, section 326B.821, subdivision 23, is amended to read:

Subd. 23. **Continuing education fees.** The following fees shall be paid to the commissioner:

(1) initial course approval, \$20 for each hour or fraction of one hour of continuing education course approval sought. Initial course approval expires on the last day of the 24th 36th month after the course is approved;

~~(2) renewal of course approval, \$20 per course. Renewal of course approval expires on the last day of the 24th month after the course is renewed;~~

~~(3)~~ (2) initial sponsor approval, \$100. Initial sponsor approval expires on the last day of the 24th month after the sponsor is approved; and

~~(4)~~ (3) renewal of sponsor approval, ~~\$20~~ \$100. Renewal of sponsor approval expires on the last day of the 24th month after the sponsor is renewed.

Sec. 48. Minnesota Statutes 2010, section 326B.865, is amended to read:

326B.865 SIGN CONTRACTOR; BOND.

(a) A sign contractor may post a compliance bond with the commissioner, conditioned that the sign contractor shall faithfully perform duties and comply with laws, ordinances, rules, and contracts entered into for the installation of signs. The bond must be renewed biennially and maintained for so long as determined by the commissioner. The aggregate liability of the surety on the bond to

any and all persons, regardless of the number of claims made against the bond, may not exceed the annual amount of the bond. The bond may be canceled as to future liability by the surety upon 30 days' written notice mailed to the commissioner by United States mail.

(b) The amount of the bond shall be \$8,000. The bond may be drawn upon only by a local unit of government that requires sign contractors to post a compliance bond. The bond is in lieu of any compliance bond required by a local unit of government.

(c) For purposes of this section, "sign" means a device, structure, fixture, or placard using graphics, symbols, or written copy that is erected on the premises of an establishment including the name of the establishment or identifying the merchandise, services, activities, or entertainment available on the premises.

(d) Each person giving bond under this section shall pay a biennial bond filing fee of \$100 to the commissioner of labor and industry.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 49. Minnesota Statutes 2010, section 326B.89, subdivision 6, is amended to read:

Subd. 6. **Verified application.** To be eligible for compensation from the fund, an owner or lessee shall serve on the commissioner a verified application for compensation on a form approved by the commissioner. The application shall verify the following information:

- (1) the specific grounds upon which the owner or lessee seeks to recover from the fund:
- (2) that the owner or the lessee has obtained a final judgment in a court of competent jurisdiction against a licensee licensed under section 326B.83;
- (3) that the final judgment was obtained against the licensee on the grounds of fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance that arose directly out of a contract directly between the licensee and the homeowner or lessee that was entered into prior to the cause of action and that occurred when the licensee was licensed and performing any of the special skills enumerated under section 326B.802, subdivision 15;
- (4) the amount of the owner's or the lessee's actual and direct out-of-pocket loss on the owner's residential real estate, on residential real estate leased by the lessee, or on new residential real estate that has never been occupied or that was occupied by the licensee for less than one year prior to purchase by the owner;
- (5) that the residential real estate is located in Minnesota;
- (6) that the owner or the lessee is not the spouse of the licensee or the personal representative of the licensee;
- (7) the amount of the final judgment, any amount paid in satisfaction of the final judgment, and the amount owing on the final judgment as of the date of the verified application;
- (8) that the owner or lessee has diligently pursued remedies against all the judgment debtors and all other persons liable to the judgment debtor in the contract for which the owner or lessee seeks recovery from the fund; and

(9) that the verified application is being served within two years after the judgment became final.

The verified application must include documents evidencing the amount of the owner's or the lessee's actual and direct out-of-pocket loss. The owner's and the lessee's actual and direct out-of-pocket loss shall not include any attorney fees, litigation costs or fees, interest on the loss, and interest on the final judgment obtained as a result of the loss or any costs not directly related to the value difference between what was contracted for and what was provided. Any amount paid in satisfaction of the final judgment shall be applied to the owner's or lessee's actual and direct out-of-pocket loss. An owner or lessee may serve a verified application regardless of whether the final judgment has been discharged by a bankruptcy court. A judgment issued by a court is final if all proceedings on the judgment have either been pursued and concluded or been forgone, including all reviews and appeals. For purposes of this section, owners who are joint tenants or tenants in common are deemed to be a single owner. For purposes of this section, owners and lessees eligible for payment of compensation from the fund shall not include government agencies, political subdivisions, financial institutions, and any other entity that purchases, guarantees, or insures a loan secured by real estate.

Sec. 50. Minnesota Statutes 2010, section 326B.89, subdivision 8, is amended to read:

Subd. 8. **Administrative hearing.** If an owner or a lessee timely serves a request for hearing under subdivision 7, the commissioner shall request that an administrative law judge be assigned and that a hearing be conducted under the contested case provisions of chapter 14 within 45 days after the commissioner received the request for hearing, unless the parties agree to a later date. The commissioner must notify the owner or lessee of the time and place of the hearing at least 15 days before the hearing. Upon petition of the commissioner, the administrative law judge shall continue the hearing up to 60 days and upon a showing of good cause may continue the hearing for such additional period as the administrative law judge deems appropriate.

At the hearing the owner or the lessee shall have the burden of proving by substantial evidence under subdivision 6, clauses (1) to (8). Whenever an applicant's judgment is by default, stipulation, or consent, or whenever the action against the licensee was defended by a trustee in bankruptcy, the applicant shall have the burden of proving the cause of action for fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance. Otherwise, the judgment shall create a rebuttable presumption of the fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance. This presumption affects the burden of producing evidence.

The administrative law judge shall issue findings of fact, conclusions of law, and order. If the administrative law judge finds that compensation should be paid to the owner or the lessee, the administrative law judge shall order the commissioner to make payment from the fund of the amount it finds to be payable pursuant to the provisions of and in accordance with the limitations contained in this section. The order of the administrative law judge shall constitute the final decision of the agency in the contested case. The commissioner or the owner or lessee may seek judicial review of the administrative law judge's findings of fact, conclusions of law, and order ~~shall be~~ in accordance with sections 14.63 to 14.69.

Sec. 51. Minnesota Statutes 2010, section 327.32, subdivision 1a, is amended to read:

Subd. 1a. **Requirement; used manufactured homes.** No person shall sell or offer for sale in this state any used manufactured home manufactured after June 14, 1976, or install for occupancy any used manufactured home manufactured after June 14, 1976, unless the used manufactured home

complies with the Notice of Compliance Form as provided in this subdivision. If manufactured after June 14, 1976, the home must bear a label as required by the secretary. The Notice of Compliance Form shall be signed by the seller and purchaser indicating which party is responsible for either making or paying for any necessary corrections prior to the sale and transferring ownership of the manufactured home.

The Notice of Compliance Form shall be substantially in the following form:

"Notice of Compliance Form as required in Minnesota Statutes, section 327.32, subdivision 1

This notice must be completed and signed by the purchaser(s) and the seller(s) of the used manufactured home described in the purchase agreement and on the bottom of this notice before the parties transfer ownership of a used manufactured home constructed after June 14, 1976.

Electric ranges and clothes dryers must have required four-conductor cords and plugs. For the purpose of complying with the requirements of section 327B.06, a licensed retailer or limited retailer shall retain at least one copy of the form required under this subdivision.

Complies	Correction required
Initialed by Responsible Party: Buyer	Seller

Solid fuel-burning fireplaces or stoves must be listed for use in manufactured homes, Code of Federal Regulations, title 24, section 3280.709 (g), and installed correctly in accordance with their listing or standards (i.e., chimney, doors, hearth, combustion, or intake, etc., Code of Federal Regulations, title 24, section 3280.709 (g)).

Complies	Correction required
Initialed by Responsible Party: Buyer	Seller

Gas water heaters and furnaces must be listed for manufactured home use, Code of Federal Regulations, title 24, section 3280.709 (a) and (d)(1) and (2), and installed correctly, in accordance with their listing or standards.

Complies	Correction required
Initialed by Responsible Party: Buyer	Seller

Smoke alarms are required to be installed and operational in accordance with Code of Federal Regulations, title 24, section 3280.208.

Complies	Correction required
Initialed by Responsible Party: Buyer	Seller

Carbon monoxide alarms or CO detectors that are approved and operational are required to be installed within ten feet of each room lawfully used for sleeping purposes.

Complies	Correction required
Initialed by Responsible Party: Buyer	Seller

Egress windows are required in every bedroom with at least one operable window with a net clear opening of 20 inches wide and 24 inches high, five square feet in area, with the bottom of windows opening no more than 36 inches above the floor. Locks, latches, operating handles, tabs, or other operational devices shall not be located more than 54 inches above the finished floor.

Complies Correction required
Initialed by Responsible Party: Buyer Seller

The furnace compartment of the home is required to have interior finish with a flame spread rating not exceeding 25 feet, as specified in the 1976 United States Department of Housing and Urban Development Code governing manufactured housing construction.

Complies Correction required
Initialed by Responsible Party: Buyer Seller

The water heater enclosure in this home is required to have interior finish with a flame spread rating not exceeding 25 feet, as specified in the 1976 United States Department of Housing and Urban Development Code governing manufactured housing construction.

Complies Correction required
Initialed by Responsible Party: Buyer Seller

The home complies with the snowload and heat zone requirements for the state of Minnesota as indicated by the data plate.

Complies Correction required
Initialed by Responsible Party: Buyer Seller

The parties to this agreement have initialed all required sections and agree by their signature to complete any necessary corrections prior to the sale or transfer of ownership of the home described below as listed in the purchase agreement. The state of Minnesota or a local building official has the authority to inspect the home in the manner described in Minnesota Statutes, section 327.33, prior to or after the sale to ensure compliance was properly executed as provided under the Manufactured Home Building Code.

Signature of Purchaser(s) of Home

.....date.....date.....

.....

Print name as appears on purchase agreement Print name as appears on purchase agreement

Signature of Seller(s) of Home

.....date.....date.....

.....

Print name and license number, if applicable Print name and license number, if applicable

(Street address of home at time of sale)

.....
 (City/State/Zip).....
 Name of manufacturer of home.....
 Model and year.....
 Serial number....."

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

Sec. 52. Minnesota Statutes 2010, section 327.32, subdivision 1b, is amended to read:

Subd. 1b. **Alternative design plan.** An alternative frost-free design slab for a new or used manufactured home that is submitted to the local building official, third-party inspector, or the department, stamped by a licensed professional engineer or architect, and is as being in compliance with either the federal installation standards in effect at the date of manufacture, the manufacturer's installation manual, or the Minnesota State Building Code, when applicable, shall be issued a permit by the department within ten days of being received by the approving authority.

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

Sec. 53. Minnesota Statutes 2010, section 327.32, subdivision 1e, is amended to read:

Subd. 1e. **Reinstallation requirements for ~~single-section~~ used manufactured homes.** (a) All ~~single-section~~ used manufactured homes reinstalled less than 24 months from the date of installation by the first purchaser must be reinstalled in compliance with subdivision 1c. All ~~single-section~~ used manufactured homes reinstalled more than 24 months from the date of installation by the first purchaser may be reinstalled without a frost-protected foundation if the home is reinstalled in compliance with Minnesota Rules, chapter 1350, for above frost-line installations and the notice requirement of subdivision 1f is complied with by the seller and the purchaser of the ~~single-section~~ used manufactured home.

(b) The installer shall affix an installation seal issued by the department to the outside of the home as required by the Minnesota State Building Code. The certificate of installation issued by the installer of record shall clearly state that the home has been reinstalled with an above frost-line foundation. Fees for inspection of a reinstallation and for issuance of reinstallation seals shall follow the requirements of sections 326B.802 to 326B.885. Fees for review of plans, specifications, and on-site inspections shall be those as specified in section 326B.153, subdivision 1, paragraph (c). Whenever an installation certificate for an above frost-line installation is issued to a ~~single-section~~ used manufactured home being listed for sale, the purchase agreement must disclose that the home is installed on a nonfrost-protected foundation and recommend that the purchaser have the home inspected to determine the effects of frost on the home.

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

Sec. 54. Minnesota Statutes 2010, section 327.32, subdivision 1f, is amended to read:

Subd. 1f. **Notice requirement.** The seller of the ~~single-section~~ used manufactured home being reinstalled under subdivision 1e shall provide the following notice to the purchaser and secure signatures of all parties to the purchase agreement on or before signing a purchase agreement prior to submitting an application for an installation certificate. Whenever a current owner of a manufactured

home reinstalls the manufactured home under subdivision 1e, the current owner is not required to comply with the notice requirement under this subdivision. The notice shall be in at least 14-point font, except the heading, "WHICH MAY VOID WARRANTY," must be in capital letters, in 20-point font. The notice must be printed on a separate sheet of paper in a color different than the paper on which the purchase agreement is printed. The notice becomes a part of the purchase agreement and shall be substantially in the following form:

"Notice of Reinstalling of a ~~Single-Section~~ Used Manufactured Home Above Frost-Line;

WHICH MAY VOID WARRANTY

It is recommended that the ~~single-section~~ used manufactured home being reinstalled follow the instructions in the manufacturer's installation manual. By signing this notice, the purchaser(s) are acknowledging they have elected to use footings placed above the local frost line in accordance with the Minnesota State Building Code.

The seller has explained the differences between the manufacturer's installation instructions and the installation system selected by the purchaser(s) with respect to possible effects of frost on the manufactured home.

The purchaser(s) acknowledge by signing this notice that there is no manufacturer's original warranty remaining on the home and recognize that any other extended or ancillary warranty could be adversely affected if any applicable warranty stipulates that the home be installed in accordance with the manufacturer's installation manual to remain effective.

After the reinstallation of the manufactured home, it is highly recommended that the purchaser(s) have a licensed manufactured home installer recheck the home's installation for any releveing needs or anchoring system adjustments each freeze-thaw cycle.

The purchaser(s) of the used manufactured home described below that is being reinstalled acknowledge they have read this notice and have been advised to contact the manufacturer of the home and/or the Department of Labor and Industry if they desire additional information before signing this notice. It is the intent of this notice to inform the purchaser(s) that the purchaser(s) elected not to use a frost-protected foundation system for the reinstallation of the manufactured home as originally required by the home's installation manual.

Plain language notice.

I understand that because this home will be installed with footings placed above the local frost line, this home may be subject to adverse effects from frost heave that may damage this home. Purchaser(s) initials:

I understand that the installation of this home with footings placed above the local frost line could affect my ability to obtain a mortgage or mortgage insurance on this home. Purchaser(s) initials:

I understand that the installation of this home with footings placed above the local frost line could void my warranty on the home if any warranty is still in place on this home. Purchaser(s) initials:

Signature of Purchaser(s)

.....date.....date.....

Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a) If a manufactured home owner is required to move due to the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park, the manufactured park owner shall, upon the change in use, pay to the commissioner of management and budget for deposit in the Minnesota manufactured home relocation trust fund under section 462A.35, the lesser amount of the actual costs of moving or purchasing the manufactured home approved by the neutral third party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each multisection manufactured home, for which a manufactured home owner has made application for payment of relocation costs under subdivision 13, paragraph (c). The manufactured home park owner shall make payments required under this section to the Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice from the neutral third party.

(b) A manufactured home park owner is not required to make the payment prescribed under paragraph (a), nor is a manufactured home owner entitled to compensation under subdivision 13, paragraph (a) or (e), if:

(1) the manufactured home park owner relocates the manufactured home owner to another space in the manufactured home park or to another manufactured home park at the park owner's expense;

(2) the manufactured home owner is vacating the premises and has informed the manufactured home park owner or manager of this prior to the mailing date of the closure statement under subdivision 1;

(3) a manufactured home owner has abandoned the manufactured home, or the manufactured home owner is not current on the monthly lot rental, personal property taxes;

(4) the manufactured home owner has a pending eviction action for nonpayment of lot rental amount under section 327C.09, which was filed against the manufactured home owner prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery has been ordered by the district court;

(5) the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park is the result of a taking or exercise of the power of eminent domain by a governmental entity or public utility; or

(6) the owner of the manufactured home is not a resident of the manufactured home park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home is a resident, but came to reside in the manufactured home park after the mailing date of the closure statement under subdivision 1.

(c) If the unencumbered fund balance in the manufactured home relocation trust fund is less than \$1,000,000 as of June 30 of each year, the commissioner of management and budget shall annually assess each manufactured home park owner by mail the total amount of \$12 for each licensed lot in their park, payable on or before September 15 of each that year. The commissioner of management and budget shall deposit the any payments in the Minnesota manufactured home relocation trust fund. On or before July 15 of each year, the commissioner of management and budget shall prepare and distribute to park owners a letter explaining whether funds are being collected for that year, information about the collection, an invoice for all licensed lots, and a sample form for the park

owners to collect information on which park residents have been accounted for. If assessed under this paragraph, the park owner may recoup the cost of the \$12 assessment as a lump sum or as a monthly fee of no more than \$1 collected from park residents together with monthly lot rent as provided in section 327C.03, subdivision 6. Park owners may adjust payment for lots in their park that are vacant or otherwise not eligible for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b), and deduct from the assessment accordingly.

(d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action in a court of appropriate jurisdiction. The court may award a prevailing party reasonable attorney fees, court costs, and disbursements.

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

Sec. 58. REVISOR'S INSTRUCTION.

The revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number listed in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

<u>Column A</u>	<u>Column B</u>
<u>326B.82, subd. 2</u>	<u>326B.091, subd. 2a</u>
<u>326B.82, subd. 3</u>	<u>326B.091, subd. 2b</u>
<u>326B.82, subd. 5</u>	<u>326B.091, subd. 2c</u>
<u>326B.82, subd. 7</u>	<u>326B.091, subd. 4a</u>
<u>326B.82, subd. 8</u>	<u>326B.091, subd. 5a</u>
<u>326B.82, subd. 9</u>	<u>326B.091, subd. 5c</u>
<u>326B.82, subd. 10</u>	<u>326B.091, subd. 7</u>
<u>326B.821, subd. 4</u>	<u>326B.0981, subd. 17</u>
<u>326B.821, subd. 5</u>	<u>326B.0981, subd. 3</u>
<u>326B.821, subd. 5a</u>	<u>326B.0981, subd. 4</u>
<u>326B.821, subd. 6</u>	<u>326B.0981, subd. 5</u>
<u>326B.821, subd. 7</u>	<u>326B.0981, subd. 6</u>
<u>326B.821, subd. 8</u>	<u>326B.099, subd. 1</u>
<u>326B.821, subd. 9</u>	<u>326B.099, subd. 2</u>
<u>326B.821, subd. 10</u>	<u>326B.099, subd. 3</u>
<u>326B.821, subd. 11</u>	<u>326B.099, subd. 4</u>
<u>326B.821, subd. 12</u>	<u>326B.0981, subd. 7</u>
<u>326B.821, subd. 13</u>	<u>326B.0981, subd. 8</u>
<u>326B.821, subd. 14</u>	<u>326B.0981, subd. 9</u>
<u>326B.821, subd. 15</u>	<u>326B.0981, subd. 10</u>

<u>326B.821, subd. 16</u>	<u>326B.0981, subd. 11</u>
<u>326B.821, subd. 17</u>	<u>326B.099, subd. 5</u>
<u>326B.821, subd. 18</u>	<u>326B.0981, subd. 12</u>
<u>326B.821, subd. 19</u>	<u>326B.0981, subd. 13</u>
<u>326B.821, subd. 20</u>	<u>326B.0981, subd. 14</u>
<u>326B.821, subd. 22</u>	<u>326B.0981, subd. 2</u>
<u>326B.821, subd. 23</u>	<u>326B.0981, subd. 15</u>
<u>326B.821, subd. 24</u>	<u>326B.0981, subd. 16</u>

Sec. 59. **REPEALER.**

Minnesota Statutes 2010, sections 326B.82, subdivisions 4 and 6; and 326B.821, subdivision 3, are repealed.

EFFECTIVE DATE. This section is effective January 1, 2012."

Delete the title and insert:

"A bill for an act relating to economic development; modifying certain economic development, fees, and licensing provisions; modifying certain occupational continuing education requirements; clarifying and modifying regulation of medical gas system and manufactured home provisions; requiring reports; appropriating money for jobs, economic development, and housing purposes; amending Minnesota Statutes 2010, sections 115C.08, subdivision 4; 116J.035, by adding a subdivision; 116J.551, subdivision 1; 181.723, subdivision 5; 182.6553, subdivision 6; 268.18, subdivisions 2, 2b; 268.199; 268A.15, subdivision 4; 298.17; 326B.04, subdivision 2; 326B.091; 326B.098; 326B.13, subdivision 8; 326B.148, subdivision 1; 326B.42, subdivisions 8, 9, 10, by adding subdivisions; 326B.435, subdivision 2; 326B.438; 326B.46, subdivisions 1, 1a, 1b, 2, 3; 326B.47, subdivisions 1, 3; 326B.49, subdivision 1; 326B.56, subdivision 1; 326B.58; 326B.82, subdivisions 2, 3, 7, 9; 326B.821, subdivisions 1, 5, 5a, 6, 7, 8, 9, 10, 11, 12, 15, 16, 18, 19, 20, 22, 23; 326B.865; 326B.89, subdivisions 6, 8; 327.32, subdivisions 1a, 1b, 1e, 1f, 7; 327.33, subdivision 2; 327C.095, subdivision 12; 341.321; Laws 2009, chapter 78, article 1, section 18; proposing coding for new law in Minnesota Statutes, chapters 116J; 326B; repealing Minnesota Statutes 2010, sections 326B.82, subdivisions 4, 6; 326B.821, subdivision 3."

We request the adoption of this report and repassage of the bill.

Senate Conferees: Geoff Michel, Ted H. Lillie, Theodore J. "Ted" Daley, Jeremy R. Miller, John C. Pederson

House Conferees: Bob Gunther, Joe Hoppe, Andrea Kieffer, Carol McFarlane, Tim Sanders

Senator Michel moved that the foregoing recommendations and Conference Committee Report on S.F. No. 887 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Senator Metzen moved that the recommendations and Conference Committee Report on S.F. No. 887 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted

for further consideration.

The question was taken on the adoption of the Metzen motion.

The roll was called, and there were yeas 26 and nays 37, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson	Gazelka	Jungbauer	Nelson	Rosen
Brown	Gerlach	Koch	Newman	Senjem
Carlson	Gimse	Kruse	Nienow	Thompson
Chamberlain	Hall	Lillie	Olson	Vandever
Dahms	Hann	Limmer	Ortman	Wolf
Daley	Hoffman	Magnus	Parry	
DeKruif	Howe	Michel	Pederson	
Fischbach	Ingebrigtsen	Miller	Robling	

The motion did not prevail.

The question recurred on the adoption of the Michel motion. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 887 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 37 and nays 27, as follows:

Those who voted in the affirmative were:

Benson	Gazelka	Jungbauer	Nelson	Rosen
Brown	Gerlach	Koch	Newman	Senjem
Carlson	Gimse	Kruse	Nienow	Thompson
Chamberlain	Hall	Lillie	Olson	Vandever
Dahms	Hann	Limmer	Ortman	Wolf
Daley	Hoffman	Magnus	Parry	
DeKruif	Howe	Michel	Pederson	
Fischbach	Ingebrigtsen	Miller	Robling	

Those who voted in the negative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 958 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 958

A bill for an act relating to public safety; acquiring an easement for the correctional facility in Faribault; appropriating money for the courts, public defenders, public safety, corrections, certain other criminal justice agencies, boards, and commissions; amending Minnesota Statutes 2010, section 2971.06, subdivision 3.

May 16, 2011

The Honorable Kurt Zellers
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach
President of the Senate

We, the undersigned conferees for S. F. No. 958 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 958 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1**APPROPRIATIONS**Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Total</u>
<u>General</u> \$	<u>2,081,000</u> \$	<u>889,732,000</u> \$	<u>888,819,000</u> \$	<u>1,780,632,000</u>
<u>State</u>				
<u>Government</u>				
<u>Special</u>				
<u>Revenue</u>		<u>72,651,000</u>	<u>70,036,000</u>	<u>142,687,000</u>
<u>Environmental</u>		<u>69,000</u>	<u>69,000</u>	<u>138,000</u>
<u>Special</u>				
<u>Revenue</u>		<u>18,292,000</u>	<u>18,292,000</u>	<u>36,584,000</u>
<u>Trunk</u>				
<u>Highway</u>		<u>1,941,000</u>	<u>1,941,000</u>	<u>3,882,000</u>
<u>Total</u> \$	<u>2,081,000</u> \$	<u>982,685,000</u> \$	<u>979,157,000</u> \$	<u>1,963,923,000</u>

Sec. 2. **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 general fund, or another named 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. Appropriations for the fiscal year ending June 30, 2011, are effective the day following final enactment.

	APPROPRIATIONS		
	Available for the Year		
	<u>Ending June 30</u>		
<u>2011</u>	<u>2012</u>	<u>2013</u>	
Sec. 3. <u>SUPREME COURT</u>			
Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>40,274,000</u>	<u>\$</u>
			<u>40,575,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Supreme Court Operations</u>		<u>30,458,000</u>	<u>30,759,000</u>
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(a) **Contingent Account.** \$5,000 each year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.

(b) **Employee Health Care.** The chief justice of the Supreme Court is requested to study and report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over judiciary finance by January 15, 2012, on the advantages and disadvantages of having judicial branch officials and employees leave the state employee group insurance program and form their own group benefit plan, including the option of shifting to a plan based on high-deductible health savings accounts.

(c) **Judicial and Referee Vacancies.** The Supreme Court shall not certify a

judicial or referee vacancy under Minnesota Statutes, section 2.722, until it has examined alternative options, such as temporarily suspending certification of the vacant position or assigning a retired judge to temporarily fill the position.

Subd. 3. Civil Legal Services

9,816,000

9,816,000

(a) Legal Services to Low-Income Clients in Family Law Matters. Of this appropriation, \$877,000 each year is to improve the access of low-income clients to legal representation in family law matters. This appropriation must be distributed under Minnesota Statutes, section 480.242, to the qualified legal services programs described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (a). Any unencumbered balance remaining in the first year does not cancel and is available in the second year.

(b) Limits on Services. No portion of the funds appropriated may be used to represent or serve clients: (1) in federal civil or criminal matters outside the jurisdiction of the state courts or agencies; (2) in suing a state or federal entity; and (3) in advocating at the legislature for or against current or proposed policy and law.

Sec. 4. COURT OF APPEALS

\$ 10,106,000 \$ 10,228,000

Sec. 5. TRIAL COURTS

\$ 233,511,000 \$ 236,828,000

Sec. 6. GUARDIAN AD LITEM BOARD

\$ 11,617,000 \$ 11,617,000

Case priority. The board shall assign guardians to clients who are entitled by statute to representation prior to clients for whom the courts request guardians but who are not entitled to a guardian under statute.

Sec. 7. TAX COURT

\$ 825,000 \$ 825,000

\$38,000 in fiscal year 2011 is appropriated from the general fund to the tax court.

Operating schedule. At least one tax court

(a) **Disaster Match.** \$2,043,000 in fiscal year 2011 is appropriated from the general fund to provide a match for Federal Emergency Management Agency (FEMA) disaster assistance to state agencies and political subdivisions under Minnesota Statutes, section 12.221, in the area designated under Presidential Declaration of Major Disaster, FEMA-1830-DR, for the flooding in Minnesota in the spring of 2009, whether included in the original declaration or added later by federal government action. This is a onetime appropriation. This appropriation is available until expended.

(b) **Hazmat and Chemical Assessment Teams.** \$604,000 each year is appropriated from the fire safety account in the special revenue fund. These amounts must be used to fund the hazardous materials and chemical assessment teams.

Subd. 3. **Criminal Apprehension**

41,987,000 41,987,000

Appropriations by Fund

<u>General</u>	<u>40,039,000</u>	<u>40,039,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>7,000</u>	<u>7,000</u>
<u>Trunk Highway</u>	<u>1,941,000</u>	<u>1,941,000</u>

DWI Lab Analysis; Trunk Highway Fund. Notwithstanding Minnesota Statutes, section 161.20, subdivision 3, \$1,941,000 each year is appropriated from the trunk highway fund for laboratory analysis related to driving while impaired cases.

Subd. 4. **Fire Marshal**

12,375,000 12,375,000

This appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012.

Of this amount, \$5,757,000 each year is for activities under Minnesota Statutes, section

299F.012, and \$6,618,000 each year is for transfer to the general fund under Minnesota Statutes, section 297I.06, subdivision 3.

Subd. 5. Alcohol and Gambling Enforcement

2,236,000 2,236,000

Appropriations by Fund

<u>General</u>	<u>1,583,000</u>	<u>1,583,000</u>
<u>Special Revenue</u>	<u>653,000</u>	<u>653,000</u>

This appropriation is from the alcohol enforcement account in the special revenue fund. Of this appropriation, \$500,000 each year shall be transferred to the general fund. The transfer amount for fiscal year 2014 and fiscal year 2015 shall be \$500,000 per year.

Subd. 6. Office of Justice Programs

28,389,000 28,389,000

Appropriations by Fund

<u>General</u>	<u>28,293,000</u>	<u>28,293,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>96,000</u>	<u>96,000</u>

(a) **Youth Intervention Grants.** The commissioner may not reduce grants to youth intervention programs.

(b) **Administration Costs.** Up to 2.5 percent of the grant money appropriated in this subdivision may be used to administer the grant program.

Subd. 7. Emergency Communication Networks

72,548,000 69,933,000

This appropriation is from the state government special revenue fund for 911 emergency telecommunications services.

(a) **Public Safety Answering Points.** \$13,664,000 each year is to be distributed as provided in Minnesota Statutes, section 403.113, subdivision 2.

(b) **Medical Resource Communication**

Centers. \$683,000 each year is for grants to the Minnesota Emergency Medical Services Regulatory Board for the Metro East and Metro West Medical Resource Communication Centers that were in operation before January 1, 2000.

(c) **ARMER Debt Service.** \$23,261,000 each year is to the commissioner of management and budget to pay debt service on revenue bonds issued under Minnesota Statutes, section 403.275.

Any portion of this appropriation not needed to pay debt service in a fiscal year may be used by the commissioner of public safety to pay cash for any of the capital improvements for which bond proceeds were appropriated by Laws 2005, chapter 136, article 1, section 9, subdivision 8, or Laws 2007, chapter 54, article 1, section 10, subdivision 8.

(d) **Metropolitan Council Debt Service.** \$1,410,000 each year is to the commissioner of management and budget for payment to the Metropolitan Council for debt service on bonds issued under Minnesota Statutes, section 403.27.

(e) **ARMER State Backbone Operating Costs.** \$8,300,000 the first year and \$8,650,000 the second year are to the commissioner of transportation for costs of maintaining and operating the statewide radio system backbone.

(f) **ARMER Improvements.** \$1,000,000 each year is for the Statewide Radio Board for costs of design, construction, maintenance of, and improvements to those elements of the statewide public safety radio and communication system that support mutual aid communications and emergency medical services or provide enhancement of public safety communication interoperability.

(g) **Transfer.** \$2,600,000 each year is transferred to the general fund. This is a onetime transfer.

Sec. 12. PEACE OFFICER STANDARDS AND TRAINING (POST) BOARD

\$ 3,770,000 \$ 3,770,000

(a) Excess Amounts Transferred. This appropriation is from the peace officer training account in the special revenue fund. Any new receipts credited to that account in the first year in excess of \$3,770,000 must be transferred and credited to the general fund. Any new receipts credited to that account in the second year in excess of \$3,770,000 must be transferred and credited to the general fund.

(b) Peace Officer Training Reimbursements. \$2,634,000 each year is for reimbursements to local governments for peace officer training costs.

Sec. 13. PRIVATE DETECTIVE BOARD

\$ 120,000 \$ 120,000

Sec. 14. HUMAN RIGHTS

\$ 1,170,000 \$ 1,170,000

Mission Priority. The commissioner shall dedicate the department's appropriation under this section to enforcement measures.

Sec. 15. DEPARTMENT OF CORRECTIONS

Subdivision 1. Total Appropriation

\$ 454,665,000 \$ 450,012,000

Appropriations by Fund

	<u>2012</u>	<u>2013</u>
<u>General</u>	<u>453,775,000</u>	<u>449,122,000</u>
<u>Special Revenue</u>	<u>890,000</u>	<u>890,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Correctional Institutions

326,191,000 321,538,000

Appropriations by Fund

<u>General</u>	<u>325,611,000</u>	<u>320,958,000</u>
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<u>Special Revenue</u>	<u>580,000</u>	<u>580,000</u>
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The general fund base for this program shall be \$325,653,000 in fiscal year 2014 and \$328,433,000 in fiscal year 2015.

(a) **Position Reductions.** The commissioner of corrections may not eliminate line officer positions.

(b) **Correctional Study.** In implementing this appropriation the commissioner of corrections shall consider studying the following topics:

(1) adoption of an earned credit program for inmates in the state correctional facilities similar to the programs in 36 other states;

(2) the federal immigration and customs enforcement rapid REPAT program and the potential for the state to participate in the program;

(3) expanding the use of medical and other forms of early release;

(4) the feasibility of closing a wing or an entire state facility or leasing vacant prison space to house inmates from other states;

(5) reducing inmate medical costs; and

(6) reforming the department's role in the juvenile justice system including closing juvenile facilities.

<u>Subd. 3. Community Services</u>	<u>108,006,000</u>	<u>108,006,000</u>
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Appropriations by Fund

<u>General</u>	<u>107,906,000</u>	<u>107,906,000</u>
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<u>Special Revenue</u>	<u>100,000</u>	<u>100,000</u>
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Probation Revocation Reform. In implementing this appropriation the commissioner of corrections, in consultation with staff of the Sentencing Guidelines Commission and representatives from community corrections agencies, shall

consider developing performance incentives for counties to reduce the number of probation revocations. The commissioner is encouraged to review policies in states that have implemented performance incentive programs. In implementing this appropriation the commissioner shall consider examining:

- (1) the revocation rate differences between counties;
- (2) granting earned compliance credits for offenders on probation;
- (3) recent innovations in probation services, such as the HOPE program and the Georgia model, to determine the feasibility of implementing similar programs in Minnesota;
- (4) limiting prison time for first time probation revocations; and
- (5) the impact of adopting one, unified probation and supervised release delivery system in the state.

<u>Subd. 4. Operations Support</u>	<u>20,468,000</u>	<u>20,468,000</u>
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Appropriations by Fund

<u>General</u>	<u>20,258,000</u>	<u>20,258,000</u>
<u>Special Revenue</u>	<u>210,000</u>	<u>210,000</u>

Subd. 5. **Transfers**

(a) **MINNCOR.** Notwithstanding Minnesota Statutes, section 241.27, the commissioner of management and budget shall transfer \$600,000 the first year and \$600,000 the second year from the Minnesota correctional industries revolving fund to the general fund. These are onetime transfers.

(b) **Various Special Revenue Accounts.** Notwithstanding any law to the contrary, the commissioner of management and budget shall transfer \$400,000 the first year and \$400,000 the second year from the Department of Corrections' special revenue accounts to the general fund. These are

~~at any location within the state;~~

~~(3)~~ meet and function at any place within the state;

~~(4)~~ (3) employ attorneys, clerks, and other employees and agents as the commissioner may deem necessary and prescribe their duties;

~~(5)~~ (4) to the extent permitted by federal law and regulation, utilize the records of the Department of Employment and Economic Development of the state when necessary to effectuate the purposes of this chapter;

~~(6)~~ (5) obtain upon request and utilize the services of all state governmental departments and agencies;

~~(7)~~ (6) adopt suitable rules for effectuating the purposes of this chapter;

~~(8)~~ (7) issue complaints, receive and investigate charges alleging unfair discriminatory practices, and determine whether or not probable cause exists for hearing;

~~(9)~~ (8) subpoena witnesses, administer oaths, take testimony, and require the production for examination of any books or papers relative to any matter under investigation or in question as the commissioner deems appropriate to carry out the purposes of this chapter;

~~(10)~~ (9) attempt, by means of ~~education~~, conference, conciliation, and persuasion to eliminate unfair discriminatory practices as being contrary to the public policy of the state;

~~(11) develop and conduct programs of formal and informal education designed to eliminate discrimination and intergroup conflict by use of educational techniques and programs the commissioner deems necessary;~~

~~(12)~~ (10) make a written report of the activities of the commissioner to the governor each year;

~~(13)~~ (11) accept gifts, bequests, grants, or other payments public and private to help finance the activities of the department;

~~(14)~~ (12) create such local and statewide advisory committees as will in the commissioner's judgment aid in effectuating the purposes of the Department of Human Rights;

~~(15) develop such programs as will aid in determining the compliance throughout the state with the provisions of this chapter, and in the furtherance of such duties, conduct research and study discriminatory practices based upon race, color, creed, religion, national origin, sex, age, disability, marital status, status with regard to public assistance, familial status, sexual orientation, or other factors and develop accurate data on the nature and extent of discrimination and other matters as they may affect housing, employment, public accommodations, schools, and other areas of public life;~~

~~(16)~~ (13) develop and disseminate technical assistance to persons subject to the provisions of this chapter, and to agencies and officers of governmental and private agencies;

~~(17)~~ (14) provide staff services to such advisory committees as may be created in aid of the functions of the Department of Human Rights;

~~(18)~~ (15) make grants in aid to the extent that appropriations are made available for that purpose

in aid of carrying out duties and responsibilities; and

~~(19)~~ (16) cooperate and consult with the commissioner of labor and industry regarding the investigation of violations of, and resolution of complaints regarding section 363A.08, subdivision 7. The commissioner may use nonstate funds to develop and conduct programs of formal and informal education designed to eliminate discrimination and further compliance with this chapter.

In performing these duties, the commissioner shall give priority to those duties in clauses (7), (8), and (9), ~~and (10)~~ and to the duties in section 363A.36.

(b) All gifts, bequests, grants, or other payments, public and private, accepted under paragraph (a), clause ~~(13)~~ (11), must be deposited in the state treasury and credited to a special account. Money in the account is appropriated to the commissioner of human rights to help finance activities of the department.

Sec. 4. Minnesota Statutes 2010, section 363A.36, subdivision 1, is amended to read:

Subdivision 1. **Scope of application.** (a) For all contracts for goods and services in excess of ~~\$100,000~~ \$250,000, no department or agency of the state shall accept any bid or proposal for a contract or agreement from any business having more than ~~40~~ 50 full-time employees within this state on a single working day during the previous 12 months, unless the commissioner is in receipt of the business' affirmative action plan for the employment of minority persons, women, and qualified disabled individuals. No department or agency of the state shall execute any such contract or agreement until the affirmative action plan has been approved by the commissioner. Receipt of a certificate of compliance issued by the commissioner shall signify that a firm or business has an affirmative action plan that has been approved by the commissioner. A certificate shall be valid for a period of ~~two~~ five years. A municipality as defined in section 466.01, subdivision 1, that receives state money for any reason is encouraged to prepare and implement an affirmative action plan for the employment of minority persons, women, and the qualified disabled and submit the plan to the commissioner.

(b) This paragraph applies to a contract for goods or services in excess of ~~\$100,000~~ \$250,000 to be entered into between a department or agency of the state and a business that is not subject to paragraph (a), but that has more than ~~40~~ 50 full-time employees on a single working day during the previous 12 months in the state where the business has its primary place of business. A department or agency of the state may not execute a contract or agreement with a business covered by this paragraph unless the business has a certificate of compliance issued by the commissioner under paragraph (a) or the business certifies that it is in compliance with federal affirmative action requirements.

(c) This section does not apply to contracts entered into by the State Board of Investment for investment options under section 352.965, subdivision 4.

Sec. 5. Minnesota Statutes 2010, section 609.105, subdivision 1, is amended to read:

Subdivision 1. **Sentence to ~~more than one year~~ 60 days or less.** In a felony sentence to imprisonment for ~~more than one year~~ shall commit, when the remaining term of imprisonment is for 60 days or less, the defendant shall be committed to the custody of the commissioner of corrections and must serve the remaining term of imprisonment at a workhouse, work farm, county jail, or other place authorized by law.

Sec. 6. Minnesota Statutes 2010, section 609.105, is amended by adding a subdivision to read:

Subd. 1c. **Sentence to more than 60 days.** A felony sentence to imprisonment when the warrant of commitment has a remaining term of imprisonment for more than 60 days shall commit the defendant to the custody of the commissioner of corrections.

Sec. 7. Minnesota Statutes 2010, section 609.105, is amended by adding a subdivision to read:

Subd. 4. **Definitions.** (a) For the purposes of this section, the terms in this subdivision have the meanings given them.

(b) "Remaining term of imprisonment" as applied to inmates whose crimes were committed before August 1, 1993, is the period of time for which an inmate is committed to the custody of the commissioner of corrections minus earned good time and jail credit, if any.

(c) "Remaining term of imprisonment" as applied to inmates whose crimes were committed on or after August 1, 1993, is the period of time equal to two-thirds of the inmate's executed sentence, minus jail credit, if any.

Sec. 8. Minnesota Statutes 2010, section 626.8458, subdivision 5, is amended to read:

Subd. 5. In-service training in police pursuits required. The chief law enforcement officer of every state and local law enforcement agency shall provide in-service training in emergency vehicle operations and in the conduct of police pursuits to every peace officer and part-time peace officer employed by the agency who the chief law enforcement officer determines may be involved in a police pursuit given the officer's responsibilities. The training shall comply with learning objectives developed and approved by the board and shall consist of at least eight hours of classroom and skills-based training every ~~four~~ five years.

Sec. 9. Minnesota Statutes 2010, section 641.15, subdivision 2, is amended to read:

Subd. 2. Medical aid. Except as provided in section 466.101, the county board shall pay the costs of medical services provided to prisoners pursuant to this section. The amount paid by the Anoka county board for a medical service shall not exceed the maximum allowed medical assistance payment rate for the service, as determined by the commissioner of human services. ~~For all other counties,~~ In the absence of a health or medical insurance or health plan that has a contractual obligation with the provider or the prisoner, medical providers shall charge no higher than the rate negotiated between the county and the provider. In the absence of an agreement between the county and the provider, the provider may not charge no more than the discounted rate the provider has negotiated with the nongovernmental third-party payer that provided the most revenue to the provider during the previous calendar year an amount that exceeds the maximum allowed medical assistance payment rate for the service, as determined by the commissioner of human services. The county is entitled to reimbursement from the prisoner for payment of medical bills to the extent that the prisoner to whom the medical aid was provided has the ability to pay the bills. The prisoner shall, at a minimum, incur co-payment obligations for health care services provided by a county correctional facility. The county board shall determine the co-payment amount. Notwithstanding any law to the contrary, the co-payment shall be deducted from any of the prisoner's funds held by the county, to the extent possible. If there is a disagreement between the county and a prisoner concerning the prisoner's ability to pay, the court with jurisdiction over the defendant shall determine the extent, if any, of the prisoner's ability to pay for the medical

services. If a prisoner is covered by health or medical insurance or other health plan when medical services are provided, the medical provider shall bill that health or medical insurance or other plan. If the county providing the medical services for a prisoner that has coverage under health or medical insurance or other plan, that county has a right of subrogation to be reimbursed by the insurance carrier for all sums spent by it for medical services to the prisoner that are covered by the policy of insurance or health plan, in accordance with the benefits, limitations, exclusions, provider restrictions, and other provisions of the policy or health plan. The county may maintain an action to enforce this subrogation right. The county does not have a right of subrogation against the medical assistance program or the general assistance medical care program.

Sec. 10. FEDERAL SECURE COMMUNITIES INITIATIVE; DATA PRACTICES.

The state shall participate in the United States Department of Homeland Security's secure communities initiative. The commissioner of public safety shall enter into an agreement on behalf of the state with the United States Department of Homeland Security to implement this section. This agreement shall be legally binding on the state. Data on individuals collected, created, received, maintained, or disseminated by the commissioner of public safety for purposes of participation in the initiative are criminal history data under Minnesota Statutes, section 13.87.

Sec. 11. ACQUISITION OF EASEMENT; MINNESOTA CORRECTIONAL FACILITY IN FARIBAULT.

Notwithstanding Minnesota Statutes, section 16B.31, subdivision 5, the commissioner of administration may acquire an easement for utility and access purposes to serve the Minnesota correctional facility in the city of Faribault by any of the acquisition methods permitted by that subdivision even in the absence of a specific appropriation to the commissioner to acquire the easement.

Sec. 12. REPEALER.

Minnesota Statutes 2010, section 363A.36, subdivision 5, is repealed.

ARTICLE 3

COURTS AND SENTENCING

Section 1. Minnesota Statutes 2010, section 169.797, subdivision 4, is amended to read:

Subd. 4. **Penalty.** (a) A person who violates this section is guilty of a misdemeanor. A person is guilty of a gross misdemeanor who violates this section within ten years of the first of two prior convictions under this section, section 169.791, or a statute or ordinance in conformity with one of those sections. The operator of a vehicle who violates subdivision 3 and who causes or contributes to causing a vehicle accident that results in the death of any person or in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, is guilty of a gross misdemeanor. The same prosecuting authority who is responsible for prosecuting misdemeanor violations of this section is responsible for prosecuting gross misdemeanor violations of this section. In addition to any sentence of imprisonment that the court may impose on a person convicted of violating this section, the court shall impose a fine of not less than \$200 nor more than the maximum amount authorized by law. The court may allow community service in lieu of any fine imposed if the defendant is indigent.

(b) A driver who is the owner of the vehicle may, no later than the date and time specified

in the citation for the driver's first court appearance, produce proof of insurance stating that security had been provided for the vehicle that was being operated at the time of demand to the court administrator. The required proof of insurance may be sent by mail by the driver as long as it is received no later than the date and time specified in the citation for the driver's first court appearance. If a citation is issued, no person shall be convicted of violating this section if the court administrator receives the required proof of insurance no later than the date and time specified in the citation for the driver's first court appearance. If the charge is made other than by citation, no person shall be convicted of violating this section if the person presents the required proof of insurance at the person's first court appearance after the charge is made.

(c) If the driver is not the owner of the vehicle, the driver shall, no later than the date and time specified in the citation for the driver's first court appearance, provide the district court administrator with proof of insurance or the name and address of the owner. Upon receipt of the name and address of the owner, the district court administrator shall communicate the information to the law enforcement agency.

(d) If the driver is not the owner of the vehicle, the officer may send or provide a notice to the owner of the vehicle requiring the owner to produce proof of insurance for the vehicle that was being operated at the time of the demand. Notice by mail is presumed to be received five days after mailing and shall be sent to the owner's current address or the address listed on the owner's driver's license. Within ten days after receipt of the notice, the owner shall produce the required proof of insurance to the place stated in the notice received by the owner. The required proof of insurance may be sent by mail by the owner as long as it is received within ten days. Any owner who fails to produce proof of insurance within ten days of an officer's request under this subdivision is guilty of a misdemeanor. The peace officer may mail the citation to the owner's current address or address stated on the owner's driver's license. It is an affirmative defense to a charge against the owner that the driver used the owner's vehicle without consent, if insurance would not have been required in the absence of the unauthorized use by the driver. It is not a defense that a person failed to notify the Department of Public Safety of a change of name or address as required under section 171.11. The citation may be sent after the ten-day period.

~~(b)~~ (e) The court may impose consecutive sentences for offenses arising out of a single course of conduct as permitted in section 609.035, subdivision 2.

~~(e)~~ (f) In addition to the criminal penalty, the driver's license of an operator convicted under this section shall be revoked for not more than 12 months. If the operator is also an owner of the vehicle, the registration of the vehicle shall also be revoked for not more than 12 months. Before reinstatement of a driver's license or registration, the operator shall file with the commissioner of public safety the written certificate of an insurance carrier authorized to do business in this state stating that security has been provided by the operator as required by section 65B.48.

~~(d)~~ (g) The commissioner shall include a notice of the penalties contained in this section on all forms for registration of vehicles required to maintain a plan of reparation security.

Sec. 2. Minnesota Statutes 2010, section 260C.331, subdivision 3, is amended to read:

Subd. 3. **Court expenses.** The following expenses are a charge upon the county in which proceedings are held upon certification of the judge of juvenile court or upon such other authorization provided by law:

- (1) the fees and mileage of witnesses, and the expenses and mileage of officers serving notices and subpoenas ordered by the court, as prescribed by law;
- (2) the expense of transporting a child to a place designated by a child-placing agency for the care of the child if the court transfers legal custody to a child-placing agency;
- (3) the expense of transporting a minor to a place designated by the court;
- (4) reasonable compensation for an attorney appointed by the court to serve as counsel.

The State Guardian Ad Litem Board shall pay for guardian ad litem expenses and reasonable compensation for an attorney to serve as counsel for a guardian ad litem, if necessary. In no event may the court order that guardian ad litem expenses or compensation for an attorney serving as counsel for a guardian ad litem be charged to a county.

Sec. 3. Minnesota Statutes 2010, section 357.021, subdivision 6, is amended to read:

Subd. 6. Surcharges on criminal and traffic offenders. (a) Except as provided in this paragraph, the court shall impose and the court administrator shall collect a \$75 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, other than a violation of a law or ordinance relating to vehicle parking, for which there shall be a \$12 surcharge. When a defendant is convicted of more than one offense in a case, the surcharge shall be imposed only once in that case. In the Second Judicial District, the court shall impose, and the court administrator shall collect, an additional \$1 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, including a violation of a law or ordinance relating to vehicle parking, if the Ramsey County Board of Commissioners authorizes the \$1 surcharge. The surcharge shall be imposed whether or not the person is sentenced to imprisonment or the sentence is stayed. The surcharge shall not be imposed when a person is convicted of a petty misdemeanor for which no fine is imposed.

(b) If the court fails to impose a surcharge as required by this subdivision, the court administrator shall show the imposition of the surcharge, collect the surcharge, and correct the record.

(c) The court may not waive payment of the surcharge required under this subdivision. Upon a showing of indigency or undue hardship upon the convicted person or the convicted person's immediate family, the sentencing court may authorize payment of the surcharge in installments.

(d) The court administrator or other entity collecting a surcharge shall forward it to the commissioner of management and budget.

(e) If the convicted person is sentenced to imprisonment and has not paid the surcharge before the term of imprisonment begins, the chief executive officer of the correctional facility in which the convicted person is incarcerated shall collect the surcharge from any earnings the inmate accrues from work performed in the facility or while on conditional release. The chief executive officer shall forward the amount collected to the court administrator or other entity collecting the surcharge imposed by the court.

(f) A person who ~~successfully completes a diversion or similar program~~ enters a diversion program, continuance without prosecution, continuance for dismissal, or stay of adjudication for a violation of chapter 169 must pay the surcharge described in this subdivision. A surcharge imposed under this paragraph shall be imposed only once per case.

(g) The surcharge does not apply to administrative citations issued pursuant to section 169.999.

Sec. 4. Minnesota Statutes 2010, section 563.01, subdivision 3, is amended to read:

Subd. 3. **Authorization of forma pauperis.** (a) Any court of the state of Minnesota or any political subdivision thereof may authorize the commencement or defense of any civil action, or appeal therein, without prepayment of fees, costs and security for costs by a natural person who makes affidavit stating (a) the nature of the action, defense or appeal, (b) a belief that affiant is entitled to redress, and (c) that affiant is financially unable to pay the fees, costs and security for costs.

(b) Upon a finding by the court that the action is not of a frivolous nature, the court shall allow the person to proceed in forma pauperis if the affidavit is substantially in the language required by this subdivision and is not found by the court to be untrue. Persons meeting the requirements of this subdivision include, but are not limited to, a person who is receiving public assistance, who is represented by an attorney on behalf of a civil legal services program or a volunteer attorney program based on indigency, or who has an annual income not greater than 125 percent of the poverty line established under United States Code, title 42, section 9902(2), except as otherwise provided by section 563.02.

(c) If, at or following commencement of the action, the party is or becomes able to pay all or a portion of the fees, costs, and security for costs, the court may order payment of a fee of \$75 or reimbursement or partial payment of all or a portion of the fees, costs, and security for costs, to be paid as directed by the court.

The court administrator shall transmit any fees or payments to the commissioner of management and budget for deposit in the state treasury and credit to the general fund.

ARTICLE 4

SEXUALLY EXPLOITED YOUTH

Section 1. Minnesota Statutes 2010, section 260B.007, subdivision 6, is amended to read:

Subd. 6. **Delinquent child.** (a) Except as otherwise provided in ~~paragraph~~ paragraphs (b) and (c), "delinquent child" means a child:

(1) who has violated any state or local law, except as provided in section 260B.225, subdivision 1, and except for juvenile offenders as described in subdivisions 16 to 18;

(2) who has violated a federal law or a law of another state and whose case has been referred to the juvenile court if the violation would be an act of delinquency if committed in this state or a crime or offense if committed by an adult;

(3) who has escaped from confinement to a state juvenile correctional facility after being committed to the custody of the commissioner of corrections; or

(4) who has escaped from confinement to a local juvenile correctional facility after being committed to the facility by the court.

(b) The term delinquent child does not include a child alleged to have committed murder in the first degree after becoming 16 years of age, but the term delinquent child does include a child alleged

to have committed attempted murder in the first degree.

(c) The term delinquent child does not include a child under the age of 16 years alleged to have engaged in conduct which would, if committed by an adult, violate any federal, state, or local law relating to being hired, offering to be hired, or agreeing to be hired by another individual to engage in sexual penetration or sexual conduct.

EFFECTIVE DATE. This section is effective August 1, 2014, and applies to offenses committed on or after that date.

Sec. 2. Minnesota Statutes 2010, section 260B.007, subdivision 16, is amended to read:

Subd. 16. **Juvenile petty offender; juvenile petty offense.** (a) "Juvenile petty offense" includes a juvenile alcohol offense, a juvenile controlled substance offense, a violation of section 609.685, or a violation of a local ordinance, which by its terms prohibits conduct by a child under the age of 18 years which would be lawful conduct if committed by an adult.

(b) Except as otherwise provided in paragraph (c), "juvenile petty offense" also includes an offense that would be a misdemeanor if committed by an adult.

(c) "Juvenile petty offense" does not include any of the following:

(1) a misdemeanor-level violation of section 518B.01, 588.20, 609.224, 609.2242, 609.324, 609.5632, 609.576, 609.66, 609.746, 609.748, 609.79, or 617.23;

(2) a major traffic offense or an adult court traffic offense, as described in section 260B.225;

(3) a misdemeanor-level offense committed by a child whom the juvenile court previously has found to have committed a misdemeanor, gross misdemeanor, or felony offense; or

(4) a misdemeanor-level offense committed by a child whom the juvenile court has found to have committed a misdemeanor-level juvenile petty offense on two or more prior occasions, unless the county attorney designates the child on the petition as a juvenile petty offender notwithstanding this prior record. As used in this clause, "misdemeanor-level juvenile petty offense" includes a misdemeanor-level offense that would have been a juvenile petty offense if it had been committed on or after July 1, 1995.

(d) A child who commits a juvenile petty offense is a "juvenile petty offender." The term juvenile petty offender does not include a child under the age of 16 years alleged to have violated any law relating to being hired, offering to be hired, or agreeing to be hired by another individual to engage in sexual penetration or sexual conduct which, if committed by an adult, would be a misdemeanor.

EFFECTIVE DATE. This section is effective August 1, 2014, and applies to offenses committed on or after that date.

Sec. 3. Minnesota Statutes 2010, section 260C.007, subdivision 6, is amended to read:

Subd. 6. **Child in need of protection or services.** "Child in need of protection or services" means a child who is in need of protection or services because the child:

(1) is abandoned or without parent, guardian, or custodian;

(2)(i) has been a victim of physical or sexual abuse as defined in section 626.556, subdivision 2,

(ii) resides with or has resided with a victim of child abuse as defined in subdivision 5 or domestic child abuse as defined in subdivision 13, (iii) resides with or would reside with a perpetrator of domestic child abuse as defined in subdivision 13 or child abuse as defined in subdivision 5 or 13, or (iv) is a victim of emotional maltreatment as defined in subdivision 15;

(3) is without necessary food, clothing, shelter, education, or other required care for the child's physical or mental health or morals because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(4) is without the special care made necessary by a physical, mental, or emotional condition because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(5) is medically neglected, which includes, but is not limited to, the withholding of medically indicated treatment from a disabled infant with a life-threatening condition. The term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment, including appropriate nutrition, hydration, and medication which, in the treating physician's or physicians' reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all conditions, except that the term does not include the failure to provide treatment other than appropriate nutrition, hydration, or medication to an infant when, in the treating physician's or physicians' reasonable medical judgment:

(i) the infant is chronically and irreversibly comatose;

(ii) the provision of the treatment would merely prolong dying, not be effective in ameliorating or correcting all of the infant's life-threatening conditions, or otherwise be futile in terms of the survival of the infant; or

(iii) the provision of the treatment would be virtually futile in terms of the survival of the infant and the treatment itself under the circumstances would be inhumane;

(6) is one whose parent, guardian, or other custodian for good cause desires to be relieved of the child's care and custody, including a child who entered foster care under a voluntary placement agreement between the parent and the responsible social services agency under section 260C.212, subdivision 8;

(7) has been placed for adoption or care in violation of law;

(8) is without proper parental care because of the emotional, mental, or physical disability, or state of immaturity of the child's parent, guardian, or other custodian;

(9) is one whose behavior, condition, or environment is such as to be injurious or dangerous to the child or others. An injurious or dangerous environment may include, but is not limited to, the exposure of a child to criminal activity in the child's home;

(10) is experiencing growth delays, which may be referred to as failure to thrive, that have been diagnosed by a physician and are due to parental neglect;

(11) has engaged in prostitution as defined in section 609.321, subdivision 9;

(12) has committed a delinquent act or a juvenile petty offense before becoming ten years old;

(13) is a runaway;

(14) is a habitual truant;

(15) has been found incompetent to proceed or has been found not guilty by reason of mental illness or mental deficiency in connection with a delinquency proceeding, a certification under section 260B.125, an extended jurisdiction juvenile prosecution, or a proceeding involving a juvenile petty offense; ~~or~~

(16) has a parent whose parental rights to one or more other children were involuntarily terminated or whose custodial rights to another child have been involuntarily transferred to a relative and there is a case plan prepared by the responsible social services agency documenting a compelling reason why filing the termination of parental rights petition under section 260C.301, subdivision 3, is not in the best interests of the child; or

(17) is a sexually exploited youth.

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

Sec. 4. Minnesota Statutes 2010, section 260C.007, subdivision 11, is amended to read:

Subd. 11. **Delinquent child.** "Delinquent child" ~~means a child:~~

~~(1) who has violated any state or local law, except as provided in section 260B.225, subdivision 1, and except for juvenile offenders as described in subdivisions 19 and 28; or~~

~~(2) who has violated a federal law or a law of another state and whose case has been referred to the juvenile court if the violation would be an act of delinquency if committed in this state or a crime or offense if committed by an adult has the meaning given in section 260B.007, subdivision 6.~~

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

Sec. 5. Minnesota Statutes 2010, section 260C.007, is amended by adding a subdivision to read:

Subd. 31. **Sexually exploited youth.** "Sexually exploited youth" means an individual who:

(1) is alleged to have engaged in conduct which would, if committed by an adult, violate any federal, state, or local law relating to being hired, offering to be hired, or agreeing to be hired by another individual to engage in sexual penetration or sexual conduct;

(2) is a victim of a crime described in section 609.342, 609.343, 609.345, 609.3451, 609.3453, 609.352, 617.246, or 617.247;

(3) is a victim of a crime described in United States Code, title 18, section 2260; 2421; 2422; 2423; 2425; 2425A; or 2256; or

(4) is a sex trafficking victim as defined in section 609.321, subdivision 7b.

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

Sec. 6. [609.093] JUVENILE PROSTITUTES; DIVERSION OR CHILD PROTECTION PROCEEDINGS.

Subdivision 1. **First-time prostitution offense; applicability; procedure.** (a) This section applies to a 16 or 17 year old child alleged to have engaged in prostitution as defined in section

609.321, subdivision 9, who:

(1) has not been previously adjudicated delinquent for engaging in prostitution as defined in section 609.321, subdivision 9;

(2) has not previously participated in or completed a diversion program for engaging in prostitution as defined in section 609.321, subdivision 9;

(3) has not previously been placed on probation without an adjudication or received a continuance under section 260B.198, subdivision 7, for engaging in prostitution as defined in section 609.321, subdivision 9;

(4) has not previously been found to be a child in need of protection or services for engaging in prostitution as defined in section 609.321, subdivision 9, or because the child is a sexually exploited youth as defined in section 260C.007, subdivision 31, clause (1); and

(5) agrees to successfully complete a diversion program under section 388.24 or fully comply with a disposition order under section 260C.201.

(b) The prosecutor shall refer a child described in paragraph (a) to a diversion program under section 388.24 or file a petition under section 260C.141 alleging the child to be in need of protection or services.

Subd. 2. **Failure to comply.** If a child fails to successfully complete diversion or fails to fully comply with a disposition order under section 260C.201, the child may be referred back to the court for further proceedings under chapter 260B.

Subd. 3. **Dismissal of charge.** The court shall dismiss the charge against the child if any of the following apply:

(1) the prosecutor referred the child to diversion program and the prosecutor notifies the court that the child successfully completed the program;

(2) the prosecutor filed a petition under section 260C.141 and the court does not find that the child is in need of protection or services; or

(3) the prosecutor filed a petition under section 260C.141, the court entered an order under section 260C.201, and the child fully complied with the order.

EFFECTIVE DATE. This section is effective August 1, 2014, and applies to offenses committed on or after that date.

Sec. 7. Minnesota Statutes 2010, section 609.3241, is amended to read:

609.3241 PENALTY ASSESSMENT AUTHORIZED.

(a) When a court sentences an adult convicted of violating section 609.322 or 609.324, while acting other than as a prostitute, the court shall impose an assessment of not less than \$250 \$500 and not more than \$500 \$750 for a violation of section 609.324, subdivision 2, or a misdemeanor violation of section 609.324, subdivision 3; otherwise the court shall impose an assessment of not less than \$500 \$750 and not more than \$1,000. The ~~mandatory minimum portion of the assessment is to be used for the purposes described in section 626.558, subdivision 2a,~~ shall be distributed as

~~provided in paragraph (c) and is in addition to the surcharge required by section 357.021, subdivision 6. Any portion of the assessment imposed in excess of the mandatory minimum amount shall be deposited in an account in the special revenue fund and is appropriated annually to the commissioner of public safety. The commissioner, with the assistance of the General Crime Victims Advisory Council, shall use money received under this section for grants to agencies that provide assistance to individuals who have stopped or wish to stop engaging in prostitution. Grant money may be used to provide these individuals with medical care, child care, temporary housing, and educational expenses.~~

(b) The court may not waive payment of the minimum assessment required by this section. If the defendant qualifies for the services of a public defender or the court finds on the record that the convicted person is indigent or that immediate payment of the assessment would create undue hardship for the convicted person or that person's immediate family, the court may reduce the amount of the minimum assessment to not less than \$100. The court also may authorize payment of the assessment in installments.

(c) The assessment collected under paragraph (a) must be distributed as follows:

(1) 40 percent of the assessment shall be forwarded to the political subdivision that employs the arresting officer for use in enforcement, training, and education activities related to combating sexual exploitation of youth, or if the arresting officer is an employee of the state, this portion shall be forwarded to the commissioner of public safety for those purposes identified in clause (3);

(2) 20 percent of the assessment shall be forwarded to the prosecuting agency that handled the case for use in training and education activities relating to combating sexual exploitation activities of youth; and

(3) 40 percent of the assessment must be forwarded to the commissioner of public safety to be deposited in the safe harbor for youth account in the special revenue fund and are appropriated to the commissioner for distribution to crime victims services organizations that provide services to sexually exploited youth, as defined in section 260C.007, subdivision 31.

(d) A safe harbor for youth account is established as a special account in the state treasury.

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

Sec. 8. Minnesota Statutes 2010, section 626.558, subdivision 2a, is amended to read:

Subd. 2a. ~~Juvenile prostitution~~ **Sexually exploited youth outreach program.** A multidisciplinary child protection team may assist the local welfare agency, local law enforcement agency, or an appropriate private organization in developing a program of outreach services for ~~juveniles who are engaging in prostitution~~ sexually exploited youth, including homeless, runaway, and truant youth who are at risk of sexual exploitation. For the purposes of this subdivision, at least one representative of a youth intervention program or, where this type of program is unavailable, one representative of a nonprofit agency serving youth in crisis, shall be appointed to and serve on the multidisciplinary child protection team in addition to the standing members of the team. These services may include counseling, medical care, short-term shelter, alternative living arrangements, and drop-in centers. ~~The county may finance these services by means of the penalty assessment authorized by section 609.3241.~~ A juvenile's receipt of intervention services under this subdivision may not be conditioned upon the juvenile providing any evidence or testimony.

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

Sec. 9. SAFE HARBOR FOR SEX TRAFFICKED YOUTH; SEXUALLY EXPLOITED YOUTH; STATEWIDE VICTIM SERVICES MODEL.

(a) If sufficient funding from outside sources is donated, the commissioner of public safety shall develop a statewide model as provided in this section. By June 30, 2012, the commissioner of public safety, in consultation with the commissioners of health and human services, shall develop a victim services model to address the needs of sexually exploited youth and youth at risk of sexual exploitation. The commissioner shall take into consideration the findings and recommendations as reported to the legislature on the results of the safe harbor for sexually exploited youth pilot project authorized by Laws 2006, chapter 282, article 13, section 4, paragraph (b). In addition, the commissioner shall seek recommendations from prosecutors, public safety officials, public health professionals, child protection workers, and service providers.

(b) By January 15, 2013, the commissioner of public safety shall report to the chairs and ranking minority members of the senate and house of representatives divisions having jurisdiction over health and human services and criminal justice funding and policy on the development of the statewide model, including recommendations for additional legislation or funding for services for sexually exploited youth or youth at risk of sexual exploitation.

(c) As used in this section, "sexually exploited youth" has the meaning given in section 260C.007, subdivision 31.

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

ARTICLE 5

PROSTITUTION CRIMES

Section 1. Minnesota Statutes 2010, section 609.321, subdivision 4, is amended to read:

Subd. 4. **Patron.** "Patron" means an individual who ~~hires or offers or agrees~~ engages in prostitution by hiring, offering to hire, or agreeing to hire another individual to engage in sexual penetration or sexual contact.

EFFECTIVE DATE. This section is effective August 1, 2011, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2010, section 609.321, subdivision 8, is amended to read:

Subd. 8. **Prostitute.** "Prostitute" means an individual who engages in prostitution by being hired, offering to be hired, or agreeing to be hired by another individual to engage in sexual penetration or sexual contact.

EFFECTIVE DATE. This section is effective August 1, 2011, and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2010, section 609.321, subdivision 9, is amended to read:

Subd. 9. **Prostitution.** "Prostitution" means ~~engaging or offering or agreeing to engage for hire~~ hiring, offering to hire, or agreeing to hire another individual to engage in sexual penetration or

sexual contact, or being hired, offering to be hired, or agreeing to be hired by another individual to engage in sexual penetration or sexual contact.

EFFECTIVE DATE. This section is effective August 1, 2011, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2010, section 609.324, subdivision 2, is amended to read:

Subd. 2. **Prostitution in public place; penalty for patrons.** Whoever, while acting as a patron, intentionally does any of the following while in a public place is guilty of a gross misdemeanor:

(1) engages in prostitution with an individual 18 years of age or older; or

(2) hires ~~or~~, offers to hire, or agrees to hire an individual 18 years of age or older to engage in sexual penetration or sexual contact.

Except as otherwise provided in subdivision 4, a person who is convicted of violating this subdivision ~~while acting as a patron~~ must, at a minimum, be sentenced to pay a fine of at least \$1,500.

EFFECTIVE DATE. This section is effective August 1, 2011, and applies to crimes committed on or after that date.

Sec. 5. Minnesota Statutes 2010, section 609.324, subdivision 3, is amended to read:

Subd. 3. **General prostitution crimes; penalties for patrons.** (a) Whoever, while acting as a patron, intentionally does any of the following is guilty of a misdemeanor:

(1) engages in prostitution with an individual 18 years of age or ~~above~~ older; or

(2) hires ~~or~~, offers to hire, or agrees to hire an individual 18 years of age or ~~above~~ older to engage in sexual penetration or sexual contact. Except as otherwise provided in subdivision 4, a person who is convicted of violating this paragraph ~~while acting as a patron~~ must, at a minimum, be sentenced to pay a fine of at least \$500.

(b) Whoever violates the provisions of this subdivision within two years of a previous prostitution conviction for violating this section or section 609.322 is guilty of a gross misdemeanor. Except as otherwise provided in subdivision 4, a person who is convicted of violating this paragraph ~~while acting as a patron~~ must, at a minimum, be sentenced as follows:

(1) to pay a fine of at least \$1,500; and

(2) to serve 20 hours of community work service.

The court may waive the mandatory community work service if it makes specific, written findings that the community work service is not feasible or appropriate under the circumstances of the case.

EFFECTIVE DATE. This section is effective August 1, 2011, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2010, section 609.324, is amended by adding a subdivision to read:

Subd. 6. **Prostitution in public place; penalty for prostitutes.** Whoever, while acting as

a prostitute, intentionally does any of the following while in a public place is guilty of a gross misdemeanor:

(1) engages in prostitution with an individual 18 years of age or older; or

(2) is hired, offers to be hired, or agrees to be hired by an individual 18 years of age or older to engage in sexual penetration or sexual contact.

EFFECTIVE DATE. This section is effective August 1, 2011, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2010, section 609.324, is amended by adding a subdivision to read:

Subd. 7. **General prostitution crimes; penalties for prostitutes.** (a) Whoever, while acting as a prostitute, intentionally does any of the following is guilty of a misdemeanor:

(1) engages in prostitution with an individual 18 years of age or older; or

(2) is hired, offers to be hired, or agrees to be hired by an individual 18 years of age or older to engage in sexual penetration or sexual contact.

(b) Whoever violates the provisions of this subdivision within two years of a previous prostitution conviction for violating this section or section 609.322 is guilty of a gross misdemeanor.

EFFECTIVE DATE. This section is effective August 1, 2011, and applies to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to public safety; modifying certain provisions relating to public safety, human rights, courts and sentencing, sexually exploited youth, and prostitution crimes; requesting studies; requesting reports; providing for penalties; appropriating money for public safety, corrections, human rights, courts, civil legal services, Guardian Ad Litem Board, Uniform Laws Commission, Board on Judicial Standards, and sentencing guidelines; amending Minnesota Statutes 2010, sections 169.797, subdivision 4; 243.212; 260B.007, subdivisions 6, 16; 260C.007, subdivisions 6, 11, by adding a subdivision; 260C.331, subdivision 3; 297I.06, subdivision 3; 357.021, subdivision 6; 363A.06, subdivision 1; 363A.36, subdivision 1; 563.01, subdivision 3; 609.105, subdivision 1, by adding subdivisions; 609.321, subdivisions 4, 8, 9; 609.324, subdivisions 2, 3, by adding subdivisions; 609.3241; 626.558, subdivision 2a; 626.8458, subdivision 5; 641.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 2010, section 363A.36, subdivision 5."

We request the adoption of this report and repassage of the bill.

Senate Conferees: Warren Limmer, Dan D. Hall, Scott J. Newman, Julianne E. Ortman

House Conferees: Tony Cornish, Tim Kelly, Steve Smith, Bruce Vogel, Kelby Woodard

Senator Limmer moved that the foregoing recommendations and Conference Committee Report on S.F. No. 958 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 958 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 36 and nays 28, as follows:

Those who voted in the affirmative were:

Benson	Gazelka	Jungbauer	Newman	Senjem
Brown	Gerlach	Koch	Nienow	Thompson
Carlson	Gimse	Kruse	Olson	Vandever
Chamberlain	Hall	Lillie	Ortman	Wolf
Dahms	Hann	Limmer	Parry	
Daley	Hoffman	Magnus	Pederson	
DeKruif	Howe	Michel	Robling	
Fischbach	Ingebrigtsen	Miller	Rosen	

Those who voted in the negative were:

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

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

RECESS

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

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

MEMBERS EXCUSED

Senator Scheid was excused from the Session of today. Senator Rosen was excused from the Session of today from 12:05 to 12:30 p.m. Senator Hall was excused from the Session of today from 12:40 to 12:50 p.m. Senator Fischbach was excused from the Session of today from 12:50 to 1:45 p.m. Senators Olson, Parry and Wolf were excused from the Session of today from 12:55 to 1:45 p.m. Senator Bonoff was excused from the Session of today from 1:00 to 1:45 p.m. Senators Higgins and Stumpf were excused from the Session of today from 1:00 to 3:15 p.m. Senator Tomassoni was excused from the Session of today from 1:05 to 1:25 p.m. Senators Kelash, Metzen, Pappas and Rest were excused from the Session of today from 1:05 to 1:45 p.m. Senators Sparks and Saxhaug were excused from the Session of today from 1:10 to 1:45 p.m. Senators Torres Ray and Wiger were excused from the Session of today from 1:15 to 1:45 p.m. Senator Reinert was excused from the Session of today at 2:50 p.m. Senator Pogemiller was excused from the Session of today from 4:30 to 4:45 p.m. Senator Kubly was excused from the Session of today from 7:30 to 10:00 p.m.

ADJOURNMENT

Senator Koch moved that the Senate do now adjourn until 8:00 a.m., Wednesday, May 18, 2011. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate