TWENTY-FIFTH DAY

St. Paul, Minnesota, Wednesday, March 13, 2013

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Bakk 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. Dr. Jules Erickson.

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:

Anderson	Eaton	Johnson	Osmek	Sieben
Bakk	Eken	Kent	Pappas	Skoe
Benson	Fischbach	Kiffmeyer	Pederson, J.	Sparks
Bonoff	Franzen	Koenen	Petersen, B.	Stumpf
Brown	Gazelka	Latz	Pratt	Thompson
Carlson	Goodwin	Limmer	Reinert	Torres Ray
Chamberlain	Hall	Lourey	Rest	Weber
Champion	Hann	Marty	Rosen	Westrom
Clausen	Hawj	Metzen	Ruud	Wiger
Cohen	Hayden	Miller	Saxhaug	Wiklund
Dahle	Hoffman	Nelson	Scalze	
Dahms	Housley	Newman	Schmit	
Dibble	Ingebrigtsen	Nienow	Senjem	
Dziedzic	Jensen	Ortman	Sheran	

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Madam President:

I have the honor to announce the adoption by the House of the following Senate Concurrent Resolution, herewith returned:

Senate Concurrent Resolution No. 6: A Senate concurrent resolution relating to adjournment for more than three days.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned March 11, 2013

REPORTS OF COMMITTEES

Senator Bakk moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 778 and 925. The motion prevailed.

Senator Torres Ray from the Committee on Education, to which was referred

S.F. No. 1024: A bill for an act relating to education; state government; creating a Department of Early Care and Education; proposing coding for new law as Minnesota Statutes, chapter 119C.

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

Senator Torres Ray from the Committee on Education, to which was referred

S.F. No. 481: A bill for an act relating to education finance; establishing an early learning scholarship program; expanding access to quality early learning and care; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124D.

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

Page 2, delete lines 1 to 5

Page 2, line 6, delete "(g)" and insert "(f)"

Page 2, line 10, delete "parent's" and insert "family's"

Page 2, line 13, delete "may meet" and insert "meets"

Page 2, line 17, after the second semicolon, insert "the Federal Supplemental Nutrition Assistance Program;"

Page 2, line 18, after "119B" insert "and no further information to verify income is required" and after the period, insert "A parent under age 21 who is pursuing a high school or general education equivalency diploma is eligible for an early learning scholarship, if they have a child age zero to five years old and meet the income eligibility requirements."

Page 2, line 20, delete "child care market rate survey" and insert "early care and education provider market survey"

Page 2, line 22, after the period, insert "The director shall establish a scholarship amount schedule according to the eligible program's rating under subdivision 3, paragraph (f). The maximum amount of the scholarship may not exceed $8,000, at the discretion of the director."

Page 2, line 25, after the period, insert "Eligible providers must be notified of the scholarship allocations available in their geographic location. After the first year of the scholarship award, the

director must reduce the scholarship amount by 20 percent if the child does not make one year's growth towards being ready for kindergarten."

Page 2, line 26, delete "may" and insert "shall"

Page 2, line 27, before the period, insert "that meets operational needs of eligible programs"

Page 2, line 29, after the period, insert "By March 15, eligible programs may notify the director of the number of scholarship-eligible children who are eligible under subdivision 4, and who have applied for enrollment in that program. To facilitate enrollment planning, by April 15, the director shall notify eligible programs that have provided enrollment information under this paragraph of the scholarship status of each applicant."

Page 2, line 30, delete "by" and insert "beginning" and delete "1" and insert "15"

Page 3, line 7, delete "must complete" and insert "who has not completed"

Page 3, line 8, after "121A.19" insert "must complete that screening"

Page 3, line 10, delete "or prospective program" and after the period, insert "Priority must be given to eligible programs with a rating of three or four stars."

Page 3, delete lines 16 and 17

Page 3, line 23, after the period, insert "A provider must not use any public funds to pay directly for union dues."

Page 3, line 30, delete "may" and insert "shall"

Page 4, after line 6, insert:

"Sec. 2. **FISCAL YEAR 2014 ONLY.**

Notwithstanding the timelines in section 1, for fiscal year 2014, only, the director shall establish an expedited process to award scholarships to eligible recipients attending three- or four-star rated programs to accommodate those eligible programs with fall enrollment deadlines."

Renumber the sections in sequence

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

Senator Metzen from the Committee on Commerce, to which was re-referred

S.F. No. 556: A bill for an act relating to snowmobiles; prohibiting tampering of off-road recreational vehicle odometers; amending Minnesota Statutes 2012, sections 325E.13, by adding a subdivision; 325E.14, subdivisions 1, 3, 4, 6.

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

Page 2, after line 15, insert

"Sec. 6. **EFFECTIVE DATE.**

This act is effective 30 days after final enactment."

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

Senator Metzen from the Committee on Commerce, to which was referred

S.F. No. 662: A bill for an act relating to health plan regulation; regulating policy and contract coverages; conforming state law to federal requirements; establishing health plan market rules; amending Minnesota Statutes 2012, sections 13.7191, subdivision 12; 43A.23, subdivision 1; 43A.317, subdivision 6; 60A.08, subdivision 15; 62A.011, subdivision 3, by adding subdivisions; 62A.02, by adding a subdivision; 62A.03, subdivision 1; 62A.04, subdivision 2; 62A.047; 62A.049; 62A.136; 62A.149, subdivision 1; 62A.17, subdivisions 2, 6; 62A.21, subdivision 2b; 62A.28, subdivision 2; 62A.302; 62A.615; 62A.65, subdivisions 3, 5, 6, 7; 62C.14, subdivision 5; 62C.142, subdivision 2; 62D.02, by adding a subdivision; 62D.07, subdivision 3; 62D.095; 62D.12, by adding a subdivision; 62D.181, subdivision 7; 62D.30, subdivision 8; 62E.02, by adding a subdivision; 62E.04, subdivision 4; 62E.06, subdivision 1; 62E.09; 62E.10, subdivision 7; 62H.04; 62L.02, subdivisions 11, 14a, 26, by adding a subdivision; 62L.03, subdivisions 1, 3, 4, 6; 62L.045, subdivisions 2, 4; 62L.05, subdivision 10; 62L.06; 62L.08; 62L.12, subdivision 2; 62M.05, subdivision 3a; 62M.06, subdivision 1; 62Q.01, by adding subdivisions; 62Q.021; 62Q.17, subdivision 6; 62Q.18, by adding a subdivision; 62Q.19, by adding a subdivision; 62Q.23; 62Q.43, subdivision 2; 62Q.47; 62Q.52; 62Q.55; 62Q.68, subdivision 1; 62Q.69, subdivision 3; 62Q.70, subdivisions 1, 2; 62Q.71; 62Q.73; 62Q.75, subdivision 1; 62Q.80, subdivision 2; 72A.20, subdivision 35; 471.61, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 62A; 62Q; 72A; proposing coding for new law as Minnesota Statutes, chapter 62K; repealing Minnesota Statutes 2012, sections 62A.65, subdivision 6; 62E.02, subdivision 7; 62E.16; 62E.20; 62L.02, subdivisions 4, 18, 19, 23; 62L.05, subdivisions 1, 2, 3, 4, 4a, 5, 6, 7, 11, 12, 13; 62L.081; 62L.10; 62Q.37, subdivision 5.

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

Delete everything after the enacting clause and insert:

"**ARTICLE 1**

AFFORDABLE CARE ACT CONFORMITY

Section 1. Minnesota Statutes 2012, section 43A.23, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) The commissioner is authorized to request proposals or to negotiate and to enter into contracts with parties which in the judgment of the commissioner are best qualified to provide service to the benefit plans. Contracts entered into are not subject to the requirements of sections 16C.16 to 16C.19. The commissioner may negotiate premium rates and coverage. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers, and any other factors which the commissioner deems appropriate. Each benefit contract must be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. A carrier licensed under chapter 62A is exempt from the taxes imposed by chapter 297I on premiums paid to it by the state.

(b) All self-insured hospital and medical service products must comply with coverage mandates, data reporting, and consumer protection requirements applicable to the licensed carrier administering the product, had the product been insured, including chapters 62J, 62M, and 62Q. Any self-insured products that limit coverage to a network of providers or provide different levels of coverage between network and nonnetwork providers shall comply with section 62D.123 and geographic access standards for health maintenance organizations adopted by the commissioner of health in rule under chapter 62D.

(c) Notwithstanding paragraph (b), a self-insured hospital and medical product offered under sections 43A.22 to 43A.30 is ~~not~~ required to extend dependent coverage to an eligible employee's ~~unmarried~~ child ~~under the age of 25~~ to the full extent required under chapters 62A and 62L. Dependent child coverage must, at a minimum, extend to an eligible employee's ~~unmarried~~ dependent child ~~who is under the age of 19 or an unmarried child under the age of 25 who is a full-time student. A person who is at least 19 years of age but who is under the age of 25 and who is not a full-time student must be permitted to be enrolled as a dependent of an eligible employee until age 25 if the person:~~ to the limiting age as defined in section 62Q.01, subdivision 11, disabled children to the extent required in sections 62A.14 and 62A.141, and dependent grandchildren to the extent required in sections 62A.042 and 62A.302.

~~(1) was a full-time student immediately prior to being ordered into active military service, as defined in section 190.05, subdivision 5b or 5c;~~

~~(2) has been separated or discharged from active military service; and~~

~~(3) would be eligible to enroll as a dependent of an eligible employee, except that the person is not a full-time student.~~

~~The definition of "full-time student" for purposes of this paragraph includes any student who by reason of illness, injury, or physical or mental disability as documented by a physician is unable to carry what the educational institution considers a full-time course load so long as the student's course load is at least 60 percent of what otherwise is considered by the institution to be a full-time course load. Any notice regarding termination of coverage due to attainment of the limiting age must include information about this definition of "full-time student."~~

(d) Beginning January 1, 2010, the health insurance benefit plans offered in the commissioner's plan under section 43A.18, subdivision 2, and the managerial plan under section 43A.18, subdivision 3, must include an option for a health plan that is compatible with the definition of a high-deductible health plan in section 223 of the United States Internal Revenue Code.

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

Sec. 2. Minnesota Statutes 2012, section 43A.317, subdivision 6, is amended to read:

Subd. 6. **Individual eligibility.** (a) **Procedures.** The commissioner shall establish procedures for eligible employees and other eligible individuals to apply for coverage through the program.

(b) **Employees.** An employer shall determine when it applies to the program the criteria its employees must meet to be eligible for coverage under its plan. An employer may subsequently change the criteria annually or at other times with approval of the commissioner. The criteria must provide that new employees become eligible for coverage after a probationary period of at least 30 days, but no more than 90 days.

(c) **Other individuals.** An employer may elect to cover under its plan:

(1) the spouse, dependent children to the limiting age as defined in section 62Q.01, subdivision 11, disabled children to the extent required in sections 62A.14 and 62A.141, and dependent grandchildren ~~of a covered employee~~ to the extent required in sections 62A.042 and 62A.302;

(2) a retiree who is eligible to receive a pension or annuity from the employer and a covered retiree's spouse, dependent children to the limiting age as defined in section 62Q.01, subdivision 11, disabled children to the extent required in sections 62A.14 and 62A.141, and dependent grandchildren to the extent required in sections 62A.042 and 62A.302;

(3) the surviving spouse, dependent children to the limiting age as defined in section 62Q.01, subdivision 11, disabled children, and dependent grandchildren of a deceased employee or retiree, if the spouse, children, or grandchildren were covered at the time of the death;

(4) a covered employee who becomes disabled, as provided in sections 62A.147 and 62A.148; or

(5) any other categories of individuals for whom group coverage is required by state or federal law.

An employer shall determine when it applies to the program the criteria individuals in these categories must meet to be eligible for coverage. An employer may subsequently change the criteria annually, or at other times with approval of the commissioner. The criteria for dependent children to the limiting age as defined in section 62Q.01, subdivision 11, disabled children, and dependent grandchildren may be no more inclusive than the criteria under section 43A.18, subdivision 2. This paragraph shall not be interpreted as relieving the program from compliance with any federal and state continuation of coverage requirements.

(d) **Waiver and late entrance.** An eligible individual may waive coverage at the time the employer joins the program or when coverage first becomes available. The commissioner may establish a preexisting condition exclusion of not more than 18 months for late entrants as defined in section 62L.02, subdivision 19.

(e) **Continuation coverage.** The program shall provide all continuation coverage required by state and federal law.

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

Sec. 3. Minnesota Statutes 2012, section 60A.08, subdivision 15, is amended to read:

Subd. 15. **Classification of insurance filings data.** (a) All forms, rates, and related information filed with the commissioner under section 61A.02 shall be nonpublic data until the filing becomes effective.

(b) All forms, rates, and related information filed with the commissioner under section 62A.02 shall be nonpublic data until the filing becomes effective.

(c) All forms, rates, and related information filed with the commissioner under section 62C.14, subdivision 10, shall be nonpublic data until the filing becomes effective.

(d) All forms, rates, and related information filed with the commissioner under section 70A.06 shall be nonpublic data until the filing becomes effective.

(e) All forms, rates, and related information filed with the commissioner under section 79.56 shall be nonpublic data until the filing becomes effective.

(f) Notwithstanding paragraphs (b) and (c), for all rate increases subject to review under section 2794 of the Public Health Services Act and any amendments to, or regulations, or guidance issued under the act that are filed with the commissioner on or after September 1, 2011, the commissioner:

(1) may acknowledge receipt of the information;

(2) may acknowledge that the corresponding rate filing is pending review;

(3) must provide public access from the Department of Commerce's Web site to parts I and II of the Preliminary Justifications of the rate increases subject to review; and

(4) must provide notice to the public on the Department of Commerce's Web site of the review of the proposed rate, which must include a statement that the public has 30 calendar days to submit written comments to the commissioner on the rate filing subject to review.

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

Sec. 4. Minnesota Statutes 2012, section 62A.011, is amended by adding a subdivision to read:

Subd. 1a. **Affordable Care Act.** "Affordable Care Act" means the federal Patient Protection and Affordable Care Act, Public Law 111-148, as amended, including the federal Health Care and Education Reconciliation Act of 2010, Public Law 111-152, and any amendments, and any federal guidance or regulations issued under these acts.

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

Sec. 5. Minnesota Statutes 2012, section 62A.011, is amended by adding a subdivision to read:

Subd. 1c. **Grandfathered plan.** "Grandfathered plan" means a health plan in which an individual was enrolled on March 23, 2010, for as long as it maintains that status in accordance with the Affordable Care Act. Unless otherwise specified, grandfathered plans includes both individual and group health plans.

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

Sec. 6. Minnesota Statutes 2012, section 62A.011, is amended by adding a subdivision to read:

Subd. 1d. **Group health plan.** "Group health plan" means a policy or certificate issued to an employer or an employee organization that is both:

(1) a health plan as defined in subdivision 3; and

(2) an employee welfare benefit plan as defined in the Employee Retirement Income Security Act of 1974, United States Code, title 29, section 1002, if the plan provides payment for medical care to employees, including both current and former employees, or their dependents, directly or through insurance, reimbursement, or otherwise.

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

Sec. 7. Minnesota Statutes 2012, section 62A.011, subdivision 3, is amended to read:

Subd. 3. **Health plan.** "Health plan" means a policy or certificate of accident and sickness insurance as defined in section 62A.01 offered by an insurance company licensed under chapter 60A; a subscriber contract or certificate offered by a nonprofit health service plan corporation operating under chapter 62C; a health maintenance contract or certificate offered by a health maintenance organization operating under chapter 62D; a health benefit certificate offered by a fraternal benefit society operating under chapter 64B; or health coverage offered by a joint self-insurance employee health plan operating under chapter 62H. Health plan means individual and group coverage, unless otherwise specified. Health plan does not include coverage that is:

(1) limited to disability or income protection coverage;

(2) automobile medical payment coverage;

(3) ~~supplemental~~ liability insurance, including general liability insurance and automobile liability insurance, or coverage issued as a supplement to liability insurance;

(4) designed solely to provide payments on a per diem, fixed indemnity, or non-expense-incurred basis, including coverage only for a specified disease or illness or hospital indemnity or other fixed indemnity insurance, if the benefits are provided under a separate policy, certificate, or contract for insurance; there is no coordination between the provision of benefits and any exclusion of benefits under any group health plan maintained by the same plan sponsor; and the benefits are paid with respect to an event without regard to whether benefits are provided with respect to such an event under any group health plan maintained by the same plan sponsor;

(5) credit accident and health insurance as defined in section 62B.02;

(6) designed solely to provide hearing, dental, or vision care;

(7) blanket accident and sickness insurance as defined in section 62A.11;

(8) accident-only coverage;

(9) a long-term care policy as defined in section 62A.46 or 62S.01;

(10) issued as a supplement to Medicare, as defined in sections 62A.3099 to 62A.44, or policies, contracts, or certificates that supplement Medicare issued by health maintenance organizations or those policies, contracts, or certificates governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., as amended;

(11) workers' compensation insurance; ~~or~~

(12) issued solely as a companion to a health maintenance contract as described in section 62D.12, subdivision 1a, so long as the health maintenance contract meets the definition of a health plan~~.~~;

(13) coverage for on-site medical clinics; or

(14) coverage supplemental to the coverage provided under United States Code, title 10, chapter 55, Civilian Health and Medical Program of the Uniformed Services (CHAMPUS).

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

Sec. 8. Minnesota Statutes 2012, section 62A.011, is amended by adding a subdivision to read:

Subd. 4. **Individual health plan.** "Individual health plan" means a health plan as defined in subdivision 3 that is offered to individuals in the individual market as defined in subdivision 5, but does not mean short-term coverage as defined in section 62A.65, subdivision 7. For purposes of this chapter, a health carrier shall not be deemed to be offering individual health plan coverage solely because the carrier offers a conversion policy in connection with a group health plan.

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

Sec. 9. Minnesota Statutes 2012, section 62A.011, is amended by adding a subdivision to read:

Subd. 5. **Individual market.** "Individual market" means the market for health insurance coverage offered to individuals other than in connection with a group health plan.

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

Sec. 10. Minnesota Statutes 2012, section 62A.011, is amended by adding a subdivision to read:

Subd. 6. **Minnesota Insurance Marketplace.** "Minnesota Insurance Marketplace" means the Minnesota Insurance Marketplace as defined in section 62V.02, if enacted, in 2013 H.F. No. 5/S.F. No. 1.

Sec. 11. Minnesota Statutes 2012, section 62A.011, is amended by adding a subdivision to read:

Subd. 7. **Qualified health plan.** "Qualified health plan" means a health plan that meets the definition in section 1301(a) of the Affordable Care Act and has been certified by the Board of the Minnesota Insurance Marketplace in accordance with chapter 62V if enacted in 2013 H.F. No. 5/S.F. No. 1 to be offered through the Minnesota Insurance Marketplace.

Sec. 12. Minnesota Statutes 2012, section 62A.02, is amended by adding a subdivision to read:

Subd. 8. **Filing by health carriers for purposes of complying with the certification requirements of the Minnesota Insurance Marketplace.** No qualified health plan shall be offered through the Minnesota Insurance Marketplace until its form and the premium rates pertaining to the form have been approved by the commissioner of commerce or health, as appropriate, and the health plan has been determined to comply with the certification requirements of the Minnesota Insurance Marketplace in accordance with an agreement between the commissioners of commerce and health and the Minnesota Insurance Marketplace.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 13. Minnesota Statutes 2012, section 62A.03, subdivision 1, is amended to read:

Subdivision 1. **Conditions.** No policy of individual accident and sickness insurance may be delivered or issued for delivery to a person in this state unless:

(1) **Premium.** The entire money and other considerations therefor are expressed therein.

(2) **Time effective.** The time at which the insurance takes effect and terminates is expressed therein.

(3) **One person.** It purports to insure only one person, except that a policy may insure, originally or by subsequent amendment, upon the application of an adult member of a family deemed the policyholder, any two or more eligible members of that family, including:

(a) husband,

(b) wife,

(c) dependent children as described in sections 62A.302 and 62A.3021, or

~~(d) any children under a specified age of 19 years or less, or~~

~~(e)~~ (d) any other person dependent upon the policyholder.

(4) **Appearance.** The style, arrangement, and overall appearance of the policy give no undue prominence to any portion of the text and every printed portion of the text of the policy and of any endorsements or attached papers is plainly printed in light-face type of a style in general use. The type size must be uniform and not less than ten point with a lowercase unspaced alphabet length not less than 120 point. The "text" includes all printed matter except the name and address of the insurer, name or title of the policy, the brief description, if any, the reference to renewal or cancellation by a separate statement, if any, and the captions and subcaptions.

(5) **Description of policy.** The policy, on the first page, indicates or refers to its provisions for renewal or cancellation either in the brief description, if any, or by a separate statement printed in type not smaller than the type used for captions or a separate provision bearing a caption which accurately describes the renewability or cancelability of the policy.

(6) **Exceptions in policy.** The exceptions and reductions of indemnity are set forth in the policy and, except those which are set forth in section 62A.04, printed, at the insurer's option, either with the benefit provision to which they apply, or under an appropriate caption such as "EXCEPTIONS" or "EXCEPTIONS AND REDUCTIONS." However, if an exception or reduction specifically applies only to a particular benefit of the policy, a statement of the exception or reduction must be included with the benefit provision to which it applies.

(7) **Form number.** Each form, including riders and endorsements, is identified by a form number in the lower left hand corner of the first page thereof.

(8) **No incorporation by reference.** It contains no provision purporting to make any portion of the charter, rules, constitution, or bylaws of the insurer a part of the policy unless the portion is set forth in full in the policy, except in the case of the incorporation of, or reference to, a statement of rates, classification of risks, or short rate table filed with the commissioner.

(9) **Medical benefits.** If the policy contains a provision for medical expense benefits, the term "medical benefits" or similar terms as used therein includes treatments by all licensed practitioners of the healing arts unless, subject to the qualifications contained in clause (10), the policy specifically states the practitioners whose services are covered.

(10) **Osteopath, optometrist, chiropractor, or registered nurse services.** With respect to any policy of individual accident and sickness insurance issued or entered into subsequent to August 1, 1974, notwithstanding the provisions of the policy, if it contains a provision providing for reimbursement for any service which is in the lawful scope of practice of a duly licensed osteopath, optometrist, chiropractor, or registered nurse meeting the requirements of section 62A.15, subdivision 3a, the person entitled to benefits or person performing services under the policy is entitled to reimbursement on an equal basis for the service, whether the service is performed by a physician, osteopath, optometrist, chiropractor, or registered nurse meeting the requirements of section 62A.15, subdivision 3a, licensed under the laws of this state.

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

Sec. 14. Minnesota Statutes 2012, section 62A.04, subdivision 2, is amended to read:

Subd. 2. **Required provisions.** Except as provided in subdivision 4 each such policy delivered or issued for delivery to any person in this state shall contain the provisions specified in this subdivision in the words in which the same appear in this section. The insurer may, at its option, substitute for one or more of such provisions corresponding provisions of different wording approved by the commissioner which are in each instance not less favorable in any respect to the insured or the beneficiary. Such provisions shall be preceded individually by the caption appearing in this subdivision or, at the option of the insurer, by such appropriate individual or group captions or subcaptions as the commissioner may approve.

(1) A provision as follows:

ENTIRE CONTRACT; CHANGES: This policy, including the endorsements and the attached papers, if any, constitutes the entire contract of insurance. No change in this policy shall be valid until approved by an executive officer of the insurer and unless such approval be endorsed hereon or attached hereto. No agent has authority to change this policy or to waive any of its provisions.

(2) A provision as follows:

TIME LIMIT ON CERTAIN DEFENSES: (a) After two years from the date of issue of this policy no misstatements, except fraudulent misstatements, made by the applicant in the application for such policy shall be used to void the policy or to deny a claim for loss incurred or disability (as defined in the policy) commencing after the expiration of such two year period.

The foregoing policy provision shall not be so construed as to affect any legal requirement for avoidance of a policy or denial of a claim during such initial two year period, nor to limit the application of clauses (1), (2), (3), (4) and (5), in the event of misstatement with respect to age or occupation or other insurance. A policy which the insured has the right to continue in force subject to its terms by the timely payment of premium (1) until at least age 50 or, (2) in the case of a policy issued after age 44, for at least five years from its date of issue, may contain in lieu of the foregoing the following provisions (from which the clause in parentheses may be omitted at the insurer's option) under the caption "INCONTESTABLE":

After this policy has been in force for a period of two years during the lifetime of the insured (excluding any period during which the insured is disabled), it shall become incontestable as to the statements contained in the application.

(b) No claim for loss incurred or disability (as defined in the policy) commencing after two years from the date of issue of this policy shall be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the effective date of coverage of this policy.

(3) (a) Except as required for health plans offered through the Minnesota Insurance Marketplace, a provision as follows:

GRACE PERIOD: A grace period of ..... (insert a number not less than "7" for weekly premium policies, "10" for monthly premium policies and "31" for all other policies) days will be granted for the payment of each premium falling due after the first premium, during which grace period the policy shall continue in force.

A policy which contains a cancellation provision may add, at the end of the above provision,

subject to the right of the insurer to cancel in accordance with the cancellation provision hereof.

A policy in which the insurer reserves the right to refuse any renewal shall have, at the beginning of the above provision,

Unless not less than five days prior to the premium due date the insurer has delivered to the insured or has mailed to the insured's last address as shown by the records of the insurer written notice of its intention not to renew this policy beyond the period for which the premium has been accepted.

(b) All qualified health plans offered through the Minnesota Insurance Marketplace must comply with the Affordable Care Act by including a grace period provision no less restrictive than the grace period required by the Affordable Care Act.

(4) A provision as follows:

REINSTATEMENT: If any renewal premium be not paid within the time granted the insured for payment, a subsequent acceptance of premium by the insurer or by any agent duly authorized by the insurer to accept such premium, without requiring in connection therewith an application for reinstatement, shall reinstate the policy. If the insurer or such agent requires an application for reinstatement and issues a conditional receipt for the premium tendered, the policy will be reinstated upon approval of such application by the insurer or, lacking such approval, upon the forty-fifth day following the date of such conditional receipt unless the insurer has previously notified the insured in writing of its disapproval of such application. For health plans described in section 62A.011, subdivision 3, clause (10), an insurer must accept payment of a renewal premium and reinstate the policy, if the insured applies for reinstatement no later than 60 days after the due date for the premium payment, unless:

(1) the insured has in the interim left the state or the insurer's service area; or

(2) the insured has applied for reinstatement on two or more prior occasions.

The reinstated policy shall cover only loss resulting from such accidental injury as may be sustained after the date of reinstatement and loss due to such sickness as may begin more than ten days after such date. In all other respects the insured and insurer shall have the same rights thereunder as they had under the policy immediately before the due date of the defaulted premium, subject to any provisions endorsed hereon or attached hereto in connection with the reinstatement. Any premium accepted in connection with a reinstatement shall be applied to a period for which premium has not been previously paid, but not to any period more than 60 days prior to the date of reinstatement. The last sentence of the above provision may be omitted from any policy which the insured has the right to continue in force subject to its terms by the timely payment of premiums (1) until at least age 50, or, (2) in the case of a policy issued after age 44, for at least five years from its date of issue.

(5) A provision as follows:

NOTICE OF CLAIM: Written notice of claim must be given to the insurer within 20 days after the occurrence or commencement of any loss covered by the policy, or as soon thereafter as is reasonably possible. Notice given by or on behalf of the insured or the beneficiary to the insurer at ..... (insert the location of such office as the insurer may designate for the purpose), or to any

authorized agent of the insurer, with information sufficient to identify the insured, shall be deemed notice to the insurer.

In a policy providing a loss-of-time benefit which may be payable for at least two years, an insurer may at its option insert the following between the first and second sentences of the above provision:

Subject to the qualifications set forth below, if the insured suffers loss of time on account of disability for which indemnity may be payable for at least two years, the insured shall, at least once in every six months after having given notice of claim, give to the insurer notice of continuance of said disability, except in the event of legal incapacity. The period of six months following any filing of proof by the insured or any payment by the insurer on account of such claim or any denial of liability in whole or in part by the insurer shall be excluded in applying this provision. Delay in the giving of such notice shall not impair the insured's right to any indemnity which would otherwise have accrued during the period of six months preceding the date on which such notice is actually given.

(6) A provision as follows:

CLAIM FORMS: The insurer, upon receipt of a notice of claim, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not furnished within 15 days after the giving of such notice the claimant shall be deemed to have complied with the requirements of this policy as to proof of loss upon submitting, within the time fixed in the policy for filing proofs of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.

(7) A provision as follows:

PROOFS OF LOSS: Written proof of loss must be furnished to the insurer at its said office in case of claim for loss for which this policy provides any periodic payment contingent upon continuing loss within 90 days after the termination of the period for which the insurer is liable and in case of claim for any other loss within 90 days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than one year from the time proof is otherwise required.

(8) A provision as follows:

TIME OF PAYMENT OF CLAIMS: Indemnities payable under this policy for any loss other than loss for which this policy provides periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnities for loss for which this policy provides periodic payment will be paid ..... (insert period for payment which must not be less frequently than monthly) and any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof.

(9) A provision as follows:

PAYMENT OF CLAIMS: Indemnity for loss of life will be payable in accordance with the beneficiary designation and the provisions respecting such payment which may be prescribed herein and effective at the time of payment. If no such designation or provision is then effective, such

indemnity shall be payable to the estate of the insured. Any other accrued indemnities unpaid at the insured's death may, at the option of the insurer, be paid either to such beneficiary or to such estate. All other indemnities will be payable to the insured.

The following provisions, or either of them, may be included with the foregoing provision at the option of the insurer:

If any indemnity of this policy shall be payable to the estate of the insured, or to an insured or beneficiary who is a minor or otherwise not competent to give a valid release, the insurer may pay such indemnity, up to an amount not exceeding $..... (insert an amount which shall not exceed $1,000), to any relative by blood or connection by marriage of the insured or beneficiary who is deemed by the insurer to be equitably entitled thereto. Any payment made by the insurer in good faith pursuant to this provision shall fully discharge the insurer to the extent of such payment.

Subject to any written direction of the insured in the application or otherwise all or a portion of any indemnities provided by this policy on account of hospital, nursing, medical, or surgical services may, at the insurer's option and unless the insured requests otherwise in writing not later than the time of filing proofs of such loss, be paid directly to the hospital or person rendering such services; but it is not required that the service be rendered by a particular hospital or person.

(10) A provision as follows:

PHYSICAL EXAMINATIONS AND AUTOPSY: The insurer at its own expense shall have the right and opportunity to examine the person of the insured when and as often as it may reasonably require during the pendency of a claim hereunder and to make an autopsy in case of death where it is not forbidden by law.

(11) A provision as follows:

LEGAL ACTIONS: No action at law or in equity shall be brought to recover on this policy prior to the expiration of 60 days after written proof of loss has been furnished in accordance with the requirements of this policy. No such action shall be brought after the expiration of three years after the time written proof of loss is required to be furnished.

(12) A provision as follows:

CHANGE OF BENEFICIARY: Unless the insured makes an irrevocable designation of beneficiary, the right to change of beneficiary is reserved to the insured and the consent of the beneficiary or beneficiaries shall not be requisite to surrender or assignment of this policy or to any change of beneficiary or beneficiaries, or to any other changes in this policy. The first clause of this provision, relating to the irrevocable designation of beneficiary, may be omitted at the insurer's option.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 15. Minnesota Statutes 2012, section 62A.047, is amended to read:

62A.047 CHILDREN'S HEALTH SUPERVISION SERVICES AND PRENATAL CARE SERVICES.

A policy of individual or group health and accident insurance regulated under this chapter, or individual or group subscriber contract regulated under chapter 62C, health maintenance contract regulated under chapter 62D, or health benefit certificate regulated under chapter 64B, issued,

renewed, or continued to provide coverage to a Minnesota resident, must provide coverage for child health supervision services and prenatal care services. The policy, contract, or certificate must specifically exempt reasonable and customary charges for child health supervision services and prenatal care services from a deductible, co-payment, or other coinsurance or dollar limitation requirement. Nothing in this section prohibits a health carrier that has a network of providers from imposing a deductible, co-payment, or other coinsurance or dollar limitation requirement for child health supervision services and prenatal care services that are delivered by an out-of-network provider. This section does not prohibit the use of policy waiting periods ~~or preexisting condition limitations~~ for these services. Minimum benefits may be limited to one visit payable to one provider for all of the services provided at each visit cited in this section subject to the schedule set forth in this section. Nothing in this section applies to a policy designed primarily to provide coverage payable on a per diem, fixed indemnity, or non-expense-incurred basis, or a policy that provides only accident coverage. A policy, contract, or certificate described under this section may not apply preexisting condition limitations to individuals under 19 years of age. This section does not apply to individual coverage under a grandfathered plan.

"Child health supervision services" means pediatric preventive services, appropriate immunizations, developmental assessments, and laboratory services appropriate to the age of a child from birth to age six, and appropriate immunizations from ages six to 18, as defined by Standards of Child Health Care issued by the American Academy of Pediatrics. Reimbursement must be made for at least five child health supervision visits from birth to 12 months, three child health supervision visits from 12 months to 24 months, once a year from 24 months to 72 months.

"Prenatal care services" means the comprehensive package of medical and psychosocial support provided throughout the pregnancy, including risk assessment, serial surveillance, prenatal education, and use of specialized skills and technology, when needed, as defined by Standards for Obstetric-Gynecologic Services issued by the American College of Obstetricians and Gynecologists.

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

Sec. 16. Minnesota Statutes 2012, section 62A.049, is amended to read:

62A.049 LIMITATION ON PREAUTHORIZATIONS; EMERGENCIES.

No policy of accident and sickness insurance or group subscriber contract regulated under chapter 62C issued or renewed in this state may contain a provision that makes an insured person ineligible to receive full benefits because of the insured's failure to obtain preauthorization, if that failure occurs because of the need for emergency confinement or emergency treatment. The insured or an authorized representative of the insured shall notify the insurer as soon after the beginning of emergency confinement or emergency treatment as reasonably possible. However, to the extent that the insurer suffers actual prejudice caused by the failure to obtain preauthorization, the insured may be denied all or part of the insured's benefits. ~~This provision does not apply to admissions for treatment of chemical dependency and nervous and mental disorders.~~

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 17. Minnesota Statutes 2012, section 62A.136, is amended to read:

62A.136 HEARING, DENTAL, AND VISION PLAN COVERAGE.

The following provisions do not apply to health plans as defined in section 62A.011, subdivision 3, clause (6), providing hearing, dental, or vision coverage only: sections 62A.041; 62A.0411; 62A.047; 62A.149; 62A.151; 62A.152; 62A.154; 62A.155; 62A.17, subdivision 6; 62A.21, subdivision 2b; 62A.26; 62A.28; 62A.285; 62A.30; 62A.304; and 62A.3093~~; and 62E.16~~.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 18. Minnesota Statutes 2012, section 62A.149, subdivision 1, is amended to read:

Subdivision 1. **Application.** The provisions of this section apply to all group policies of accident and health insurance and group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, and to a plan or policy that is individually underwritten or provided for a specific individual and family members as a nongroup policy ~~unless the individual elects in writing to refuse benefits under this subdivision in exchange for an appropriate reduction in premiums or subscriber charges under the policy or plan~~, when the policies or subscriber contracts are issued or delivered in Minnesota or provide benefits to Minnesota residents enrolled thereunder.

This section does not apply to policies designed primarily to provide coverage payable on a per diem, fixed indemnity or nonexpense incurred basis or policies that provide accident only coverage.

Every insurance policy or subscriber contract included within the provisions of this subdivision, upon issuance or renewal, shall provide coverage that complies with the requirements of section 62Q.47, paragraphs (b) and (c), for the treatment of alcoholism, chemical dependency or drug addiction to any Minnesota resident entitled to coverage.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 19. Minnesota Statutes 2012, section 62A.17, subdivision 2, is amended to read:

Subd. 2. **Responsibility of employee.** Every covered employee electing to continue coverage shall pay the former employer, on a monthly basis, the cost of the continued coverage. The policy, contract, or plan must require the group policyholder or contract holder to, upon request, provide the employee with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period. If the policy, contract, or health care plan is administered by a trust, every covered employee electing to continue coverage shall pay the trust the cost of continued coverage according to the eligibility rules established by the trust. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for similarly situated employees with respect to whom neither termination nor layoff has occurred, without regard to whether such cost is paid by the employer or employee. The employee shall be eligible to continue the coverage until the employee becomes covered under another group health plan, or for a period of 18 months after the termination of or lay off from employment, whichever is shorter. For an individual age 19 or older, if the employee becomes covered under another group policy, contract, or health plan and the new group policy, contract, or health plan contains any preexisting condition limitations, the employee may, subject to the 18-month maximum continuation limit, continue coverage with the former employer until the preexisting condition limitations have been satisfied. The new policy, contract, or health plan is

primary except as to the preexisting condition. In the case of a newborn child who is a dependent of the employee, the new policy, contract, or health plan is primary upon the date of birth of the child, regardless of which policy, contract, or health plan coverage is deemed primary for the mother of the child.

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

Sec. 20. Minnesota Statutes 2012, section 62A.17, subdivision 6, is amended to read:

Subd. 6. **Conversion to individual policy.** ~~A group insurance policy that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a covered employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided by subdivision 2 to obtain from the insurer offering the group policy or group subscriber contract, at the employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual policy of insurance or an individual subscriber contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, and a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the insurer within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate premium. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. A health maintenance contract issued by a health maintenance organization that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a former employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided in subdivision 2 to obtain from the health maintenance organization, at the former employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual health maintenance contract. Effective January 1, 1985, enrollees who have become nonresidents of the health maintenance organization's service area shall be given the option, to be arranged by the health maintenance organization, of a number three qualified plan, a number two qualified plan, or a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3. This option shall be made available at the enrollee's expense, without further evidence of insurability and without interruption of coverage.~~

~~A policy providing reduced benefits at a reduced premium rate may be accepted by the employee, the spouse, or a dependent in lieu of the optional coverage otherwise required by this subdivision.~~

~~The~~ An individual policy or contract issued as a conversion policy prior to January 1, 2014, shall be renewable at the option of the individual as long as the individual is not covered under another qualified plan as defined in section 62E.02, subdivision 4. Any revisions in the table of rate for the individual policy shall apply to the covered person's original age at entry and shall apply equally to all similar conversion policies issued by the insurer.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 21. Minnesota Statutes 2012, section 62A.21, subdivision 2b, is amended to read:

Subd. 2b. **Conversion privilege.** ~~Every policy described in subdivision 1 shall contain a provision allowing a former spouse and dependent children of an insured, without providing evidence of insurability, to obtain from the insurer at the expiration of any continuation of coverage required under subdivision 2a or sections 62A.146 and 62A.20, conversion coverage providing at~~

~~least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the insurer within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate premium. The~~ An individual policy or contract issued as a conversion policy prior to January 1, 2014 shall be renewable at the option of the covered person as long as the covered person is not covered under another qualified plan as defined in section 62E.02, subdivision 4. Any revisions in the table of rate for the individual policy shall apply to the covered person's original age at entry and shall apply equally to all similar conversion policies issued by the insurer.

~~A policy providing reduced benefits at a reduced premium rate may be accepted by the covered person in lieu of the optional coverage otherwise required by this subdivision.~~

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 22. Minnesota Statutes 2012, section 62A.28, subdivision 2, is amended to read:

Subd. 2. **Required coverage.** Every policy, plan, certificate, or contract referred to in subdivision 1 issued or renewed after August 1, 1987, must provide coverage for scalp hair prostheses worn for hair loss suffered as a result of alopecia areata.

The coverage required by this section is subject to the co-payment, coinsurance, deductible, and other enrollee cost-sharing requirements that apply to similar types of items under the policy, plan, certificate, or contract~~, and is limited to a maximum of $350 in any benefit year~~ and may be limited to one prosthesis per benefit year.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 23. Minnesota Statutes 2012, section 62A.302, is amended to read:

62A.302 COVERAGE OF DEPENDENTS.

Subdivision 1. **Scope of coverage.** This section applies to:

(1) a health plan as defined in section 62A.011; and

~~(2) coverage described in section 62A.011, subdivision 3, clauses (4), (6), (7), (8), (9), and (10); and~~

~~(3)~~ (2) a policy, contract, or certificate issued by a community integrated service network licensed under chapter 62N.

Subd. 2. **Required coverage.** Every health plan included in subdivision 1 that provides dependent coverage must define "dependent" no more restrictively than the definition provided in section 62L.02, subdivision 11.

Subd. 3. **No additional restrictions permitted.** Any health plan included in subdivision 1 that provides dependent coverage of children shall make that coverage available to children until the child attains 26 years of age. A health carrier must not place restrictions on this coverage and must comply with the following requirements:

(1) with respect to a child who has not attained 26 years of age, a health carrier shall not define dependent for purposes of eligibility for dependent coverage of children other than the terms of a relationship between a child and the enrollee or spouse of the enrollee;

(2) a health carrier must not deny or restrict coverage for a child who has not attained 26 years of age based on (i) the presence or absence of the child's financial dependency upon the participant, primary subscriber, or any other person; (ii) residency with the participant and in the individual market the primary subscriber, or with any other person; (iii) marital status; (iv) student status; (v) employment; or (vi) any combination of those factors; and

(3) a health carrier must not deny or restrict coverage of a child based on eligibility for other coverage, except as provided in subdivision 5.

Subd. 4. **Grandchildren.** Nothing in this section requires a health carrier to make coverage available for a grandchild, unless the grandparent becomes the legal guardian or adoptive parent of that grandchild or unless the grandchild meets the requirements of section 62A.042. For grandchildren included under a grandparent's policy pursuant to section 62A.042, coverage for the grandchild may terminate if the grandchild does not continue to reside with the covered grandparent continuously from birth, if the grandchild does not remain financially dependent upon the covered grandparent, or when the grandchild reaches age 25, except as provided in section 62A.14 or if coverage is continued under section 62A.20.

Subd. 5. **Terms of coverage of dependents.** The terms of coverage in a health plan offered by a health carrier providing dependent coverage of children cannot vary based on age except for children who are 26 years of age or older.

Subd. 6. **Opportunity to enroll.** A health carrier must comply with all provisions of the Affordable Care Act in regards to providing an opportunity to enroll in coverage to any child whose coverage ended, or was not eligible for coverage under a group health plan or individual health plan because, under the terms of the coverage, the availability of dependent coverage of a child ended before age 26. This section does not require compliance with any provision of the Affordable Care Act before the effective date provided for that provision in the Affordable Care Act. The commissioner shall enforce this section.

Subd. 7. **Grandfathered plan coverage.** (a) For plan years beginning before January 1, 2014, a group health plan that is a grandfathered plan and makes available dependent coverage of children may exclude an adult child who has not attained 26 years of age from coverage only if the adult child is eligible to enroll in an eligible employer-sponsored health benefit plan, as defined in section 5000A(f)(2) of the Internal Revenue Code, other than the group health plan of a parent.

(b) For plan years beginning on or after January 1, 2014, a group health plan that is grandfathered plan coverage shall comply with all requirements of this section.

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

Sec. 24. **[62A.3021] COVERAGE OF DEPENDENTS BY PLANS OTHER THAN HEALTH PLANS.**

Subdivision 1. **Scope of coverage.** This section applies to coverage described in section 62A.011, subdivision 3, clauses (4), (6), (7), (8), (9), and (10).

Subd. 2. **Dependent.** "Dependent" means an eligible employee's spouse, unmarried child who is under the age of 25 years, dependent child of any age who is disabled and who meets the eligibility criteria in section 62A.14, subdivision 2, or any other person whom state or federal law requires to be treated as a dependent for purposes of health plans. For the purpose of this definition, a

child includes a child for whom the employee or the employee's spouse has been appointed legal guardian and an adoptive child as provided in section 62A.27. A child also includes grandchildren as provided in section 62A.042 with continued eligibility of grandchildren as provided in section 62A.302, subdivision 4.

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

Sec. 25. Minnesota Statutes 2012, section 62A.615, is amended to read:

62A.615 PREEXISTING CONDITIONS DISCLOSED AT TIME OF APPLICATION.

No insurer may cancel or rescind a health insurance policy for a preexisting condition of which the application or other information provided by the insured reasonably gave the insurer notice. No insurer may restrict coverage for a preexisting condition of which the application or other information provided by the insured reasonably gave the insurer notice unless the coverage is restricted at the time the policy is issued and the restriction is disclosed in writing to the insured at the time the policy is issued. In addition, no health plan may restrict coverage for a preexisting condition for an individual who is under 19 years of age. This section does not apply to individual health plans that are grandfathered plans.

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

Sec. 26. Minnesota Statutes 2012, section 62A.65, subdivision 3, is amended to read:

Subd. 3. **Premium rate restrictions.** No individual health plan may be offered, sold, issued, or renewed to a Minnesota resident unless the premium rate charged is determined in accordance with the following requirements:

~~(a) Premium rates must be no more than 25 percent above and no more than 25 percent below the index rate charged to individuals for the same or similar coverage, adjusted pro rata for rating periods of less than one year. The premium variations permitted by this paragraph must be based only upon health status, claims experience, and occupation. For purposes of this paragraph, health status includes refraining from tobacco use or other actuarially valid lifestyle factors associated with good health, provided that the lifestyle factor and its effect upon premium rates have been determined by the commissioner to be actuarially valid and have been approved by the commissioner. Variations permitted under this paragraph must not be based upon age or applied differently at different ages. This paragraph does not prohibit use of a constant percentage adjustment for factors permitted to be used under this paragraph.~~

~~(b)~~ (a) Premium rates may vary based upon the ages of covered persons ~~only as provided in this paragraph. In addition to the variation permitted under paragraph (a), each health carrier may use an additional premium variation based upon age of up to plus or minus 50 percent of the index rate~~ in accordance with the provisions of the Affordable Care Act.

~~(c) A health carrier may request approval by the commissioner to establish separate geographic regions determined by the health carrier and to establish separate index rates for each such region.~~

(b) Premium rates may vary based upon geographic rating area. The commissioner shall grant approval if the following conditions are met:

(1) ~~the geographic regions must be applied uniformly by the health carrier~~ the areas are established in accordance with the Affordable Care Act;

(2) each geographic region must be composed of no fewer than seven counties that create a contiguous region; and

(3) the health carrier provides actuarial justification acceptable to the commissioner for the proposed geographic variations in ~~index rates~~ premium rates for each area, establishing that the variations are based upon differences in the cost to the health carrier of providing coverage.

~~(d) Health carriers may use rate cells and must file with the commissioner the rate cells they use. Rate cells must be based upon the number of adults or children covered under the policy and may reflect the availability of Medicare coverage. The rates for different rate cells must not in any way reflect generalized differences in expected costs between principal insureds and their spouses.~~

(c) Premium rates may vary based upon tobacco use, in accordance with the provisions of the Affordable Care Act.

~~(c)~~ (d) In developing its ~~index rates and~~ premiums for a health plan, a health carrier shall take into account only the following factors:

(1) actuarially valid differences in rating factors permitted under paragraphs (a) and ~~(b)~~ (c); and

(2) actuarially valid geographic variations if approved by the commissioner as provided in paragraph ~~(c)~~ (b).

(e) The premium charged with respect to any particular individual health plan shall not be adjusted more frequently than annually or January 1 of the year following initial enrollment, except that the premium rates may be changed to reflect:

(1) changes to the family composition of the policyholder;

(2) changes in geographic rating area of the policyholder, as provided in paragraph (b);

(3) changes in age, as provided in paragraph (a);

(4) changes in tobacco use, as provided in paragraph (c);

(5) transfer to a new health plan requested by the policyholder; or

(6) other changes required by or otherwise expressly permitted by state or federal law or regulations.

(f) A health carrier shall consider all enrollees in all health plans, other than short-term and grandfathered plan coverage, offered by the health carrier in the individual market, including those enrollees who enroll in qualified health plans offered through the Minnesota Insurance Marketplace to be members of a single risk pool.

(g) The commissioner may establish regulations to implement the provisions of this section.

(h) In connection with the offering for sale of a health plan in the individual market, a health carrier shall make a reasonable disclosure, as part of its solicitation and sales materials, of all of the following:

(1) the provisions of the coverage concerning the health carrier's right to change premium rates and the factors that may affect changes in premium rates; and

(2) a listing of and descriptive information, including benefits and premiums, about all individual health plans offered by the health carrier and the availability of the individual health plans for which the individual is qualified.

(i) All premium variations must be justified in initial rate filings and upon request of the commissioner in rate revision filings. All rate variations are subject to approval by the commissioner.

~~(g)~~ (j) The loss ratio must comply with the section 62A.021 requirements for individual health plans.

~~(h)~~ (k) The rates must not be approved, unless the commissioner has determined that the rates are reasonable. In determining reasonableness, the commissioner shall consider the growth rates applied under section 62J.04, subdivision 1, paragraph (b), to the calendar year or years that the proposed premium rate would be in effect; and actuarially valid changes in risks associated with the enrollee populations~~, and actuarially valid changes as a result of statutory changes in Laws 1992, chapter 549~~.

~~(i)~~ (l) An insurer may, as part of a minimum lifetime loss ratio guarantee filing under section 62A.02, subdivision 3a, include a rating practices guarantee as provided in this paragraph. The rating practices guarantee must be in writing and must guarantee that the policy form will be offered, sold, issued, and renewed only with premium rates and premium rating practices that comply with subdivisions 2, 3, 4, and 5. The rating practices guarantee must be accompanied by an actuarial memorandum that demonstrates that the premium rates and premium rating system used in connection with the policy form will satisfy the guarantee. The guarantee must guarantee refunds of any excess premiums to policyholders charged premiums that exceed those permitted under subdivision 2, 3, 4, or 5. An insurer that complies with this paragraph in connection with a policy form is exempt from the requirement of prior approval by the commissioner under paragraphs (c), (f), and (h).

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 27. Minnesota Statutes 2012, section 62A.65, subdivision 5, is amended to read:

Subd. 5. **Portability and conversion of coverage.** (a) For plan years beginning on or after January 1, 2014, no individual health plan may be offered, sold, issued, or ~~with respect to children age 18 or under~~ renewed, to a Minnesota resident that contains a preexisting condition limitation, preexisting condition exclusion, or exclusionary rider~~, unless the limitation or exclusion is permitted under this subdivision and under chapter 62L, provided that, except for children age 18 or under, underwriting restrictions may be retained on individual contracts that are issued without evidence of insurability as a replacement for prior individual coverage that was sold before May 17, 1993~~. ~~The~~ An individual age 19 or older may be subjected to an 18-month preexisting condition limitation during plan years beginning prior to January 1, 2014, unless the individual has maintained continuous coverage as defined in section 62L.02. The individual must not be subjected to an exclusionary rider. During plan years beginning prior to January 1, 2014, an individual who is age 19 or older and who has maintained continuous coverage may be subjected to a onetime preexisting condition limitation of up to 12 months, with credit for time covered under qualifying coverage as defined in section 62L.02, at the time that the individual first is covered under an individual health plan by any health carrier. Credit must be given for all qualifying coverage with respect to all preexisting conditions, regardless of whether the conditions were preexisting

with respect to any previous qualifying coverage. The individual must not be subjected to an exclusionary rider. Thereafter, the individual who is age 19 or older must not be subject to any preexisting condition limitation, preexisting condition exclusion, or exclusionary rider under an individual health plan by any health carrier, except an unexpired portion of a limitation under prior coverage, so long as the individual maintains continuous coverage as defined in section 62L.02. The prohibition on preexisting condition limitations for children age 18 or under does not apply to individual health plans that are grandfathered plans. The prohibition on preexisting condition limitations for adults age 19 and over beginning for plan years on or after January 1, 2014 does not apply to individual health plans that are grandfathered plans.

(b) A health carrier must offer an individual health plan to any individual previously covered under a group health plan issued by that health carrier, regardless of the size of the group, so long as the individual maintained continuous coverage as defined in section 62L.02. If the individual has available any continuation coverage provided under sections 62A.146; 62A.148; 62A.17, subdivisions 1 and 2; 62A.20; 62A.21; 62C.142; 62D.101; or 62D.105, or continuation coverage provided under federal law, the health carrier need not offer coverage under this paragraph until the individual has exhausted the continuation coverage. The offer must not be subject to underwriting, except as permitted under this paragraph. A health plan issued under this paragraph must be a qualified plan as defined in section 62E.02 and must not contain any preexisting condition limitation, preexisting condition exclusion, or exclusionary rider, except for any unexpired limitation or exclusion under the previous coverage. The individual health plan must cover pregnancy on the same basis as any other covered illness under the individual health plan. The offer of coverage by the health carrier must inform the individual that the coverage, including what is covered and the health care providers from whom covered care may be obtained, may not be the same as the individual's coverage under the group health plan. The offer of coverage by the health carrier must also inform the individual that the individual, if a Minnesota resident, may be eligible to obtain coverage from (i) other private sources of health coverage, or (ii) the Minnesota Comprehensive Health Association, without a preexisting condition limitation, and must provide the telephone number used by that association for enrollment purposes. The initial premium rate for the individual health plan must comply with subdivision 3. The premium rate upon renewal must comply with subdivision 2. In no event shall the premium rate exceed 100 percent of the premium charged for comparable individual coverage by the Minnesota Comprehensive Health Association, and the premium rate must be less than that amount if necessary to otherwise comply with this section. ~~An individual health plan offered under this paragraph to a person satisfies the health carrier's obligation to offer conversion coverage under section 62E.16, with respect to that person.~~ Coverage issued under this paragraph must provide that it cannot be canceled or nonrenewed as a result of the health carrier's subsequent decision to leave the individual, small employer, or other group market. Section 72A.20, subdivision 28, applies to this paragraph.

EFFECTIVE DATE. This section is effective the day following final enactment, except that the amendment made to paragraph (b) is effective January 1, 2014.

Sec. 28. Minnesota Statutes 2012, section 62A.65, subdivision 6, is amended to read:

Subd. 6. **Guaranteed issue ~~not~~ required.** (a) Nothing in this section requires a health carrier to initially issue a health plan to a Minnesota resident who is age 19 or older on the date the health plan becomes effective if the effective date is prior to January 1, 2014, except as otherwise expressly provided in subdivision 4 or 5.

(b) Guaranteed issue is required for all health plans, except grandfathered plans, beginning January 1, 2014.

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

Sec. 29. Minnesota Statutes 2012, section 62A.65, subdivision 7, is amended to read:

Subd. 7. **Short-term coverage.** (a) For purposes of this section, "short-term coverage" means an individual health plan that:

(1) is issued to provide coverage for a period of 185 days or less, except that the health plan may permit coverage to continue until the end of a period of hospitalization for a condition for which the covered person was hospitalized on the day that coverage would otherwise have ended;

(2) is nonrenewable, provided that the health carrier may provide coverage for one or more subsequent periods that satisfy clause (1), if the total of the periods of coverage do not exceed a total of 365 days out of any 555-day period, plus any additional days covered as a result of hospitalization on the day that a period of coverage would otherwise have ended;

(3) does not cover any preexisting conditions, including ones that originated during a previous identical policy or contract with the same health carrier where coverage was continuous between the previous and the current policy or contract; and

(4) is available with an immediate effective date without underwriting upon receipt of a completed application indicating eligibility under the health carrier's eligibility requirements, provided that coverage that includes optional benefits may be offered on a basis that does not meet this requirement.

(b) Short-term coverage is not subject to subdivisions 2 and 5. Short-term coverage may exclude as a preexisting condition any injury, illness, or condition for which the covered person had medical treatment, symptoms, or any manifestations before the effective date of the coverage, but dependent children born or placed for adoption during the policy period must not be subject to this provision.

(c) Notwithstanding subdivision 3, and section 62A.021, a health carrier may combine short-term coverage with its most commonly sold individual qualified plan, as defined in section 62E.02, other than short-term coverage, for purposes of complying with the loss ratio requirement.

(d) The 365-day coverage limitation provided in paragraph (a) applies to the total number of days of short-term coverage that covers a person, regardless of the number of policies, contracts, or health carriers that provide the coverage. A written application for short-term coverage must ask the applicant whether the applicant has been covered by short-term coverage by any health carrier within the 555 days immediately preceding the effective date of the coverage being applied for. Short-term coverage issued in violation of the 365-day limitation is valid until the end of its term and does not lose its status as short-term coverage, in spite of the violation. A health carrier that knowingly issues short-term coverage in violation of the 365-day limitation is subject to the administrative penalties otherwise available to the commissioner of commerce or the commissioner of health, as appropriate.

~~(e) Time spent under short-term coverage counts as time spent under a preexisting condition limitation for purposes of group or individual health plans, other than short-term coverage, subsequently issued to that person, or to cover that person, by any health carrier, if the person maintains continuous coverage as defined in section 62L.02. Short-term coverage is a health plan~~

~~and is qualifying coverage as defined in section 62L.02. Notwithstanding any other law to the contrary, a health carrier is not required under any circumstances to provide a person covered by short-term coverage the right to obtain coverage on a guaranteed issue basis under another health plan offered by the health carrier, as a result of the person's enrollment in short-term coverage.~~

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

Sec. 30. **[62A.67] ESSENTIAL HEALTH BENEFIT PACKAGE REQUIREMENTS.**

Subdivision 1. **Essential health benefits package.** (a) Health carriers offering an individual health plan must include the essential health benefits package as required under the Affordable Care Act, and as described in this subdivision.

(b) The essential health benefits package means coverage that:

(1) provides essential health benefits as outlined in the Affordable Care Act;

(2) limits cost-sharing for such coverage in accordance with the Affordable Care Act; and

(3) subject to subdivision 3, provides bronze, silver, gold, or platinum level of coverage described in the Affordable Care Act.

Subd. 2. **Coverage for enrollees under the age of 21.** If a health carrier offers health coverage in any level specified under section 1302(d) of the Affordable Care Act, as described in subdivision 1, clause (3), the carrier shall also offer coverage in that level in a health plan in which the only enrollees are children who, as of the beginning of a policy year, have not attained the age of 21 years.

Subd. 3. **Alternative compliance for catastrophic plans.** A health carrier not providing a bronze, silver, gold, or platinum level of coverage, as described in subdivision 1, paragraph (b), clause (3), shall be treated as meeting the requirements of the Affordable Care Act with respect to any policy year if the health carrier provides a catastrophic plan that meets the requirements of the Affordable Care Act.

Subd. 4. **Essential health benefits; definition.** For purposes of this section, "essential health benefits" has the meaning given under the Affordable Care Act, and include:

(1) ambulatory patient services;

(2) emergency services;

(3) hospitalization;

(4) laboratory services;

(5) maternity and newborn care;

(6) mental health and substance abuse disorder services, including behavioral health treatment;

(7) pediatric services, including oral and vision care;

(8) prescription drugs;

(9) preventative and wellness services and chronic disease management;

(10) rehabilitative and habilitative services and devices; and

(11) other services defined as essential health benefits under the Affordable Care Act.

Subd. 5. **Exception.** This section does not apply to a dental plan as described in the Affordable Care Act.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 31. Minnesota Statutes 2012, section 62C.14, subdivision 5, is amended to read:

Subd. 5. **Disabled dependents.** A subscriber's individual contract or any group contract delivered or issued for delivery in this state and providing that coverage of a dependent child of the subscriber or a dependent child of a covered group member shall terminate upon attainment of a specified limiting age as defined in section 62Q.01, subdivision 11, shall also provide in substance that attainment of that age shall not terminate coverage while the child is (a) incapable of self-sustaining employment by reason of developmental disability, mental illness or disorder, or physical disability, and (b) chiefly dependent upon the subscriber or employee for support and maintenance, provided proof of incapacity and dependency is furnished by the subscriber within 31 days of attainment of the limiting age as defined in section 62Q.01, subdivision 11, and subsequently as required by the corporation, but not more frequently than annually after a two-year period following attainment of the age. Any notice regarding termination of coverage due to attainment of the limiting age must include information about this provision.

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

Sec. 32. Minnesota Statutes 2012, section 62C.142, subdivision 2, is amended to read:

Subd. 2. **Conversion privilege.** ~~Every subscriber contract, other than a contract whose continuance is contingent upon continued employment or membership, which contains a provision for termination of coverage of the spouse upon dissolution of marriage shall contain a provision allowing a former spouse and dependent children of a subscriber, without providing evidence of insurability, to obtain from the corporation at the expiration of any continuation of coverage required under subdivision 2a or section 62A.146, or upon termination of coverage by reason of an entry of a valid decree of dissolution which does not require the insured to provide continued coverage for the former spouse, an individual subscriber contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the corporation within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate fee. A subscriber contract providing reduced benefits at a reduced fee may be accepted by the former spouse and dependent children in lieu of the optional coverage otherwise required by this subdivision. The~~ An individual subscriber contract issued as conversion coverage shall be renewable at the option of the former spouse as long as the former spouse is not covered under another qualified plan as defined in section 62E.02, subdivision 4. Any revisions in the table of rate for the individual subscriber contract shall apply to the former spouse's original age at entry and shall apply equally to all similar contracts issued as conversion coverage by the corporation.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 33. Minnesota Statutes 2012, section 62D.07, subdivision 3, is amended to read:

Subd. 3. **Required provisions.** Contracts and evidences of coverage shall contain:

(a) no provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, or which are untrue, misleading, or deceptive as defined in section 62D.12, subdivision 1;

(b) a clear, concise and complete statement of:

(1) the health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health maintenance contract;

(2) any exclusions or limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or co-payment feature and requirements for referrals, prior authorizations, and second opinions;

(3) where and in what manner information is available as to how services, including emergency and out of area services, may be obtained;

(4) the total amount of payment and co-payment, if any, for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan is contributory or noncontributory with respect to group certificates; and

(5) a description of the health maintenance organization's method for resolving enrollee complaints and a statement identifying the commissioner as an external source with whom complaints may be registered; and

(c) on the cover page of the evidence of coverage and contract, a clear and complete statement of enrollees' rights. The statement must be in bold print and captioned "Important Enrollee Information and Enrollee Bill of Rights" and must include but not be limited to the following provisions in the following language or in substantially similar language approved in advance by the commissioner, except that paragraph (8) does not apply to prepaid health plans providing coverage for programs administered by the commissioner of human services:

ENROLLEE INFORMATION

(1) COVERED SERVICES: Services provided by (name of health maintenance organization) will be covered only if services are provided by participating (name of health maintenance organization) providers or authorized by (name of health maintenance organization). Your contract fully defines what services are covered and describes procedures you must follow to obtain coverage.

(2) PROVIDERS: Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on the list of providers. When a provider is no longer part of (name of health maintenance organization), you must choose among remaining (name of the health maintenance organization) providers.

(3) REFERRALS: Certain services are covered only upon referral. See section (section number) of your contract for referral requirements. All referrals to non-(name of health maintenance organization) providers and certain types of health care providers must be authorized by (name of health maintenance organization).

(4) EMERGENCY SERVICES: Emergency services from providers who are not affiliated with (name of health maintenance organization) will be covered ~~only if proper procedures are followed~~.

Your contract explains the procedures and benefits associated with emergency care from (name of health maintenance organization) and non-(name of health maintenance organization) providers.

(5) EXCLUSIONS: Certain services or medical supplies are not covered. You should read the contract for a detailed explanation of all exclusions.

(6) CONTINUATION: You may convert to an individual health maintenance organization contract or continue coverage under certain circumstances. These continuation and conversion rights are explained fully in your contract.

(7) CANCELLATION: Your coverage may be canceled by you or (name of health maintenance organization) only under certain conditions. Your contract describes all reasons for cancellation of coverage.

(8) NEWBORN COVERAGE: If your health plan provides for dependent coverage, a newborn infant is covered from birth, but only if services are provided by participating (name of health maintenance organization) providers or authorized by (name of health maintenance organization). Certain services are covered only upon referral. (Name of health maintenance organization) will not automatically know of the infant's birth or that you would like coverage under your plan. You should notify (name of health maintenance organization) of the infant's birth and that you would like coverage. If your contract requires an additional premium for each dependent, (name of health maintenance organization) is entitled to all premiums due from the time of the infant's birth until the time you notify (name of health maintenance organization) of the birth. (Name of health maintenance organization) may withhold payment of any health benefits for the newborn infant until any premiums you owe are paid.

(9) PRESCRIPTION DRUGS AND MEDICAL EQUIPMENT: Enrolling in (name of health maintenance organization) does not guarantee that any particular prescription drug will be available nor that any particular piece of medical equipment will be available, even if the drug or equipment is available at the start of the contract year.

ENROLLEE BILL OF RIGHTS

(1) Enrollees have the right to available and accessible services including emergency services, as defined in your contract, 24 hours a day and seven days a week;

(2) Enrollees have the right to be informed of health problems, and to receive information regarding treatment alternatives and risks which is sufficient to assure informed choice;

(3) Enrollees have the right to refuse treatment, and the right to privacy of medical and financial records maintained by the health maintenance organization and its health care providers, in accordance with existing law;

(4) Enrollees have the right to file a complaint with the health maintenance organization and the commissioner of health and the right to initiate a legal proceeding when experiencing a problem with the health maintenance organization or its health care providers;

(5) Enrollees have the right to a grace period of 31 days for the payment of each premium for an individual health maintenance contract falling due after the first premium during which period the contract shall continue in force;

(6) Medicare enrollees have the right to voluntarily disenroll from the health maintenance organization and the right not to be requested or encouraged to disenroll except in circumstances specified in federal law; and

(7) Medicare enrollees have the right to a clear description of nursing home and home care benefits covered by the health maintenance organization.

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

Sec. 34. Minnesota Statutes 2012, section 62D.095, is amended to read:

62D.095 ENROLLEE COST SHARING.

Subdivision 1. **General application.** A health maintenance contract may contain enrollee cost-sharing provisions as specified in this section. Co-payment and deductible provisions in a group contract must not discriminate on the basis of age, sex, race, disability, economic status, or length of enrollment in the health plan. During an open enrollment period in which all offered health plans fully participate without any underwriting restrictions, co-payment and deductible provisions must not discriminate on the basis of preexisting health status.

Subd. 2. **Co-payments.** ~~(a)~~ A health maintenance contract may impose a co-payment ~~as authorized under Minnesota Rules, part 4685.0801, or under this section~~ and coinsurance consistent with the provisions of the Affordable Care Act as defined under section 62A.011, subdivision 1a.

~~(b) A health maintenance organization may impose a flat fee co-payment on outpatient office visits not to exceed 40 percent of the median provider's charges for similar services or goods received by the enrollees as calculated under Minnesota Rules, part 4685.0801. A health maintenance organization may impose a flat fee co-payment on outpatient prescription drugs not to exceed 50 percent of the median provider's charges for similar services or goods received by the enrollees as calculated under Minnesota Rules, part 4685.0801.~~

~~(c) If a health maintenance contract is permitted to impose a co-payment for preexisting health status under sections 62D.01 to 62D.30, these provisions may vary with respect to length of enrollment in the health plan.~~

Subd. 3. **Deductibles.** ~~(a)~~ A health maintenance contract ~~issued by a health maintenance organization that is assessed less than three percent of the total annual amount assessed by the Minnesota comprehensive health association may impose deductibles not to exceed $3,000 per person, per year and $6,000 per family, per year. For purposes of the percentage calculation, a health maintenance organization's assessments include those of its affiliates~~ may impose a deductible consistent with the provisions of the Affordable Care Act as defined under section 62A.011, subdivision 1a.

~~(b) All other health maintenance contracts may impose deductibles not to exceed $2,250 per person, per year and $4,500 per family, per year.~~

Subd. 4. **Annual out-of-pocket maximums.** ~~(a)~~ A health maintenance contract ~~issued by a health maintenance organization that is assessed less than three percent of the total annual amount assessed by the Minnesota comprehensive health association must include a limitation not to exceed $4,500 per person and $7,500 per family on total annual out-of-pocket enrollee cost-sharing expenses. For purposes of the percentage calculation, a health maintenance organization's~~

~~assessments include those of its affiliates~~ may impose an annual out-of-pocket maximum consistent with the provisions of the Affordable Care Act as defined under section 62A.011, subdivision 1a.

~~(b) All other health maintenance contracts must include a limitation not to exceed $3,000 per person and $6,000 per family on total annual out-of-pocket enrollee cost-sharing expenses.~~

Subd. 5. **Exceptions.** No co-payments or deductibles may be imposed on preventive health care services ~~as described in Minnesota Rules, part 4685.0801, subpart 8~~ consistent with the provisions of the Affordable Care Act as defined under section 62A.011, subdivision 1a.

Subd. 6. **Public programs.** This section does not apply to the prepaid medical assistance program, the MinnesotaCare program, ~~the prepaid general assistance program,~~ the federal Medicare program, or the health plans provided through any of those programs.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 35. Minnesota Statutes 2012, section 62D.181, subdivision 7, is amended to read:

Subd. 7. **Replacement coverage; limitations.** The association is not obligated to offer replacement coverage under this chapter ~~or conversion coverage under section 62E.16~~ at the end of the periods specified in subdivision 6. Any continuation obligation arising under this chapter or chapter 62A will cease at the end of the periods specified in subdivision 6.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 36. Minnesota Statutes 2012, section 62E.02, is amended by adding a subdivision to read:

Subd. 2a. **Essential health benefits.** "Essential health benefits" has the meaning given under section 1302(b) of the Affordable Care Act, as defined under section 62A.011, subdivision 1a. Essential health benefits include:

(1) ambulatory patient services;

(2) emergency services;

(3) hospitalization;

(4) laboratory services;

(5) maternity and newborn care;

(6) mental health and substance abuse disorder services, including behavioral health treatment;

(7) pediatric services, including oral and vision care;

(8) prescription drugs;

(9) preventive and wellness services and chronic disease management;

(10) rehabilitative and habilitative services and devices; and

(11) other services defined as essential health benefits under the Affordable Care Act as defined in section 62A.011, subdivision 1a.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 37. Minnesota Statutes 2012, section 62E.04, subdivision 4, is amended to read:

Subd. 4. **Major medical coverage.** Each insurer and fraternal shall affirmatively offer coverage of major medical expenses to every applicant who applies to the insurer or fraternal for a new unqualified policy, which has a lifetime benefit limit of less than $1,000,000, at the time of application and annually to every holder of such an unqualified policy of accident and health insurance renewed by the insurer or fraternal. The coverage shall provide that when a covered individual incurs out-of-pocket expenses of $5,000 or more within a calendar year for services covered in section 62E.06, subdivision 1, benefits shall be payable, subject to any co-payment authorized by the commissioner, ~~up to a maximum lifetime limit of not less than $1,000,000~~ and shall not contain a lifetime maximum on essential health benefits. The offer of coverage of major medical expenses may consist of the offer of a rider on an existing unqualified policy or a new policy which is a qualified plan.

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

Sec. 38. Minnesota Statutes 2012, section 62E.06, subdivision 1, is amended to read:

Subdivision 1. **Number three plan.** A plan of health coverage shall be certified as a number three qualified plan if it otherwise meets the requirements established by chapters 62A, 62C, and 62Q, and the other laws of this state, whether or not the policy is issued in Minnesota, and meets or exceeds the following minimum standards:

(a) The minimum benefits for a covered individual shall, subject to the other provisions of this subdivision, be equal to at least 80 percent of the cost of covered services in excess of an annual deductible which does not exceed $150 per person. The coverage shall include a limitation of $3,000 per person on total annual out-of-pocket expenses for services covered under this subdivision. The coverage shall not be subject to a ~~maximum lifetime benefit of not less than $1,000,000~~ lifetime maximum on essential health benefits.

The prohibition on lifetime maximums for essential health benefits and $3,000 limitation on total annual out-of-pocket expenses ~~and the $1,000,000 maximum lifetime benefit~~ shall not be subject to change or substitution by use of an actuarially equivalent benefit.

(b) Covered expenses shall be the usual and customary charges for the following services and articles when prescribed by a physician:

(1) hospital services;

(2) professional services for the diagnosis or treatment of injuries, illnesses, or conditions, other than dental, which are rendered by a physician or at the physician's direction;

(3) drugs requiring a physician's prescription;

(4) services of a nursing home for not more than 120 days in a year if the services would qualify as reimbursable services under Medicare;

(5) services of a home health agency if the services would qualify as reimbursable services under Medicare;

(6) use of radium or other radioactive materials;

(7) oxygen;

(8) anesthetics;

(9) prostheses other than dental but including scalp hair prostheses worn for hair loss suffered as a result of alopecia areata;

(10) rental or purchase, as appropriate, of durable medical equipment other than eyeglasses and hearing aids, unless coverage is required under section 62Q.675;

(11) diagnostic x-rays and laboratory tests;

(12) oral surgery for partially or completely unerupted impacted teeth, a tooth root without the extraction of the entire tooth, or the gums and tissues of the mouth when not performed in connection with the extraction or repair of teeth;

(13) services of a physical therapist;

(14) transportation provided by licensed ambulance service to the nearest facility qualified to treat the condition; or a reasonable mileage rate for transportation to a kidney dialysis center for treatment; and

(15) services of an occupational therapist.

(c) Covered expenses for the services and articles specified in this subdivision do not include the following:

(1) any charge for care for injury or disease either (i) arising out of an injury in the course of employment and subject to a workers' compensation or similar law, (ii) for which benefits are payable without regard to fault under coverage statutorily required to be contained in any motor vehicle, or other liability insurance policy or equivalent self-insurance, or (iii) for which benefits are payable under another policy of accident and health insurance, Medicare, or any other governmental program except as otherwise provided by section 62A.04, subdivision 3, clause (4);

(2) any charge for treatment for cosmetic purposes other than for reconstructive surgery when such service is incidental to or follows surgery resulting from injury, sickness, or other diseases of the involved part or when such service is performed on a covered dependent child because of congenital disease or anomaly which has resulted in a functional defect as determined by the attending physician;

(3) care which is primarily for custodial or domiciliary purposes which would not qualify as eligible services under Medicare;

(4) any charge for confinement in a private room to the extent it is in excess of the institution's charge for its most common semiprivate room, unless a private room is prescribed as medically necessary by a physician, provided, however, that if the institution does not have semiprivate rooms, its most common semiprivate room charge shall be considered to be 90 percent of its lowest private room charge;

(5) that part of any charge for services or articles rendered or prescribed by a physician, dentist, or other health care personnel which exceeds the prevailing charge in the locality where the service is provided; and

(6) any charge for services or articles the provision of which is not within the scope of authorized practice of the institution or individual rendering the services or articles.

(d) The minimum benefits for a qualified plan shall include, in addition to those benefits specified in clauses (a) and (e), benefits for well baby care, effective July 1, 1980, subject to applicable deductibles, coinsurance provisions, and maximum lifetime benefit limitations.

(e) Effective July 1, 1979, the minimum benefits of a qualified plan shall include, in addition to those benefits specified in clause (a), a second opinion from a physician on all surgical procedures expected to cost a total of $500 or more in physician, laboratory, and hospital fees, provided that the coverage need not include the repetition of any diagnostic tests.

(f) Effective August 1, 1985, the minimum benefits of a qualified plan must include, in addition to the benefits specified in clauses (a), (d), and (e), coverage for special dietary treatment for phenylketonuria when recommended by a physician.

(g) Outpatient mental health coverage is subject to section 62A.152, subdivision 2.

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

Sec. 39. Minnesota Statutes 2012, section 62E.09, is amended to read:

62E.09 DUTIES OF COMMISSIONER.

The commissioner may:

(a) formulate general policies to advance the purposes of sections 62E.01 to 62E.19;

(b) supervise the creation of the Minnesota Comprehensive Health Association within the limits described in section 62E.10;

(c) approve the selection of the writing carrier by the association, approve the association's contract with the writing carrier, and approve the state plan coverage;

(d) appoint advisory committees;

(e) conduct periodic audits to assure the general accuracy of the financial data submitted by the writing carrier and the association;

(f) contract with the federal government or any other unit of government to ensure coordination of the state plan with other governmental assistance programs;

(g) undertake directly or through contracts with other persons studies or demonstration programs to develop awareness of the benefits of sections 62E.01 to ~~62E.16~~ 62E.15, so that the residents of this state may best avail themselves of the health care benefits provided by these sections;

(h) contract with insurers and others for administrative services; and

(i) adopt, amend, suspend and repeal rules as reasonably necessary to carry out and make effective the provisions and purposes of sections 62E.01 to 62E.19.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 40. Minnesota Statutes 2012, section 62E.10, subdivision 7, is amended to read:

Subd. 7. **General powers.** The association may:

(a) Exercise the powers granted to insurers under the laws of this state;

(b) Sue or be sued;

(c) Enter into contracts with insurers, similar associations in other states or with other persons for the performance of administrative functions including the functions provided for in clauses (e) and (f);

(d) Establish administrative and accounting procedures for the operation of the association;

(e) Provide for the reinsuring of risks incurred as a result of issuing the coverages required by ~~sections~~ section 62E.04 ~~and 62E.16~~ by members of the association. Each member which elects to reinsure its required risks shall determine the categories of coverage it elects to reinsure in the association. The categories of coverage are:

(1) individual qualified plans, excluding group conversions;

(2) group conversions;

(3) group qualified plans with fewer than 50 employees or members; and

(4) major medical coverage.

A separate election may be made for each category of coverage. If a member elects to reinsure the risks of a category of coverage, it must reinsure the risk of the coverage of every life covered under every policy issued in that category. A member electing to reinsure risks of a category of coverage shall enter into a contract with the association establishing a reinsurance plan for the risks. This contract may include provision for the pooling of members' risks reinsured through the association and it may provide for assessment of each member reinsuring risks for losses and operating and administrative expenses incurred, or estimated to be incurred in the operation of the reinsurance plan. This reinsurance plan shall be approved by the commissioner before it is effective. Members electing to administer the risks which are reinsured in the association shall comply with the benefit determination guidelines and accounting procedures established by the association. The fee charged by the association for the reinsurance of risks shall not be less than 110 percent of the total anticipated expenses incurred by the association for the reinsurance; and

(f) Provide for the administration by the association of policies which are reinsured pursuant to clause (e). Each member electing to reinsure one or more categories of coverage in the association may elect to have the association administer the categories of coverage on the member's behalf. If a member elects to have the association administer the categories of coverage, it must do so for every life covered under every policy issued in that category. The fee for the administration shall not be less than 110 percent of the total anticipated expenses incurred by the association for the administration.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 41. Minnesota Statutes 2012, section 62H.04, is amended to read:

62H.04 COMPLIANCE WITH OTHER LAWS.

(a) A joint self-insurance plan is subject to the requirements of chapters 62A, 62E, 62L, and 62Q, and sections 72A.17 to 72A.32 unless otherwise specifically exempt. A joint self-insurance plan must pay assessments made by the Minnesota Comprehensive Health Association, as required under section 62E.11.

(b) A joint self-insurance plan is exempt from providing the mandated health benefits described in chapters 62A, 62E, 62L, and 62Q if it otherwise provides the benefits required under the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001, et seq., for all employers and not just for the employers with 50 or more employees who are covered by that federal law.

(c) A joint self-insurance plan is exempt from section 62L.03, subdivision 1, if the plan offers an annual open enrollment period of no less than 15 days during which all employers that qualify for membership may enter the plan without preexisting condition limitations or exclusions except those permitted under chapter 62L.

(d) A joint self-insurance plan is exempt from sections 62A.146, 62A.16, 62A.17, 62A.20, 62A.21, and 62A.65, subdivision 5, paragraph (b), ~~and 62E.16~~ if the joint self-insurance plan complies with the continuation requirements under the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001, et seq., for all employers and not just for the employers with 20 or more employees who are covered by that federal law.

(e) A joint self-insurance plan must provide to all employers the maternity coverage required by federal law for employers with 15 or more employees.

(f) A joint self-insurance plan must comply with all the provisions and requirements of the Affordable Care Act as defined under section 62A.011, subdivision 1a, to the extent that they apply to such plans.

EFFECTIVE DATE. This section is effective the day following final enactment, except that the amendment made to paragraph (d) is effective January 1, 2014.

Sec. 42. Minnesota Statutes 2012, section 62L.02, subdivision 11, is amended to read:

Subd. 11. **Dependent.** "Dependent" means an eligible employee's spouse, ~~unmarried child who is under the age of 25 years~~ dependent child to the limiting age as defined in section 62Q.01, subdivision 11, dependent child of any age who is disabled and who meets the eligibility criteria in section 62A.14, subdivision 2, or any other person whom state or federal law requires to be treated as a dependent for purposes of health plans. For the purpose of this definition, a dependent child to the limiting age as defined in section 62Q.01, subdivision 11, includes a child for whom the employee or the employee's spouse has been appointed legal guardian and an adoptive child as provided in section 62A.27. A child also means a grandchild as provided in section 62A.042 with continued eligibility of grandchildren as provided in section 62A.302, subdivision 4.

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

Sec. 43. Minnesota Statutes 2012, section 62L.02, subdivision 14a, is amended to read:

Subd. 14a. **Guaranteed issue.** "Guaranteed issue" means that a health carrier shall not decline an application by a small employer for any health benefit plan offered by that health carrier and shall not decline to cover under a health benefit plan any eligible employee or eligible dependent, including persons who become eligible employees or eligible dependents after initial issuance of the health benefit plan~~, subject to the health carrier's right to impose preexisting condition limitations permitted under this chapter~~.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 44. Minnesota Statutes 2012, section 62L.02, is amended by adding a subdivision to read:

Subd. 17a. **Individual health plan.** "Individual health plan" means a health plan as defined under section 62A.011, subdivision 3, that is offered to individuals in the individual market, other than conversion policies or short-term coverage. Small group market health plans offered through the Minnesota Insurance Marketplace to employees of a small employer are not considered individual health plans, regardless of whether the health plan is purchased using a defined contribution from the employer.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 45. Minnesota Statutes 2012, section 62L.02, subdivision 26, is amended to read:

Subd. 26. **Small employer.** (a) "Small employer" means, with respect to a calendar year and a plan year, a person, firm, corporation, partnership, association, or other entity actively engaged in business in Minnesota, including a political subdivision of the state, that employed an average of ~~no fewer than two nor~~ at least one, not including a sole proprietor, but not more than 50 current employees on business days during the preceding calendar year and that employs at least ~~two~~ one current ~~employees~~ employee, not including a sole proprietor, on the first day of the plan year. ~~If an employer has only one eligible employee who has not waived coverage, the sale of a health plan to or for that eligible employee is not a sale to a small employer and is not subject to this chapter and may be treated as the sale of an individual health plan.~~ A small employer plan may be offered through a domiciled association to self-employed individuals and small employers who are members of the association, even if the self-employed individual or small employer has fewer than two current employees. Entities that are treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the federal Internal Revenue Code are considered a single employer for purposes of determining the number of current employees. Small employer status must be determined on an annual basis as of the renewal date of the health benefit plan. The provisions of this chapter continue to apply to an employer who no longer meets the requirements of this definition until the annual renewal date of the employer's health benefit plan. If an employer was not in existence throughout the preceding calendar year, the determination of whether the employer is a small employer is based upon the average number of current employees that it is reasonably expected that the employer will employ on business days in the current calendar year. For purposes of this definition, the term employer includes any predecessor of the employer. An employer that has more than 50 current employees but has 50 or fewer employees, as "employee" is defined under United States Code, title 29, section 1002(6), is a small employer under this subdivision.

(b) Where an association, as defined in section 62L.045, comprised of employers contracts with a health carrier to provide coverage to its members who are small employers, the association and health benefit plans it provides to small employers, are subject to section 62L.045, with respect to small employers in the association, even though the association also provides coverage to its members that do not qualify as small employers.

(c) If an employer has employees covered under a trust specified in a collective bargaining agreement under the federal Labor-Management Relations Act of 1947, United States Code, title 29, section 141, et seq., as amended, or employees whose health coverage is determined by a collective bargaining agreement and, as a result of the collective bargaining agreement, is purchased separately from the health plan provided to other employees, those employees are excluded in determining whether the employer qualifies as a small employer. Those employees are considered to be a separate

small employer if they constitute a group that would qualify as a small employer in the absence of the employees who are not subject to the collective bargaining agreement.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 46. Minnesota Statutes 2012, section 62L.03, subdivision 1, is amended to read:

Subdivision 1. **Guaranteed issue and reissue.** (a) Every health carrier shall, as a condition of authority to transact business in this state in the small employer market, affirmatively market, offer, sell, issue, and renew any of its health benefit plans, on a guaranteed issue basis, to any small employer, including a small employer covered by paragraph (b), that meets the participation and contribution requirements of subdivision 3, as provided in this chapter.

(b) A small employer that ~~has its~~ no longer meets the definition of small employer because of a reduction in workforce ~~reduced to one employee~~ may continue coverage as a small employer for 12 months from the date the group is reduced to one employee.

(c) Notwithstanding paragraph (a), a health carrier may, at the time of coverage renewal, modify the health coverage for a product offered in the small employer market if the modification is consistent with state law, approved by the commissioner, and effective on a uniform basis for all small employers purchasing that product other than through a qualified association in compliance with section 62L.045, subdivision 2.

~~Paragraph (a) does not apply to a health benefit plan designed for a small employer to comply with a collective bargaining agreement, provided that the health benefit plan otherwise complies with this chapter and is not offered to other small employers, except for other small employers that need it for the same reason. This paragraph applies only with respect to collective bargaining agreements entered into prior to August 21, 1996, and only with respect to plan years beginning before the later of July 1, 1997, or the date upon which the last of the collective bargaining agreements relating to the plan terminates determined without regard to any extension agreed to after August 21, 1996.~~

~~(d) Every health carrier participating in the small employer market shall make available both of the plans described in section 62L.05 to small employers and shall fully comply with the underwriting and the rate restrictions specified in this chapter for all health benefit plans issued to small employers.~~

~~(e)~~ (d) A health carrier may cease to transact business in the small employer market as provided under section 62L.09.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 47. Minnesota Statutes 2012, section 62L.03, subdivision 3, is amended to read:

Subd. 3. **Minimum participation and contribution.** (a) A small employer that has at least 75 percent of its eligible employees who have not waived coverage participating in a health benefit plan and that contributes at least 50 percent toward the cost of coverage of each eligible employee must be guaranteed coverage on a guaranteed issue basis from any health carrier participating in the small employer market. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. A health carrier must not increase the participation requirements applicable to a small employer at any time after the small employer has been accepted for coverage. For the purposes of this subdivision, waiver of coverage includes only waivers due to: (1) coverage under another group health plan; (2) unaffordability as specified

by the Affordable Care Act as defined under section 62A.011, subdivision 1a; (3) coverage under Medicare Parts A and B; or ~~(3)~~ (4) coverage under medical assistance under chapter 256B or general assistance medical care under chapter 256D.

(b) If a small employer does not satisfy the contribution or participation requirements under this subdivision, a health carrier may voluntarily issue or renew individual health plans, or a health benefit plan which must fully comply with this chapter. A health carrier that provides a health benefit plan to a small employer that does not meet the contribution or participation requirements of this subdivision must maintain this information in its files for audit by the commissioner. A health carrier may not offer an individual health plan, purchased through an arrangement between the employer and the health carrier, to any employee unless the health carrier also offers the individual health plan, on a guaranteed issue basis, to all other employees of the same employer. An arrangement permitted under section 62L.12, subdivision 2, paragraph (k), is not an arrangement between the employer and the health carrier for purposes of this paragraph.

(c) Nothing in this section obligates a health carrier to issue coverage to a small employer that currently offers coverage through a health benefit plan from another health carrier, unless the new coverage will replace the existing coverage and not serve as one of two or more health benefit plans offered by the employer. This paragraph does not apply if the small employer will meet the required participation level with respect to the new coverage.

(d) This section does not apply to health plans offered through the Minnesota Insurance Marketplace under chapter 62V.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 48. Minnesota Statutes 2012, section 62L.03, subdivision 4, is amended to read:

Subd. 4. **Underwriting restrictions.** ~~(a) Health carriers may apply underwriting restrictions to coverage for health benefit plans for small employers, including any preexisting condition limitations, only as expressly permitted under this chapter. For purposes of this section, "underwriting restrictions" means any refusal of the health carrier to issue or renew coverage, any premium rate higher than the lowest rate charged by the health carrier for the same coverage, any preexisting condition limitation, preexisting condition exclusion, or any exclusionary rider.~~

~~(b)~~ Health carriers may collect information relating to the case characteristics and demographic composition of small employers, as well as health status and health history information about employees, and dependents of employees, of small employers.

~~(c) Except as otherwise authorized for late entrants, preexisting conditions may be excluded by a health carrier for a period not to exceed 12 months from the enrollment date of an eligible employee or dependent, but exclusionary riders must not be used. Late entrants may be subject to a preexisting condition limitation not to exceed 18 months from the enrollment date of the late entrant, but must not be subject to any exclusionary rider or preexisting condition exclusion. When calculating any length of preexisting condition limitation, a health carrier shall credit the time period an eligible employee or dependent was previously covered by qualifying coverage, provided that the individual maintains continuous coverage. The credit must be given for all qualifying coverage with respect to all preexisting conditions, regardless of whether the conditions were preexisting with respect to any previous qualifying coverage. Section 60A.082, relating to replacement of group coverage, and the rules adopted under that section apply to this chapter, and this chapter's requirements are in addition to the requirements of that section and the rules adopted under it. A health carrier shall, at~~

~~the time of first issuance or renewal of a health benefit plan on or after July 1, 1993, credit against any preexisting condition limitation or exclusion permitted under this section, the time period prior to July 1, 1993, during which an eligible employee or dependent was covered by qualifying coverage, if the person has maintained continuous coverage.~~

~~(d) Health carriers shall not use pregnancy as a preexisting condition under this chapter.~~

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 49. Minnesota Statutes 2012, section 62L.03, subdivision 6, is amended to read:

Subd. 6. **MCHA enrollees.** Health carriers shall offer coverage to any eligible employee or dependent enrolled in MCHA at the time of the health carrier's issuance or renewal of a health benefit plan to a small employer. The health benefit plan must require that the employer permit MCHA enrollees to enroll in the small employer's health benefit plan as of the first date of renewal of a health benefit plan occurring on or after July 1, 1993, and as of each date of renewal after that, or, in the case of a new group, as of the initial effective date of the health benefit plan and as of each date of renewal after that. ~~Unless otherwise permitted by this chapter,~~ Health carriers must not impose any underwriting restrictions, including any preexisting condition limitations or exclusions, on any eligible employee or dependent previously enrolled in MCHA and transferred to a health benefit plan ~~so long as continuous coverage is maintained, provided that the health carrier may impose any unexpired portion of a preexisting condition limitation under the person's MCHA coverage. An MCHA enrollee is not a late entrant, so long as the enrollee has maintained continuous coverage~~.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 50. Minnesota Statutes 2012, section 62L.045, subdivision 2, is amended to read:

Subd. 2. **Qualified associations.** (a) A qualified association, as defined in this section, and health coverage offered by it, to it, or through it, to a small employer in this state must comply with the requirements of this chapter regarding guaranteed issue, guaranteed renewal, preexisting condition limitations, ~~credit against preexisting condition limitations for continuous coverage,~~ treatment of MCHA enrollees, and the definition of dependent, and with section 62A.65, subdivision 5, paragraph (b). They must also comply with all other requirements of this chapter not specifically exempted in paragraph (b) or (c).

(b) A qualified association and a health carrier offering, selling, issuing, or renewing health coverage to, or to cover, a small employer in this state through the qualified association, may, but are not, in connection with that health coverage, required to:

(1) offer the two small employer plans described in section 62L.05; and

(2) offer to small employers that are not members of the association, health coverage offered to, by, or through the qualified association.

~~(c) A qualified association, and a health carrier offering, selling, issuing, and renewing health coverage to, or to cover, a small employer in this state must comply with section 62L.08, except that:~~

~~(1) a separate index rate may be applied by a health carrier to each qualified association, provided that:~~

~~(i) the premium rate applied to participating small employer members of the qualified association is no more than 25 percent above and no more than 25 percent below the index rate applied to the qualified association, irrespective of when members applied for health coverage; and~~

~~(ii) the index rate applied by a health carrier to a qualified association is no more than 20 percent above and no more than 20 percent below the index rate applied by the health carrier to any other qualified association or to any small employer. In comparing index rates for purposes of this clause, the 20 percent shall be calculated as a percent of the larger index rate; and~~

~~(2) a qualified association described in subdivision 1, paragraph (a), clauses (2) to (4), providing health coverage through a health carrier, or on a self-insured basis in compliance with section 471.617 and the rules adopted under that section, may cover small employers and other employers within the same pool and may charge premiums to small employer members on the same basis as it charges premiums to members that are not small employers, if the premium rates charged to small employers do not have greater variation than permitted under section 62L.08. A qualified association operating under this clause shall annually prove to the commissioner of commerce that it complies with this clause through a sampling procedure acceptable to the commissioner. If the qualified association fails to prove compliance to the satisfaction of the commissioner, the association shall agree to a written plan of correction acceptable to the commissioner. The qualified association is considered to be in compliance under this clause if there is a premium rate that would, if used as an index rate, result in all premium rates in the sample being in compliance with section 62L.08. This clause does not exempt a qualified association or a health carrier providing coverage through the qualified association from the loss ratio requirement of section 62L.08, subdivision 11.~~

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 51. Minnesota Statutes 2012, section 62L.045, subdivision 4, is amended to read:

Subd. 4. **Principles; association coverage.** (a) This subdivision applies to associations as defined in this section, whether qualified associations or not, and is intended to clarify subdivisions 1 to 3.

(b) This section applies only to associations that provide health coverage to small employers.

(c) ~~A health carrier is not required under this chapter to comply with guaranteed issue and guaranteed renewal with respect to its relationship with the association itself.~~ An arrangement between the health carrier and the association, once entered into, must comply with guaranteed issue and guaranteed renewal with respect to members of the association that are small employers and persons covered through them.

(d) When an arrangement between a health carrier and an association has validly terminated, the health carrier has no continuing obligation to small employers and persons covered through them, except as otherwise provided in:

(1) section 62A.65, subdivision 5, paragraph (b);

(2) any other continuation or conversion rights applicable under state or federal law; and

(3) section 60A.082, relating to group replacement coverage, and rules adopted under that section.

(e) When an association's arrangement with a health carrier has terminated and the association has entered into a new arrangement with that health carrier or a different health carrier, the new arrangement is subject to section 60A.082 and rules adopted under it, with respect to members of the association that are small employers and persons covered through them.

(f) An association that offers its members more than one plan of health coverage may have uniform rules restricting movement between the plans of health coverage, if the rules do not discriminate against small employers.

(g) This chapter does not require or prohibit separation of an association's members into one group consisting only of small employers and another group or other groups consisting of all other members. The association must comply with this section with respect to the small employer group.

(h) For purposes of this section, "member" of an association includes an employer participant in the association.

(i) For purposes of this section, health coverage issued to, or to cover, a small employer includes a certificate of coverage issued directly to the employer's employees and dependents, rather than to the small employer.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 52. Minnesota Statutes 2012, section 62L.05, subdivision 10, is amended to read:

Subd. 10. **Medical expense reimbursement.** Health carriers may reimburse or pay for medical services, supplies, or articles provided under a small employer plan in accordance with the health carrier's provider contract requirements including, but not limited to, salaried arrangements, capitation, the payment of usual and customary charges, fee schedules, discounts from fee-for-service, per diems, diagnosis-related groups (DRGs), and other payment arrangements. Nothing in this chapter requires a health carrier to develop, implement, or change its provider contract requirements for a small employer plan. Coinsurance, deductibles, and out-of-pocket maximums~~, and maximum lifetime benefits~~ must be calculated and determined in accordance with each health carrier's standard business practices.

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

Sec. 53. Minnesota Statutes 2012, section 62L.06, is amended to read:

62L.06 DISCLOSURE OF UNDERWRITING RATING PRACTICES.

When offering or renewing a health benefit plan, health carriers shall disclose in all solicitation and sales materials:

(1) ~~the case characteristics and other rating factors used to determine initial and renewal rates;~~

~~(2) the extent to which premium rates for a small employer are established or adjusted based upon actual or expected variation in claim experience;~~

~~(3)~~ provisions concerning the health carrier's right to change premium rates ~~and the factors other than claim experience that affect changes in premium rates~~;

~~(4)~~ (2) provisions relating to renewability of coverage;

~~(5) the use and effect of any preexisting condition provisions, if permitted;~~

~~(6)~~ (3) the application of any provider network limitations and their effect on eligibility for benefits; and

~~(7)~~ (4) the ability of small employers to insure eligible employees and dependents currently receiving coverage from the Comprehensive Health Association ~~through health benefit plans~~.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 54. Minnesota Statutes 2012, section 62L.08, is amended to read:

62L.08 RESTRICTIONS RELATING TO PREMIUM RATES.

Subdivision 1. **Rate restrictions.** Premium rates for all health benefit plans sold or issued to small employers are subject to the restrictions specified in this section.

~~Subd. 2. **General premium variations.** Beginning July 1, 1993, each health carrier must offer premium rates to small employers that are no more than 25 percent above and no more than 25 percent below the index rate charged to small employers for the same or similar coverage, adjusted pro rata for rating periods of less than one year. The premium variations permitted by this subdivision must be based only on health status, claims experience, industry of the employer, and duration of coverage from the date of issue. For purposes of this subdivision, health status includes refraining from tobacco use or other actuarially valid lifestyle factors associated with good health, provided that the lifestyle factor and its effect upon premium rates have been determined to be actuarially valid and approved by the commissioner. Variations permitted under this subdivision must not be based upon age or applied differently at different ages. This subdivision does not prohibit use of a constant percentage adjustment for factors permitted to be used under this subdivision.~~

~~Subd. 2a. **Renewal premium increases limited.** (a) Beginning January 1, 2003, the percentage increase in the premium rate charged to a small employer for a new rating period must not exceed the sum of the following:~~

~~(1) the percentage change in the index rate measured from the first day of the prior rating period to the first day of the new rating period;~~

~~(2) an adjustment, not to exceed 15 percent annually and adjusted pro rata for rating periods of less than one year, due to the claims experience, health status, or duration of coverage of the employees or dependents of the employer; and~~

~~(3) any adjustment due to change in coverage or in the case characteristics of the employer.~~

~~(b) This subdivision does not apply if the employer, employee, or any applicant provides the health carrier with false, incomplete, or misleading information.~~

Subd. 3. **Age-based premium variations.** ~~Beginning July 1, 1993,~~ Each health carrier may offer premium rates to small employers that vary based upon the ages of the eligible employees and dependents of the small employer only as provided in this subdivision. ~~In addition to the variation permitted by subdivision 2, each health carrier may use an additional premium variation based upon age of up to plus or minus 50 percent of the index rate.~~ Premium rates may vary based upon the ages of the eligible employees and dependents of the small employer in accordance with the provisions of the Affordable Care Act as defined in section 62A.011, subdivision 1a.

Subd. 4. **Geographic premium variations.** ~~A health carrier may request approval by the commissioner to establish separate geographic regions determined by the health carrier and to~~

~~establish separate index rates for each such region~~ Premium rates may vary based on geographic rating areas set by the commissioner. The commissioner shall grant approval if ~~the following conditions are met:~~

~~(1) the geographic regions must be applied uniformly by the health carrier;~~

~~(2) each geographic region must be composed of no fewer than seven counties that create a contiguous region; and~~

~~(3)~~ the health carrier provides actuarial justification acceptable to the commissioner for the proposed geographic variations in ~~index~~ rates~~, establishing that the variations are based upon differences in the cost to the health carrier of providing coverage~~.

Subd. 5. **Gender-based rates prohibited.** ~~Beginning July 1, 1993,~~ No health carrier may determine premium rates through a method that is in any way based upon the gender of eligible employees or dependents. Rates must not in any way reflect marital status or generalized differences in expected costs between employees and spouses.

Subd. 6. ~~**Rate cells permitted**~~ **Tobacco rating.** ~~Health carriers may use rate cells and must file with the commissioner the rate cells they use. Rate cells must be based on the number of adults and children covered under the policy and may reflect the availability of Medicare coverage. The rates for different rate cells must not in any way reflect marital status or differences in expected costs between employees and spouses~~ Premium rates may vary based upon tobacco use in accordance with the provisions of the Affordable Care Act as defined in section 62A.011, subdivision 1a.

Subd. 7. ~~**Index and**~~ **Premium rate development.** (a) In developing its ~~index~~ rates and premiums, a health carrier may take into account only the following factors:

(1) actuarially valid differences in benefit designs of health benefit plans; and

~~(2) actuarially valid differences in the rating factors permitted in subdivisions 2 and 3;~~

~~(3)~~ (2) actuarially valid geographic variations if approved by the commissioner as provided in subdivision 4.

(b) All premium variations permitted under this section must be based upon actuarially valid differences in expected cost to the health carrier of providing coverage. The variation must be justified in initial rate filings and upon request of the commissioner in rate revision filings. All premium variations are subject to approval by the commissioner.

Subd. 8. **Filing requirement.** A health carrier that offers, sells, issues, or renews a health benefit plan for small employers shall file with the commissioner the ~~index~~ rates and must demonstrate that all rates shall be within the rating restrictions defined in this chapter. Such demonstration must include ~~the allowable range of rates from the index rates and~~ a description of how the health carrier intends to use demographic factors including case characteristics in calculating the premium rates. The rates shall not be approved, unless the commissioner has determined that the rates are reasonable. In determining reasonableness, the commissioner shall consider the growth rates applied under section 62J.04, subdivision 1, paragraph (b), to the calendar year or years that the proposed premium rate would be in effect, and actuarially valid changes in risk associated with the enrollee population~~, and actuarially valid changes as a result of statutory changes in Laws 1992, chapter 549~~.

Subd. 9. **Effect of assessments.** Premium rates must comply with the rating requirements of this section, notwithstanding the imposition of any assessments or premiums paid by health carriers as provided under sections 62L.13 to 62L.22.

~~Subd. 10. **Rating report.** Beginning January 1, 1995, and annually thereafter, the commissioners of health and commerce shall provide a joint report to the legislature on the effect of the rating restrictions required by this section and the appropriateness of proceeding with additional rate reform. Each report must include an analysis of the availability of health care coverage due to the rating reform, the equitable and appropriate distribution of risk and associated costs, the effect on the self-insurance market, and any resulting or anticipated change in health plan design and market share and availability of health carriers.~~

Subd. 11. **Loss ratio standards.** Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, each policy or contract form used with respect to a health benefit plan offered, or issued in the small employer market, is subject, beginning July 1, 1993, to section 62A.021. The commissioner of health has, with respect to carriers under that commissioner's jurisdiction, all of the powers of the commissioner of commerce under that section.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 55. Minnesota Statutes 2012, section 62L.12, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage under section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) A health carrier may sell, issue, or renew conversion policies ~~under section 62E.16~~ to eligible employees.

(d) A health carrier may sell, issue, or renew individual continuation policies to eligible employees as required.

(e) A health carrier may sell, issue, or renew individual health plans if the coverage is appropriate due to an unexpired preexisting condition limitation or exclusion applicable to the person under the employer's group health plan or due to the person's need for health care services not covered under the employer's group health plan.

(f) A health carrier may sell, issue, or renew an individual health plan, if the individual has elected to buy the individual health plan not as part of a general plan to substitute individual health plans for a group health plan nor as a result of any violation of subdivision 3 or 4.

(g) A health carrier may sell, issue, or renew an individual health plan if coverage provided by the employer is determined to be unaffordable under the provisions of the Affordable Care Act as defined in section 62A.011, subdivision 1a.

(h) Nothing in this subdivision relieves a health carrier of any obligation to provide continuation or conversion coverage otherwise required under federal or state law.

~~(h)~~ (i) Nothing in this chapter restricts the offer, sale, issuance, or renewal of coverage issued as a supplement to Medicare under sections 62A.3099 to 62A.44, or policies or contracts that supplement Medicare issued by health maintenance organizations, or those contracts governed by sections 1833, 1851 to 1859, 1860D, or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et seq., as amended.

~~(i)~~ (j) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans necessary to comply with a court order.

~~(j)~~ (k) A health carrier may offer, issue, sell, or renew an individual health plan to persons eligible for an employer group health plan, if the individual health plan is a high deductible health plan for use in connection with an existing health savings account, in compliance with the Internal Revenue Code, section 223. In that situation, the same or a different health carrier may offer, issue, sell, or renew a group health plan to cover the other eligible employees in the group.

~~(k)~~ (l) A health carrier may offer, sell, issue, or renew an individual health plan to one or more employees of a small employer if the individual health plan is marketed directly to all employees of the small employer and the small employer does not contribute directly or indirectly to the premiums or facilitate the administration of the individual health plan. The requirement to market an individual health plan to all employees does not require the health carrier to offer or issue an individual health plan to any employee. For purposes of this paragraph, an employer is not contributing to the premiums or facilitating the administration of the individual health plan if the employer does not contribute to the premium and merely collects the premiums from an employee's wages or salary through payroll deductions and submits payment for the premiums of one or more employees in a lump sum to the health carrier. Except for coverage under section 62A.65, subdivision 5, paragraph (b), ~~or 62E.16,~~ at the request of an employee, the health carrier may bill the employer for the premiums payable by the employee, provided that the employer is not liable for payment except from payroll deductions for that purpose. If an employer is submitting payments under this paragraph, the health carrier shall provide a cancellation notice directly to the primary insured at least ten days prior to termination of coverage for nonpayment of premium. Individual coverage under this paragraph may be offered only if the small employer has not provided coverage under section 62L.03 to the employees within the past 12 months.

~~The employer must provide a written and signed statement to the health carrier that the employer is not contributing directly or indirectly to the employee's premiums. The health carrier may rely on the employer's statement and is not required to guarantee-issue individual health plans to the employer's other current or future employees.~~

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 56. Minnesota Statutes 2012, section 62M.05, subdivision 3a, is amended to read:

Subd. 3a. **Standard review determination.** (a) Notwithstanding subdivision 3b, an initial determination on all requests for utilization review must be communicated to the provider and enrollee in accordance with this subdivision within ten business days of the request, provided that all information reasonably necessary to make a determination on the request has been made available to the utilization review organization.

(b) When an initial determination is made to certify, notification must be provided promptly by telephone to the provider. The utilization review organization shall send written notification to the provider or shall maintain an audit trail of the determination and telephone notification. For purposes

of this subdivision, "audit trail" includes documentation of the telephone notification, including the date; the name of the person spoken to; the enrollee; the service, procedure, or admission certified; and the date of the service, procedure, or admission. If the utilization review organization indicates certification by use of a number, the number must be called the "certification number." For purposes of this subdivision, notification may also be made by facsimile to a verified number or by electronic mail to a secure electronic mailbox. These electronic forms of notification satisfy the "audit trail" requirement of this paragraph.

(c) When an initial determination is made not to certify, notification must be provided by telephone, by facsimile to a verified number, or by electronic mail to a secure electronic mailbox within one working day after making the determination to the attending health care professional and hospital as applicable. Written notification must also be sent to the hospital as applicable and attending health care professional if notification occurred by telephone. For purposes of this subdivision, notification may be made by facsimile to a verified number or by electronic mail to a secure electronic mailbox. Written notification must be sent to the enrollee and may be sent by United States mail, facsimile to a verified number, or by electronic mail to a secure mailbox. The written notification must include the principal reason or reasons for the determination and the process for initiating an appeal of the determination. Upon request, the utilization review organization shall provide the provider or enrollee with the criteria used to determine the necessity, appropriateness, and efficacy of the health care service and identify the database, professional treatment parameter, or other basis for the criteria. Reasons for a determination not to certify may include, among other things, the lack of adequate information to certify after a reasonable attempt has been made to contact the provider or enrollee.

(d) When an initial determination is made not to certify, the written notification must inform the enrollee and the attending health care professional of the right to submit an appeal to the internal appeal process described in section 62M.06 and the procedure for initiating the internal appeal. The written notice shall be provided in a culturally and linguistically appropriate manner consistent with the provisions of the Affordable Care Act as defined under section 62A.011, subdivision 1a.

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

Sec. 57. Minnesota Statutes 2012, section 62M.06, subdivision 1, is amended to read:

Subdivision 1. **Procedures for appeal.** A utilization review organization must have written procedures for appeals of determinations not to certify. The right to appeal must be available to the enrollee and to the attending health care professional. The enrollee shall be allowed to review the information relied upon in the course of the appeal, present evidence and testimony as part of the appeals process, and receive continued coverage pending the outcome of the appeals process.

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

Sec. 58. Minnesota Statutes 2012, section 62Q.01, is amended by adding a subdivision to read:

Subd. 1a. **Affordable Care Act.** "Affordable Care Act" means the Affordable Care Act as defined in section 62A.011, subdivision 1a.

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

Sec. 59. Minnesota Statutes 2012, section 62Q.01, is amended by adding a subdivision to read:

Subd. 1b. **Bona fide association.** "Bona fide association" means an association that meets all of the following criteria:

(1) serves a single profession that requires a significant amount of education, training or experience, or a license or certificate from a state authority to practice that profession;

(2) has been actively in existence for five years;

(3) has a constitution and bylaws or other analogous governing documents;

(4) has been formed and maintained in good faith for purposes other than obtaining insurance;

(5) is not owned or controlled by a health plan company or affiliated with a health plan company;

(6) does not condition membership in the association on any health status related factor;

(7) has at least 1,000 members if it is a national association, 500 members if it is a state association, or 200 members if it is a local association;

(8) all members and dependents of members are eligible for coverage regardless of any health status related factor;

(9) does not make health plans offered through the association available other than in connection with a member of the association;

(10) is governed by a board of directors and sponsors annual meeting of its members; and

(11) produces only market association memberships, accepts applications for membership, or signs up members in the professional association where the subject individuals are actively engaged in, or directly related to, the profession represented by the association.

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

Sec. 60. Minnesota Statutes 2012, section 62Q.01, is amended by adding a subdivision to read:

Subd. 2b. **Grandfathered health plan.** "Grandfathered health plan" means a grandfathered health plan as defined in section 62A.011, subdivision 1c.

Sec. 61. Minnesota Statutes 2012, section 62Q.01, is amended by adding a subdivision to read:

Subd. 2c. **Group health plan.** "Group health plan" means a group health plan as defined in section 62A.011, subdivision 1d.

Sec. 62. Minnesota Statutes 2012, section 62Q.01, is amended by adding a subdivision to read:

Subd. 4b. **Individual health plan.** "Individual health plan" means an individual health plan as defined in section 62A.011, subdivision 4.

Sec. 63. Minnesota Statutes 2012, section 62Q.01, is amended by adding a subdivision to read:

Subd. 7. **Life-threatening condition.** "Life-threatening condition" means a disease or condition from which the likelihood of death is probable unless the course of the disease or condition is interrupted.

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

Sec. 64. Minnesota Statutes 2012, section 62Q.01, is amended by adding a subdivision to read:

Subd. 10. **Primary care provider.** "Primary care provider" means a health care professional designated by an enrollee to supervise, coordinate, or provide initial care or continuing care to the enrollee, and who may be required by the health plan company to initiate a referral for specialty care and maintain supervision of health care services rendered to the enrollee.

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

Sec. 65. Minnesota Statutes 2012, section 62Q.01, is amended by adding a subdivision to read:

Subd. 11. **Dependent child to the limiting age.** "Dependent child to the limiting age" or "dependent children to the limiting age" means those individuals who are eligible and covered as a dependent child under the terms of a health plan who have not yet attained 26 years of age. A health plan company must not deny or restrict eligibility for a dependent child to the limiting age based on financial dependency, residency, marital status, or student status. For coverage under plans offered by the Minnesota Comprehensive Health Association, dependent to the limiting age means dependent as defined in section 62A.302, subdivision 3. Notwithstanding the provisions in this subdivision, a health plan may include:

(1) eligibility requirements regarding the absence of other health plan coverage as permitted by the Affordable Care Act for grandfathered plan coverage; or

(2) an age greater than 26 in its policy, contract, or certificate of coverage.

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

Sec. 66. Minnesota Statutes 2012, section 62Q.021, is amended to read:

62Q.021 FEDERAL ACT; COMPLIANCE REQUIRED.

Subdivision 1. **Compliance with 1996 federal law.** Each health plan company shall comply with the federal Health Insurance Portability and Accountability Act of 1996, including any federal regulations adopted under that act, to the extent that it imposes a requirement that applies in this state and that is not also required by the laws of this state. This section does not require compliance with any provision of the federal act prior to the effective date provided for that provision in the federal act. The commissioner shall enforce this ~~section~~ subdivision.

Subd. 2. **Compliance with 2010 federal law.** Each health plan company shall comply with the Affordable Care Act to the extent that it imposes a requirement that applies in this state but is not required under the laws of this state. This section does not require compliance with any provision of the Affordable Care Act before the effective date provided for that provision in the Affordable Care Act. The commissioner shall enforce this subdivision.

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

Sec. 67. Minnesota Statutes 2012, section 62Q.17, subdivision 6, is amended to read:

Subd. 6. **Employer-based purchasing pools.** Employer-based purchasing pools must, with respect to small employers as defined in section 62L.02, meet all the requirements of chapter 62L. The experience of the pool must be pooled and the rates blended across all groups. ~~Pools may decide to create tiers within the pool, based on experience of group members. These tiers must be designed within the requirements of section 62L.08. The governing structure may establish criteria limiting movement between tiers. Tiers must be phased out within two years of the pool's creation.~~

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 68. Minnesota Statutes 2012, section 62Q.18, is amended by adding a subdivision to read:

Subd. 8. **Guaranteed issue.** No health plan company shall offer, sell, or issue any health plan that does not make coverage available on a guaranteed issue basis in accordance with the Affordable Care Act.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 69. **[62Q.186] PROHIBITION ON RESCISSIONS OF HEALTH PLANS.**

Subdivision 1. **Definitions.** (a) "Rescission" means a cancellation or discontinuance of coverage under a health plan that has a retroactive effect.

(b) "Rescission" does not include:

(1) a cancellation or discontinuance of coverage under a health plan if:

(i) the cancellation or discontinuance of coverage has only a prospective effect; or

(ii) the cancellation or discontinuance of coverage is effective retroactively to the extent it is attributable to a failure to timely pay required premiums or contributions toward the cost of coverage; or

(2) when the health plan covers only active employees and, if applicable, dependents and those covered under continuation coverage provisions, the employee pays no premiums for coverage after termination of employment and the cancellation or discontinuance of coverage is effective retroactively back to the date of termination of employment due to a delay in administrative record-keeping.

Subd. 2. **Prohibition on rescissions.** (a) A health plan company shall not rescind coverage under a health plan with respect to an individual, including a group to which the individual belongs or family coverage in which the individual is included, after the individual is covered under the health plan, unless:

(1) the individual or a person seeking coverage on behalf of the individual, performs an act, practice, or omission that constitutes fraud; or

(2) the individual makes an intentional misrepresentation or omission of material fact, as prohibited by the terms of the health plan.

For purposes of this section, a person seeking coverage on behalf of an individual does not include an insurance producer or employee or authorized representative of the health carrier.

(b) This section does not apply to any benefits classified as excepted benefits under United States Code, title 42, section 300gg-91(c), or regulations enacted thereunder from time to time.

Subd. 3. **Notice required.** A health plan company shall provide at least 30 days advance written notice to each individual who would be affected by the proposed rescission of coverage before coverage under the health plan may be terminated retroactively.

Subd. 4. **Compliance with other restrictions on rescissions.** Nothing in this section allows rescission if rescission would otherwise be prohibited under section 62A.04, subdivision 2, clause (2), or 62A.615.

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

Sec. 70. Minnesota Statutes 2012, section 62Q.19, subdivision 1, is amended to read:

Subdivision 1. **Designation.** (a) The commissioner shall designate essential community providers. The criteria for essential community provider designation shall be the following:

(1) a demonstrated ability to integrate applicable supportive and stabilizing services with medical care for uninsured persons and high-risk and special needs populations, underserved, and other special needs populations; and

(2) a commitment to serve low-income and underserved populations by meeting the following requirements:

(i) has nonprofit status in accordance with chapter 317A;

(ii) has tax-exempt status in accordance with the Internal Revenue Service Code, section 501(c)(3);

(iii) charges for services on a sliding fee schedule based on current poverty income guidelines; and

(iv) does not restrict access or services because of a client's financial limitation;

(3) status as a local government unit as defined in section 62D.02, subdivision 11, a hospital district created or reorganized under sections 447.31 to 447.37, an Indian tribal government, an Indian health service unit, or a community health board as defined in chapter 145A;

(4) a former state hospital that specializes in the treatment of cerebral palsy, spina bifida, epilepsy, closed head injuries, specialized orthopedic problems, and other disabling conditions;

(5) a sole community hospital. For these rural hospitals, the essential community provider designation applies to all health services provided, including both inpatient and outpatient services. For purposes of this section, "sole community hospital" means a rural hospital that:

(i) is eligible to be classified as a sole community hospital according to Code of Federal Regulations, title 42, section 412.92, or is located in a community with a population of less than 5,000 and located more than 25 miles from a like hospital currently providing acute short-term services;

(ii) has experienced net operating income losses in two of the previous three most recent consecutive hospital fiscal years for which audited financial information is available; and

(iii) consists of 40 or fewer licensed beds; ~~or~~

(6) a birth center licensed under section 144.615; or

(7) a hospital or hospital system that specializes in treating patients who are under 21 years of age.

(b) Prior to designation, the commissioner shall publish the names of all applicants in the State Register. The public shall have 30 days from the date of publication to submit written comments to the commissioner on the application. No designation shall be made by the commissioner until the 30-day period has expired.

(c) The commissioner may designate an eligible provider as an essential community provider for all the services offered by that provider or for specific services designated by the commissioner.

(d) For the purpose of this subdivision, supportive and stabilizing services include at a minimum, transportation, child care, cultural, and linguistic services where appropriate.

Sec. 71. Minnesota Statutes 2012, section 62Q.23, is amended to read:

62Q.23 GENERAL SERVICES.

(a) Health plan companies shall comply with all continuation and conversion of coverage requirements applicable to health maintenance organizations under state or federal law.

(b) Health plan companies shall comply with sections 62A.047, 62A.27, and any other coverage required under chapter 62A of newborn infants, dependent children ~~who do not reside with a covered person~~ to the limiting age as defined in section 62Q.01, subdivision 11, disabled ~~children and dependents~~ dependent children, and adopted children. A health plan company providing dependent coverage shall comply with section 62A.302.

(c) Health plan companies shall comply with the equal access requirements of section 62A.15.

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

Sec. 72. Minnesota Statutes 2012, section 62Q.43, subdivision 2, is amended to read:

Subd. 2. **Access requirement.** Every closed-panel health plan must allow enrollees ~~who are full-time students~~ under the age of ~~25~~ 26 years to change their designated clinic or physician at least once per month, as long as the clinic or physician is part of the health plan company's statewide clinic or physician network. A health plan company shall not charge enrollees who choose this option higher premiums or cost sharing than would otherwise apply to enrollees who do not choose this option. A health plan company may require enrollees to provide 15 days' written notice of intent to change their designated clinic or physician.

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

Sec. 73. **[62Q.46] PREVENTIVE ITEMS AND SERVICES.**

Subdivision 1. **Coverage for preventive items and services.** (a) "Preventive items and services" as specified in the Affordable Care Act.

(b) A health plan company must provide coverage for preventive items and services at a participating provider without imposing cost-sharing requirements, including a deductible, coinsurance, or co-payment. Nothing in this section prohibits a health plan company that has a network of providers from excluding coverage or imposing cost-sharing requirements for preventive items or services that are delivered by an out-of-network provider.

(c) A health plan company is not required to provide coverage for any items or services specified in any recommendation or guideline described in paragraph (a) if the recommendation or guideline is no longer included as a preventive item or service as defined in paragraph (a). Annually, a health plan company must determine whether any additional items or services must be covered without cost-sharing requirements or whether any items or services are no longer required to be covered.

(d) Nothing in this section prevents a health plan company from using reasonable medical management techniques to determine the frequency, method, treatment, or setting for a preventive item or service to the extent not specified in the recommendation or guideline.

(e) This section does not apply to grandfathered plan coverage. This section does not apply to plans offered by the Minnesota Comprehensive Health Association.

Subd. 2. **Coverage for office visits in conjunction with preventive items and services.** (a) A health plan company may impose cost-sharing requirements with respect to an office visit if a preventive item or service is billed separately or is tracked separately as individual encounter data from the office visit.

(b) A health plan company must not impose cost-sharing requirements with respect to an office visit if a preventive item or service is not billed separately or is not tracked separately as individual encounter data from the office visit and the primary purpose of the office visit is the delivery of the preventive item or service.

(c) A health plan company may impose cost-sharing requirements with respect to an office visit if a preventive item or service is not billed separately or is not tracked separately as individual encounter data from the office visit and the primary purpose of the office visit is not the delivery of the preventive item or service.

Subd. 3. **Additional services not prohibited.** Nothing in these sections prohibits a health plan company from providing coverage for items and services in addition to those specified in the Affordable Care Act. A health plan company may impose cost-sharing requirements for a treatment not described in the Affordable Care Act even if the treatment results from an item or service described in the Affordable Care Act.

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

Sec. 74. Minnesota Statutes 2012, section 62Q.47, is amended to read:

62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY SERVICES.

(a) All health plans, as defined in section 62Q.01, that provide coverage for alcoholism, mental health, or chemical dependency services, must comply with the requirements of this section.

(b) Cost-sharing requirements and benefit or service limitations for outpatient mental health and outpatient chemical dependency and alcoholism services, except for persons placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to 9530.6660, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for outpatient medical services.

(c) Cost-sharing requirements and benefit or service limitations for inpatient hospital mental health and inpatient hospital and residential chemical dependency and alcoholism services, except for persons placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to 9530.6660, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for inpatient hospital medical services.

(d) All health plans must meet the requirements of the federal Mental Health Parity Act of 1996, Public Law 104-204, Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity

Act of 2008, the Affordable Care Act, and any amendments to, or guidance, or regulations issued under these acts.

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

Sec. 75. Minnesota Statutes 2012, section 62Q.52, is amended to read:

62Q.52 DIRECT ACCESS TO OBSTETRIC AND GYNECOLOGIC SERVICES.

Subdivision 1. **Direct access.** (a) Health plan companies shall allow female enrollees direct access to ~~obstetricians and gynecologists~~ providers who specialize in obstetrics and gynecology for the following services:

(1) ~~annual preventive health examinations, which shall include a gynecologic examination, and any subsequent obstetric or gynecologic visits determined to be medically necessary by the examining obstetrician or gynecologist, based upon the findings of the examination~~ evaluation and necessary treatment for obstetric conditions or emergencies;

(2) maternity care; and

(3) evaluation and necessary treatment for ~~acute~~ gynecologic conditions or emergencies, including annual preventive health examinations.

(b) For purposes of this section, "direct access" means that a female enrollee may obtain the obstetric and gynecologic services specified in paragraph (a) from ~~obstetricians and gynecologists~~ providers who specialize in obstetrics and gynecology in the enrollee's network without a referral from, or prior approval through a primary care provider, another physician, the health plan company, or its representatives.

(c) The health plan company shall treat the provision of obstetrical and gynecological care and the ordering of related obstetrical and gynecological items and services, pursuant to paragraph (a), by a participating health care provider who specializes in obstetrics or gynecology as the authorization of a primary care provider.

(d) The health plan company may require the health care provider to agree to otherwise adhere to the health plan company's policies and procedures, including procedures for obtaining prior authorization and for providing services in accordance with a treatment plan, if any, approved by the health plan company.

~~(c)~~ (e) Health plan companies shall not require higher co-payments, coinsurance, deductibles, or other enrollee cost-sharing for direct access.

~~(d)~~ (f) This section applies only to services described in paragraph (a) that are covered by the enrollee's coverage, but coverage of a preventive health examination for female enrollees must not exclude coverage of a gynecologic examination.

(g) For purposes of this section, a health care provider who specializes in obstetrics or gynecology means any individual, including an individual other than a physician, who is authorized under state law to provide obstetrical or gynecological care.

(h) This section does not:

(1) waive any exclusions of coverage under the terms and conditions of the health plan with respect to coverage of obstetrical or gynecological care; or

(2) preclude the health plan company from requiring that the participating health care provider providing obstetrical or gynecological care notify the primary care provider or the health plan company of treatment decisions.

Subd. 2. **Notice.** A health plan company shall provide notice to enrollees of the provisions of subdivision 1 in accordance with the requirements of the Affordable Care Act.

Subd. 3. **Enforcement.** The commissioner of health shall enforce this section.

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

Sec. 76. **[62Q.526] COVERAGE FOR PARTICIPATION IN APPROVED CLINICAL TRIALS.**

Subdivision 1. **Definitions.** As used in this section, the following definitions apply:

(a) "Approved clinical trial" means phase I, phase II, phase III, or phase IV clinical trial that is conducted in relation to the prevention, detection, or treatment of cancer or a life-threatening condition and is not designed exclusively to test toxicity or disease pathophysiology and must be:

(1) conducted under an investigational new drug application reviewed by the United States Food and Drug Administration (FDA);

(2) exempt from obtaining an investigational new drug application; or

(3) approved or funded by:

(i) the National Institutes of Health (NIH), the Centers for Disease Control and Prevention; the Agency for Health Care Research and Quality, the Centers for Medicare and Medicaid Services, or a cooperating group or center of any of the entities described in this item;

(ii) a cooperative group or center of the United States Department of Defense or the United States Department of Veterans Affairs;

(iii) a qualified nongovernmental research entity identified in the guidelines issued by the NIH for center support grants; or

(iv) the United States Departments of Veterans Affairs, Defense, or Energy if the trial has been reviewed or approved through a system of peer review determined by the secretary to:

(A) be comparable to the system of peer review of studies and investigations used by the NIH; and

(B) provide an unbiased scientific review by qualified individuals who have no interest in the outcome of the review.

(b) "Qualified individual" means an individual with health plan coverage who is eligible to participate in an approved clinical trial according to the trial protocol for the treatment of cancer or a life-threatening condition because:

(1) the referring health care professional is participating in the trial and has concluded that the individual's participation in the trial would be appropriate; or

(2) the individual provides medical and scientific information establishing that the individual's participation in the trial is appropriate because the individual meets the conditions described in the trial protocol.

(c)(1) "Routine patient costs" includes all items and services covered by the health benefit plan of individual market health insurance coverage when the items or services are typically covered for an enrollee who is not a qualified individual enrolled in an approved clinical trial.

(2) Routine patient costs does not include:

(i) an investigational item, device, or service that is part of the trial;

(ii) an item or service provided solely to satisfy data collection and analysis needs for the trial if the item or service is not used in the direct clinical management of the patient;

(iii) a service that is clearly inconsistent with widely accepted and established standards of care for the individual's diagnosis; or

(iv) an item or service customarily provided and paid for by the sponsor of a trial.

Subd. 2. **Prohibited acts.** A health plan company that offers a health plan to a Minnesota resident may not:

(1) deny participation by a qualified individual in an approved clinical trial;

(2) deny, limit, or impose additional conditions on the coverage of routine patient costs for items or services furnished in connection with participation in the trial; or

(3) discriminate against an individual on the basis of an individual's participation in an approved clinical trial.

Subd. 3. **Network plan conditions.** A health plan company that designates a network or networks of contracted providers may require a qualified individual who wishes to participate in an approved clinical trial to participate in a trial that is offered through a health care provider who is part of the plan's network if the provider is participating in the trial and the provider accepts the individual as a participant in the trial.

Subd. 4. **Application to clinical trials outside of the state.** This section applies to a qualified individual residing in this state who participates in an approved clinical trial that is conducted outside of this state.

Subd. 5. **Construction.** (a) This section shall not be construed to require a health plan company offering health plan coverage through a network or networks of contracted providers to provide benefits for routine patient costs if the services are provided outside of the plan's network unless the out-of-network benefits are otherwise provided under the coverage.

(b) This section shall not be construed to limit a health plan company's coverage with respect to clinical trials.

(c) This section shall apply to all health plan companies offering a health plan to a Minnesota resident, unless otherwise amended by federal regulations under the Affordable Care Act.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 77. Minnesota Statutes 2012, section 62Q.55, is amended to read:

62Q.55 EMERGENCY SERVICES.

Subdivision 1. **Access to emergency services.** (a) Enrollees have the right to available and accessible emergency services, 24 hours a day and seven days a week. The health plan company shall inform its enrollees how to obtain emergency care ~~and, if prior authorization for emergency services is required, shall make available a toll-free number, which is answered 24 hours a day, to answer questions about emergency services and to receive reports and provide authorizations, where appropriate,~~ for treatment of emergency medical conditions. Emergency services shall be covered whether provided by participating or nonparticipating providers and whether provided within or outside the health plan company's service area. In reviewing a denial for coverage of emergency services, the health plan company shall take the following factors into consideration:

(1) a reasonable layperson's belief that the circumstances required immediate medical care that could not wait until the next working day or next available clinic appointment;

(2) the time of day and day of the week the care was provided;

(3) the presenting symptoms, including, but not limited to, severe pain, to ensure that the decision to reimburse the emergency care is not made solely on the basis of the actual diagnosis;

(4) the enrollee's efforts to follow the health plan company's established procedures for obtaining emergency care; and

(5) any circumstances that precluded use of the health plan company's established procedures for obtaining emergency care.

(b) The health plan company may require enrollees to notify the health plan company of nonreferred emergency care as soon as possible, but not later than 48 hours, after the emergency care is initially provided. However, emergency care which would have been covered under the contract had notice been provided within the set time frame must be covered.

(c) Notwithstanding paragraphs (a) and (b), a health plan company~~, health insurer, or health coverage plan~~ that is in compliance with the rules regarding accessibility of services adopted under section 62D.20 is in compliance with this section.

Subd. 2. **Emergency medical condition.** For purposes of this section, "emergency medical condition" means a medical condition manifesting itself by acute symptoms of sufficient severity, including severe pain, such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in a condition described in clause (i), (ii), or (iii), of section 1867(e)(1)(A) of the Social Security Act.

Subd. 3. **Emergency services.** As used in this section, "emergency services" means, with respect to an emergency medical condition:

(1) a medical screening examination, as required under section 1867 of the Social Security Act, that is within the capability of the emergency department of a hospital, including ancillary services routinely available to the emergency department to evaluate such emergency medical condition; and

(2) within the capabilities of the staff and facilities available at the hospital, such further medical examination and treatment as are required under section 1867 of the act to stabilize the patient.

Subd. 4. **Stabilize.** For purposes of this section, "stabilize" means, with respect to an emergency medical condition has the meaning given in section 1867(e)(3) of the Social Security Act, United States Code, title 42, section 1395dd(e)(3).

Subd. 5. **Coverage restrictions or limitations.** If emergency services are provided by a nonparticipating provider, with or without prior authorization, the health plan company shall not impose coverage restrictions or limitations that are more restrictive than apply to emergency services received from a participating provider. Cost-sharing requirements that apply to emergency services received out-of-network must be the same as the cost-sharing requirements that apply to services received in-network.

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

Sec. 78. **[62Q.57] DESIGNATION OF PRIMARY CARE PROVIDER.**

Subdivision 1. **Choice of primary care provider.** (a) If a health plan company offering a group health plan, or an individual health plan that is not a grandfathered plan requires or provides for the designation by an enrollee of a participating primary care provider, the health plan company shall permit each enrollee to:

(1) designate any participating primary care provider who is available to accept the enrollee; and

(2) for a child, designate any participating physician who specializes in pediatrics as the child's primary care provider and is available to accept the child.

(b) This section does not waive any exclusions of coverage under the terms and conditions of the health plan with respect to coverage of pediatric care.

Subd. 2. **Notice.** A health plan company shall provide notice to enrollees of the provisions of subdivision 1 in accordance with the requirements of the Affordable Care Act.

Subd. 3. **Enforcement.** The commissioner shall enforce this section.

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

Sec. 79. **[62Q.677] LIFETIME AND ANNUAL LIMITS.**

Subdivision 1. **Applicability and scope.** Except as provided in subdivision 2, this section applies to a health plan company providing coverage under an individual or group health plan. For purposes of this section, essential health benefits means as defined under section 62Q.81.

Subd. 2. **Grandfathered plan limits.** (a) The prohibition on lifetime limits applies to grandfathered plans providing individual health plan coverage or group health plan coverage.

(b) The prohibition and limits on annual limits applies to grandfathered plans providing group health plan coverage, but it does not apply to grandfathered plans providing individual health plan coverage.

Subd. 3. **Prohibition on lifetime and annual limits.** (a) Except as provided in subdivisions 4 and 5, a health plan company offering coverage under an individual or group health plan shall not establish a lifetime limit on the dollar amount of essential health benefits for any individual.

(b) Except as provided in subdivisions 4, 5, and 6, a health plan company shall not establish any annual limit on the dollar amount of essential health benefits for any individual.

Subd. 4. **Nonessential benefits; out-of-network providers.** (a) Subdivision 3 does not prevent a health plan company from placing annual or lifetime dollar limits for any individual on specific covered benefits that are not essential health benefits as defined in section 62E.02 to the extent that the limits are otherwise permitted under applicable federal or state law.

(b) Subdivision 3 does not prevent a health plan company from placing an annual or lifetime limit for services provided by out-of-network providers.

Subd. 5. **Excluded benefits.** This section does not prohibit a health plan company from excluding all benefits for a given condition.

Subd. 6. **Annual limits prior to January 1, 2014.** For plan or policy years beginning before January 1, 2014, for any individual, a health plan company may establish an annual limit on the dollar amount of benefits that are essential health benefits provided the limit is no less than the following:

(1) for a plan or policy year beginning after September 22, 2010, but before September 23, 2011, $750,000;

(2) for a plan or policy year beginning after September 22, 2011, but before September 23, 2012, $1,250,000; and

(3) for a plan or policy year beginning after September 22, 2012, but before January 1, 2014, $2,000,000.

In determining whether an individual has received benefits that meet or exceed the allowable limits, a health plan company shall take into account only essential health benefits.

Subd. 7. **Waivers.** For plan or policy years beginning before January 1, 2014, a health plan is exempt from the annual limit requirements if the health plan is approved for a waiver from the requirements by the United States Department of Health and Human Services, but the exemption only applies for the specified period of time that the waiver from the United States Department of Health and Human Services is applicable.

Subd. 8. **Notices.** (a) At the time a health plan company receives a waiver from the United States Department of Health and Human Services, the health plan company shall notify prospective applicants and affected policyholders and the commissioner in each state where prospective applicants and any affected insured are known to reside.

(b) At the time the waiver expires or is otherwise no longer in effect, the health plan company shall notify affected policyholders and the commissioner in each state where any affected insured is known to reside.

Subd. 9. **Reinstatement.** A health plan company shall comply with all provisions of the Affordable Care Act with regard to reinstatement of coverage for individuals whose coverage or benefits under a health plan ended by reason of reaching a lifetime dollar limit on the dollar value of all benefits for the individual.

Subd. 10. **Compliance.** This section does not require compliance with any provision of the Affordable Care Act before the effective date provided for that provision in the Affordable Care Act. The commissioner shall enforce this section.

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

Sec. 80. Minnesota Statutes 2012, section 62Q.68, subdivision 1, is amended to read:

Subdivision 1. **Application.** For purposes of sections 62Q.68 to 62Q.72, the terms defined in this section have the meanings given them. For purposes of sections 62Q.69 and 62Q.70, the term "health plan company" does not include an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01 or a nonprofit health service plan corporation regulated under chapter 62C that only provides dental coverage or vision coverage. For purposes of sections 62Q.69 through 62Q.73, the term "health plan company" does not include the Comprehensive Health Association created under chapter 62E. Section 62Q.70 does not apply to individual coverage. However, a health plan company offering individual coverage may, pursuant to section 62Q.69, subdivision 3, paragraph (c), follow the process outlined in section 62Q.70.

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

Sec. 81. Minnesota Statutes 2012, section 62Q.69, subdivision 3, is amended to read:

Subd. 3. **Notification of complaint decisions.** (a) The health plan company must notify the complainant in writing of its decision and the reasons for it as soon as practical but in no case later than 30 days after receipt of a written complaint. If the health plan company cannot make a decision within 30 days due to circumstances outside the control of the health plan company, the health plan company may take up to 14 additional days to notify the complainant of its decision. If the health plan company takes any additional days beyond the initial 30-day period to make its decision, it must inform the complainant, in advance, of the extension and the reasons for the extension.

(b) For group health plans, if the decision is partially or wholly adverse to the complainant, the notification must inform the complainant of the right to appeal the decision to the health plan company's internal appeal process described in section 62Q.70 and the procedure for initiating an appeal.

(c) For individual health plans, if the decision is partially or wholly adverse to the complainant, the notification must inform the complainant of the right to submit the complaint decision to the external review process described in section 62Q.73 and the procedure for initiating the external process. Notwithstanding the provisions in this subdivision, a health plan company offering individual coverage may instead follow the process for group health plans outlined in paragraph (b).

~~(c)~~ (d) The notification must also inform the complainant of the right to submit the complaint at any time to either the commissioner of health or commerce for investigation and the toll-free telephone number of the appropriate commissioner.

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

Sec. 82. Minnesota Statutes 2012, section 62Q.70, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** (a) Each health plan company shall establish an internal appeal process for reviewing a health plan company's decision regarding a complaint filed in accordance with section 62Q.69. The appeal process must meet the requirements of this section. This section applies only to group health plans. However, a health plan company offering individual coverage may, pursuant to section 62Q.69, subdivision 3, paragraph (c), follow the process outlined in this section.

(b) The person or persons with authority to resolve or recommend the resolution of the internal appeal must not be solely the same person or persons who made the complaint decision under section 62Q.69.

(c) The internal appeal process must permit the enrollee to review the information relied upon in the course of the appeal and the receipt of testimony, correspondence, explanations, or other information from the complainant, staff persons, administrators, providers, or other persons as deemed necessary by the person or persons investigating or presiding over the appeal.

(d) The enrollee must be allowed to receive continued coverage pending the outcome of the appeals process.

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

Sec. 83. Minnesota Statutes 2012, section 62Q.70, subdivision 2, is amended to read:

Subd. 2. **Procedures for filing an appeal.** The health plan company must provide notice to enrollees of its internal appeals process, in a culturally and linguistically appropriate manner consistent with the provisions of the Affordable Care Act. If a complainant notifies the health plan company of the complainant's desire to appeal the health plan company's decision regarding the complaint through the internal appeal process, the health plan company must provide the complainant the option for the appeal to occur either in writing or by hearing.

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

Sec. 84. Minnesota Statutes 2012, section 62Q.71, is amended to read:

62Q.71 NOTICE TO ENROLLEES.

Each health plan company shall provide to enrollees a clear and concise description of its complaint resolution procedure, if applicable under section 62Q.68, subdivision 1, and the procedure used for utilization review as defined under chapter 62M as part of the member handbook, subscriber contract, or certificate of coverage. If the health plan company does not issue a member handbook, the health plan company may provide the description in another written document. The description must specifically inform enrollees:

(1) how to submit a complaint to the health plan company;

(2) if the health plan includes utilization review requirements, how to notify the utilization review organization in a timely manner and how to obtain certification for health care services;

(3) how to request an appeal either through the procedures described in ~~sections 62Q.69 and~~ section 62Q.70 if applicable, or through the procedures described in chapter 62M;

(4) of the right to file a complaint with either the commissioner of health or commerce at any time during the complaint and appeal process;

(5) of the toll-free telephone number of the appropriate commissioner; and

(6) of the right, for individual and group coverage, to obtain an external review under section 62Q.73 and a description of when and how that right may be exercised~~.~~, including that under most circumstances an enrollee must exhaust the internal complaint or appeal process prior to external review. However, an enrollee may proceed to external review without exhausting the internal complaint or appeal process under the following circumstances:

(i) the health plan company waives the exhaustion requirement;

(ii) the health plan company is considered to have waived the exhaustion requirement by failing to substantially comply with any requirements including, but not limited to, time limits for internal complaints or appeals; or

(iii) the enrollee has applied for an expedited external review at the same time the enrollee qualifies for and has applied for an expedited internal review under chapter 62M.

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

Sec. 85. Minnesota Statutes 2012, section 62Q.73, is amended to read:

62Q.73 EXTERNAL REVIEW OF ADVERSE DETERMINATIONS.

Subdivision 1. **Definition.** For purposes of this section, "adverse determination" means:

(1) for individual health plans, a complaint decision relating to a health care service or claim that is partially or wholly adverse to the complainant;

(2) an individual health plan that is grandfathered plan coverage may instead apply the definition of adverse determination for group coverage in clause (3);

(3) for group health plans, a complaint decision relating to a health care service or claim that has been appealed in accordance with section 62Q.70 and the appeal decision is partially or wholly adverse to the complainant;

~~(2)~~ (4) any initial determination not to certify that has been appealed in accordance with section 62M.06 and the appeal did not reverse the initial determination not to certify; ~~or~~

~~(3)~~ (5) a decision relating to a health care service made by a health plan company licensed under chapter 60A that denies the service on the basis that the service was not medically necessary~~.~~; or

(6) the enrollee has met the requirements of subdivision 6, paragraph (e).

An adverse determination does not include complaints relating to fraudulent marketing practices or agent misrepresentation.

Subd. 2. **Exception.** (a) This section does not apply to governmental programs except as permitted under paragraph (b). For purposes of this subdivision, "governmental programs" means the prepaid medical assistance program, the MinnesotaCare program, the prepaid general assistance medical care program, the demonstration project for people with disabilities, and the federal Medicare program.

(b) In the course of a recipient's appeal of a medical determination to the commissioner of human services under section 256.045, the recipient may request an expert medical opinion be arranged by the external review entity under contract to provide independent external reviews under this section. If such a request is made, the cost of the review shall be paid by the commissioner of human services. Any medical opinion obtained under this paragraph shall only be used by a state human services referee as evidence in the recipient's appeal to the commissioner of human services under section 256.045.

(c) Nothing in this subdivision shall be construed to limit or restrict the appeal rights provided in section 256.045 for governmental program recipients.

Subd. 3. **Right to external review.** (a) Any enrollee or anyone acting on behalf of an enrollee who has received an adverse determination may submit a written request for an external review of the adverse determination, if applicable under section 62Q.68, subdivision 1, or 62M.06, to the commissioner of health if the request involves a health plan company regulated by that commissioner or to the commissioner of commerce if the request involves a health plan company regulated by that commissioner. Notification of the enrollee's right to external review must accompany the denial issued by the insurer. The written request must be accompanied by a filing fee of $25. The fee may be waived by the commissioner of health or commerce in cases of financial hardship and must be refunded if the adverse determination is completely reversed. No enrollee may be subject to filing fees totaling more than $75 during a plan year for group coverage or policy year for individual coverage.

(b) Nothing in this section requires the commissioner of health or commerce to independently investigate an adverse determination referred for independent external review.

(c) If an enrollee requests an external review, the health plan company must participate in the external review. The cost of the external review in excess of the filing fee described in paragraph (a) shall be borne by the health plan company.

(d) The enrollee must request external review within six months from the date of the adverse determination.

Subd. 4. **Contract.** Pursuant to a request for proposal, the commissioner of administration, in consultation with the commissioners of health and commerce, shall contract with ~~an organization~~ at least three organizations or business ~~entity~~ entities to provide independent external reviews of all adverse determinations submitted for external review. The contract shall ensure that the fees for services rendered in connection with the reviews ~~be~~ are reasonable.

Subd. 5. **Criteria.** ~~(a)~~ The request for proposal must require that the entity demonstrate:

(1) no conflicts of interest in that it is not owned, a subsidiary of, or affiliated with a health plan company ~~or~~, utilization review organization, or a trade organization of health care providers;

(2) an expertise in dispute resolution;

(3) an expertise in health-related law;

(4) an ability to conduct reviews using a variety of alternative dispute resolution procedures depending upon the nature of the dispute;

(5) an ability to maintain written records, for at least three years, regarding reviews conducted and provide data to the commissioners of health and commerce upon request on reviews conducted; ~~and~~

(6) an ability to ensure confidentiality of medical records and other enrollee information.;

(7) accreditation by nationally recognized private accrediting organization; and

(8) the ability to provide an expedited external review process.

~~(b) The commissioner of administration shall take into consideration, in awarding the contract according to subdivision 4, any national accreditation standards that pertain to an external review entity.~~

Subd. 6. **Process.** (a) Upon receiving a request for an external review, the commissioner shall assign an external review entity on a random basis. The assigned external review entity must provide immediate notice of the review to the enrollee and to the health plan company. Within ten business days of receiving notice of the review, the health plan company and the enrollee must provide the assigned external review entity with any information that they wish to be considered. Each party shall be provided an opportunity to present its version of the facts and arguments. The assigned external review entity must furnish to the health plan company any additional information submitted by the enrollee within one business day of receipt. An enrollee may be assisted or represented by a person of the enrollee's choice.

(b) As part of the external review process, any aspect of an external review involving a medical determination must be performed by a health care professional with expertise in the medical issue being reviewed.

(c) An external review shall be made as soon as practical but in no case later than ~~40~~ 45 days after receiving the request for an external review and must promptly send written notice of the decision and the reasons for it to the enrollee, the health plan company, and the commissioner who is responsible for regulating the health plan company.

(d) The external review entity and the clinical reviewer assigned must not have a material professional, familial, or financial conflict of interest with:

(1) the health plan company that is the subject of the external review;

(2) the enrollee, or any parties related to the enrollee, whose treatment is the subject of the external review;

(3) any officer, director, or management employee of the health plan company;

(4) a plan administrator, plan fiduciaries, or plan employees;

(5) the health care provider, the health care provider's group, or practice association recommending treatment that is the subject of the external review;

(6) the facility at which the recommended treatment would be provided; or

(7) the developer or manufacturer of the principle drug, device, procedure, or other therapy being recommended.

(e)(1) An expedited external review must be provided if the enrollee requests it after receiving:

(i) an adverse determination that involves a medical condition for which the time frame for completion of an expedited internal appeal would seriously jeopardize the life or health of the enrollee or would jeopardize the enrollee's ability to regain maximum function and the enrollee has simultaneously requested an expedited internal appeal;

(ii) an adverse determination that concerns an admission, availability of care, continued stay, or health care service for which the enrollee received emergency services but has not been discharged from a facility; or

(iii) an adverse determination that involves a medical condition for which the standard external review time would seriously jeopardize the life or health of the enrollee or jeopardize the enrollee's ability to regain maximum function.

(2) The external review entity must make its expedited determination to uphold or reverse the adverse determination as expeditiously as possible but within no more than 72 hours after the receipt of the request for expedited review and notify the enrollee and the health plan company of the determination.

(3) If the external review entity's notification is not in writing, the external review entity must provide written confirmation of the determination within 48 hours of the notification.

Subd. 7. **Standards of review.** (a) For an external review of any issue in an adverse determination that does not require a medical necessity determination, the external review must be based on whether the adverse determination was in compliance with the enrollee's health benefit plan.

(b) For an external review of any issue in an adverse determination by a health plan company licensed under chapter 62D that requires a medical necessity determination, the external review must determine whether the adverse determination was consistent with the definition of medically necessary care in Minnesota Rules, part 4685.0100, subpart 9b.

(c) For an external review of any issue in an adverse determination by a health plan company, other than a health plan company licensed under chapter 62D, that requires a medical necessity determination, the external review must determine whether the adverse determination was consistent with the definition of medically necessary care in section 62Q.53, subdivision 2.

(d) For an external review of an adverse determination involving experimental or investigational treatment, the external review entity must base its decision on all documents submitted by the health plan company and enrollee, including medical records the attending physician or health care professional's recommendation, consulting reports from health care professionals, the terms of coverage, federal Food and Drug Administration approval, and medical or scientific evidence or evidence-based standards.

Subd. 8. **Effects of external review.** A decision rendered under this section shall be nonbinding on the enrollee and binding on the health plan company. The health plan company may seek judicial review of the decision on the grounds that the decision was arbitrary and capricious or involved an abuse of discretion.

Subd. 9. **Immunity from civil liability.** A person who participates in an external review by investigating, reviewing materials, providing technical expertise, or rendering a decision shall not be civilly liable for any action that is taken in good faith, that is within the scope of the person's duties, and that does not constitute willful or reckless misconduct.

Subd. 10. **Data reporting.** The commissioners shall make available to the public, upon request, summary data on the decisions rendered under this section, including the number of reviews heard and decided and the final outcomes. Any data released to the public must not individually identify the enrollee initiating the request for external review.

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

Sec. 86. Minnesota Statutes 2012, section 62Q.75, subdivision 1, is amended to read:

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

(b) "Clean claim" means a claim that has no defect or impropriety, including any lack of any required substantiating documentation, including, but not limited to, coordination of benefits information, or particular circumstance requiring special treatment that prevents timely payment from being made on a claim under this section. A special circumstance includes, but is not limited to, a claim held pending payment of an overdue premium for the time period during which the expense was incurred as allowed by the Affordable Care Act. Nothing in this section alters an enrollee's obligation to disclose information as required by law.

(c) "Third-party administrator" means a third-party administrator or other entity subject to section 60A.23, subdivision 8, and Minnesota Rules, chapter 2767.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 87. Minnesota Statutes 2012, section 62Q.80, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of this section, the following definitions apply:

(a) "Community-based" means located in or primarily relating to the community, as determined by the board of a community-based health initiative that is served by the community-based health care coverage program.

(b) "Community-based health care coverage program" or "program" means a program administered by a community-based health initiative that provides health care services through provider members of a community-based health network or combination of networks to eligible individuals and their dependents who are enrolled in the program.

(c) "Community-based health initiative" or "initiative" means a nonprofit corporation that is governed by a board that has at least 80 percent of its members residing in the community and includes representatives of the participating network providers and employers, or a county-based purchasing organization as defined in section 256B.692.

(d) "Community-based health network" means a contract-based network of health care providers organized by the community-based health initiative to provide or support the delivery of health care services to enrollees of the community-based health care coverage program on a risk-sharing or nonrisk-sharing basis.

(e) "Dependent" means an eligible employee's spouse or ~~unmarried~~ child who is under the age of ~~19~~ 26 years.

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

Sec. 88. **[62Q.81] ESSENTIAL HEALTH BENEFIT PACKAGE REQUIREMENTS.**

Subdivision 1. **Essential health benefits package.** (a) Health plan companies offering individual and small group health plans must include the essential health benefits package required under section 1302(a) of the Affordable Care Act and as described in this subdivision.

(b) The essential health benefits package means coverage that:

(1) provides essential health benefits as outlined in the Affordable Care Act;

(2) limits cost-sharing for such coverage in accordance with the Affordable Care Act, as described in subdivision 2; and

(3) subject to subdivision 3, provides bronze, silver, gold, or platinum level of coverage in accordance with the Affordable Care Act.

Subd. 2. **Coverage for enrollees under the age of 21.** If a health plan company offers any level of coverage specified under section 1302(d) of the Affordable Care Act, the health plan company shall also offer coverage in that level in a health plan in which the only enrollees are children who, as of the beginning of a policy year, have not attained the age of 21 years.

Subd. 3. **Alternative compliance for catastrophic plans.** A health plan company that does not provide an individual or small group health plan in the bronze, silver, gold, or platinum level of coverage, as described in subdivision 1, paragraph (b), clause (3), shall be treated as meeting the requirements of section 1302(d) of the Affordable Care Act with respect to any policy year if the health plan company provides a catastrophic plan that meets the requirements of section 1302(e) of the Affordable Care Act.

Subd. 4. **Essential health benefits; definition.** For purposes of this section, "essential health benefits" has the meaning given under section 1302(b) of the Affordable Care Act, and includes:

(1) ambulatory patient services;

(2) emergency services;

(3) hospitalization;

(4) laboratory services;

(5) maternity and newborn care;

(6) mental health and substance abuse disorder services, including behavioral health treatment;

(7) pediatric services, including oral and vision care;

(8) prescription drugs;

(9) preventive and wellness services and chronic disease management;

(10) rehabilitative and habilitative services and devices; and

(11) any other services or items defined as essential health benefits under the Affordable Care Act.

Subd. 5. **Exception.** This section does not apply to a dental plan described in section 1311(d)(2)(B)(ii) of the Affordable Care Act.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 89. **[62Q.82] BENEFITS AND COVERAGE EXPLANATION.**

Subdivision 1. **Summary.** Health plan companies offering health plans shall provide a summary of benefits and coverage explanation as required by the Affordable Care Act to:

(1) an applicant at the time of application;

(2) an enrollee prior to the time of enrollment or reenrollment, as applicable; and

(3) a policyholder at the time of issuance of the policy.

Subd. 2. **Compliance.** A health plan company described in subdivision 1 shall be deemed to have complied with subdivision 1 if the summary of benefits and coverage is provided in paper or electronic form.

Subd. 3. **Notice of modification.** Except in connection with a policy renewal or reissuance, if a health plan company makes any material modifications in any of the terms of the coverage, as defined for purposes of section 102 of the federal Employee Retirement Income Security Act of 1974, as amended, that is not reflected in the most recently provided summary of benefits and coverage, the health plan company shall provide notice of the modification to enrollees not later than 60 days prior to the date on which the modification will become effective.

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

Sec. 90. Minnesota Statutes 2012, section 72A.20, subdivision 35, is amended to read:

Subd. 35. **Determination of health plan policy limits.** Any health plan under section 62A.011, subdivision 3, that includes a specific policy limit within its insurance policy, certificate, or subscriber agreement shall calculate the policy limit by using the amount actually paid on behalf of the insured, subscriber, or dependents for services covered under the policy, subscriber agreement, or certificate unless the amount paid is greater than the billed charge. This provision does not permit the application of a specific policy limit within a health plan where the limit is prohibited under the Affordable Care Act as defined in section 62A.011, subdivision 1a.

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

Sec. 91. Minnesota Statutes 2012, section 471.61, subdivision 1a, is amended to read:

Subd. 1a. **Dependents.** Notwithstanding the provisions of Minnesota Statutes 1969, section 471.61, as amended by Laws 1971, chapter 451, section 1, the word "dependents" as used therein shall mean spouse and ~~minor unmarried~~ children under the age of ~~18~~ 26 years ~~and dependent students under the age of 25 years actually dependent upon the employee~~.

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

Sec. 92. **REPEALER.**

Minnesota Statutes 2012, section 62E.02, subdivision 7, is repealed effective the day following final enactment.

Minnesota Statutes 2012, sections 62A.65, subdivision 6; 62E.16; 62E.20; 62L.02, subdivisions 4, 18, 19, 23, and 24; 62L.05, subdivisions 1, 2, 3, 4, 4a, 5, 6, 7, 11, 12, and 13; 62L.081; 62L.10, subdivision 5; and 62Q.37, subdivision 5, are repealed effective January 1, 2014.

ARTICLE 2

HEALTH INSURANCE MARKET RULES WORKING GROUP

Section 1. **HEALTH INSURANCE MARKET RULES WORKING GROUP.**

Subdivision 1. **Establishment.** (a) The commissioner of commerce shall convene a working group to study and report on the options available with respect to establishing market rules applicable to individual and small group health plans offered in this state. Members of the working group shall include:

(1) one representative from the Minnesota Council of Health Plans;

(2) one representative from the Minnesota Association of Health Underwriters;

(3) one representative from the Insurance Federation of Minnesota;

(4) one representative from the Minnesota Chamber of Commerce;

(5) one representative from the National Federation of Independent Businesses - Minnesota;

(6) one representative from employers whose businesses employ 50 employees or fewer;

(7) one representative from employees of businesses that employ 50 employees or fewer;

(8) one representative that has purchased a health plan in the individual market;

(9) two senators, including one member from the majority party and one member from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate;

(10) two members of the house of representatives, including one member appointed by the speaker of the house and one member appointed by the minority leader; and

(11) the commissioner of commerce or the commissioner's designee.

(b) The organizations listed in paragraph (a), clauses (1) to (5), must name their representatives to the commissioner of commerce no later than August 1, 2013. The commissioner of commerce must appoint individuals as listed in paragraph (a), clauses (6) to (8), no later than August 1, 2013. The legislative appointing authorities must appoint individuals as listed in paragraph (a), clauses (9) and (10), no later than August 1, 2013.

Subd. 2. **Duties; report.** (a) The working group shall conduct a study reviewing the options available with respect to establishing market rules applicable to individual and small group health plans offered in this state. The study shall take into account effects of the implementation of the Affordable Care Act on insurance markets in this state, and operations of the Minnesota Insurance Marketplace authorized by 2013 House File No. 5/Senate File No. 1, if enacted.

(b) By February 1, 2014, the working group shall submit a report on its findings to the committees of the legislature with jurisdiction over commerce and health.

Subd. 3. **Administration.** (a) The commissioner of commerce or the commissioner's designee shall convene the first meeting of the working group no later than August 15, 2013.

(b) The commissioner shall provide assistance with research or background information and administrative support for the working group within the existing agency budget.

(c) The working group expires June 30, 2014."

Amend the title as follows:

Page 1, line 3, delete "establishing health plan market" and insert "establishing a working group on health insurance market rules"

Page 1, line 4, delete "rules"

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Health, Human Services and Housing. Amendments adopted. Report adopted.

Senator Sparks from the Committee on Jobs, Agriculture and Rural Development, to which was referred

S.F. No. 550: A bill for an act relating to agriculture; increasing the pesticide gross sales fees; dedicating the proceeds to updating pesticide applicator education and certification; requiring reports; appropriating money; amending Minnesota Statutes 2012, sections 18B.26, subdivision 3; 18B.305; proposing coding for new law in Minnesota Statutes, chapter 18B.

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

Page 1, delete sections 1 and 2

Page 4, line 34, strike "conjunction" and insert "consultation"

Page 5, after line 6, insert:

"Sec. 2. **UPDATE REQUIRED; REPORT.**

No later than December 31, 2017, the commissioner of agriculture must use existing pesticide regulatory account resources to update and modify applicator education and training materials as required in section 1. No later than January 15, 2015, the commissioner must report to the legislative committees and divisions with jurisdiction over agriculture policy and finance regarding the agency's progress and a schedule of additional activities the commissioner will accomplish to meet the December 31, 2017, deadline."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the first semicolon

Page 1, line 3, delete "proceeds to"

Page 1, line 4, delete "appropriating money;"

Amend the title numbers accordingly

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

Senator Pappas from the Committee on State and Local Government, to which was re-referred

S.F. No. 640: A bill for an act relating to economic development; creating a trade policy advisory group; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Delete everything after the enacting clause and insert:

"Section 1. **[116J.9661] TRADE POLICY ADVISORY COUNCIL.**

Subdivision 1. **Establishment.** The Trade Policy Advisory Council is established to advise and assist the governor and the legislature regarding government procurement agreements of United States trade agreements.

Subd. 2. **Membership.** (a) The Trade Policy Advisory Council shall have 14 members, as follows:

(1) the commissioner of employment and economic development or designee;

(2) the commissioner of agriculture or designee;

(3) two senators, including one appointed by the Subcommittee on Committees of the Committee on Rules and Administration, and one appointed by the minority leader; and

(4) two members of the house of representatives, including one member appointed by the speaker of the house and one member appointed by the minority leader; and

(5) eight members appointed by the governor. The governor's appointees shall represent specified interests, as follows:

(i) two representatives of organized labor;

(ii) a representative of an organization representing environmental interests;

(iii) a representative from each of two separate organizations representing family farmers;

(iv) two representatives from business and industry;

(v) a representative of a nonprofit organization focused on international trade and development.

(b) The Trade Policy Advisory Council may invite representatives from other state agencies, industries, trade and labor organizations, nongovernmental organizations, and local governments to join the council as nonvoting ex officio members.

(c) Except for initial appointments, the appointing authorities shall make appointments by the first Monday in January of every odd-numbered year.

Subd. 3. **Term.** Except for the initial appointees, members of the Trade Policy Advisory Council shall serve for a term of two years and may be reappointed. Members shall serve until their successors have been appointed.

Subd. 4. **Administration.** The commissioner of employment and economic development or the commissioner's designee shall provide meeting space and administrative services for the council.

Subd. 5. **Initial appointments and first meeting.** The appointing authorities shall appoint the first members of the council by September 15, 2013. The first appointees shall serve until the first Monday in January, 2015. The commissioner of the Department of Employment and Economic Development shall convene the first meeting by December 15, 2013, and shall act as chair until the council elects a chair at its first meeting.

Subd. 6. **Chair.** The members shall elect a chair from the legislative members of the advisory council.

Subd. 7. **No compensation.** Public members of the advisory council serve without compensation or payment of expenses.

Subd. 8. **Duties.** The Trade Policy Advisory Council shall:

(1) advise the governor and the legislature on matters relating to government procurement agreements of United States trade agreements;

(2) assess the potential impact of government procurement agreements on the state's economy;

(3) advise the governor and the legislature of the group's findings and make recommendations, including any draft legislation necessary to implement the recommendations, to the governor and the legislature;

(4) determine, on a case-by-case basis, the impact of a specific government procurement agreement by requesting input from state agencies, seeking expert advice, convening public hearings, and taking other reasonable and appropriate actions;

(5) provide advice on other issues related to trade agreements other than government procurement agreements when specifically requested by the governor or the legislature;

(6) request information from the Office of the United States Trade Representative necessary to conduct an appropriate review of government procurement agreements or other trade issues as directed by the governor or the legislature; and

(7) receive information obtained by the United States Trade Representative's single point of contact for Minnesota.

Subd. 9. **Report.** The Trade Policy Advisory Council shall submit a report to the chairs and ranking minority members of the legislative committees and divisions of the Senate and House of Representatives with primary jurisdiction over jobs with its findings and recommendations no less than once per fiscal year. The report shall include draft legislation to implement its recommendations.

Subd. 10. **Sunset.** The council will sunset January 1, 2020."

Delete the title and insert:

"A bill for an act relating to economic development; creating the Trade Policy Advisory Council; proposing coding for new law in Minnesota Statutes, chapter 116J."

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

Senator Pappas from the Committee on State and Local Government, to which was re-referred

S.F. No. 889: A bill for an act relating to natural resources; modifying commissioner's authority; modifying snowmobile registration; extending Matthew Lourey Trail; modifying certain fees; creating certain state park permit exemptions; providing for duplicate cross-country ski pass; providing for wildlife rehabilitation permit exemption; modifying existing rulemaking; requiring rulemaking; amending Minnesota Statutes 2012, sections 84.027, by adding a subdivision; 84.82,

subdivision 3, by adding a subdivision; 84.8205, subdivision 1; 85.015, subdivision 13; 85.053, subdivision 8; 85.054, by adding a subdivision; 85.055, subdivision 1; 85.42; 97A.401, subdivision 3; 116G.15, subdivision 7; Laws 2007, chapter 57, article 1, section 4, subdivision 3.

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

Page 8, after line 4, insert:

"Sec. 15. **REPORT TO LEGISLATURE.**

By January 15, 2015, the commissioner shall report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over environment and natural resources on progress on rulemaking under sections 11 and 12."

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

Senator Pappas from the Committee on State and Local Government, to which was referred

S.F. No. 324: A bill for an act relating to the state auditor; requiring employees and officers of local public pension plans to report unlawful actions; amending Minnesota Statutes 2012, section 609.456, subdivision 1.

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

Senator Pappas from the Committee on State and Local Government, to which was referred

S.F. No. 804: A bill for an act relating to state government; changing provisions for procurement and solicitation process; amending Minnesota Statutes 2012, sections 13.591, subdivision 3; 16C.02, subdivision 13; 16C.06, subdivision 2; 16C.08, subdivision 4; 16C.09; 16C.10, subdivision 6; 16C.33, subdivision 3; 16C.34, subdivision 1.

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

Page 1, line 11, after "solicitation" insert "that bids are due"

Page 2, line 6, after "solicitation" insert "that proposals are due"

Page 2, line 16, reinstate ", other than" and before "remain" insert "the names of the responders,"

Page 2, after line 21, insert:

"Sec. 2. **[16.0466] STATE AGENCY TECHNOLOGY PROJECTS.**

Every state agency with an information or telecommunications project must consult with the Office of Enterprise Technology to determine what the IT cost of the project is, and transfer the IT cost portion to the Office of Enterprise Technology, unless the commissioner of the Office of Enterprise Technology determines that a transfer is not required."

Page 4, line 13, delete "a new" and insert "the information required to be reported by Minnesota Statutes 2012, section 16C.08, subdivision 4, is available to the public in the"

Page 4, line 14, delete "has been implemented"

Page 5, after line 16, insert:

"Sec. 8. Minnesota Statutes 2012, section 16C.145, is amended to read:

16C.145 NONVISUAL TECHNOLOGY ACCESS STANDARDS.

(a) The commissioner shall develop nonvisual technology access standards. The standards must be included in all contracts for the procurement of information technology by, or for the use of, agencies, political subdivisions, and the Minnesota State Colleges and Universities. The University of Minnesota is encouraged to consider similar standards.

(b) The nonvisual access standards must include the following minimum specifications:

(1) that effective, interactive control and use of the technology including the operating system, applications programs, prompts, and format of the data presented, are readily achievable by nonvisual means;

(2) that the nonvisual access technology must be compatible with information technology used by other individuals with whom the blind or visually impaired individual must interact;

(3) that nonvisual access technology must be integrated into networks used to share communications among employees, program participants, and the public; and

(4) that the nonvisual access technology must have the capability of providing equivalent access by nonvisual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.

(c) Nothing in this section requires the installation of software or peripheral devices used for nonvisual access when the information technology is being used by individuals who are not blind or visually impaired.

(d) Executive branch state agencies subject to section 16E.03, subdivision 9, are not required to include nonvisual technology access standards developed under this section in contracts for the procurement of information technology."

Page 7, after line 26, insert:

"Sec. 11. Minnesota Statutes 2012, section 16E.07, subdivision 6, is amended to read:

Subd. 6. **Fees.** The office shall establish fees for technical and transaction services for government units through North Star. Fees must be credited to the North Star account. Except for the convenience fee under subdivision 12, the office may not charge a fee for viewing or inspecting data made available through North Star or linked facilities, unless specifically authorized by law.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 12. Minnesota Statutes 2012, section 16E.07, is amended by adding a subdivision to read:

Subd. 12. **Private entity services; fee authority.** (a) The office may enter into a contract with a private entity to manage, maintain, support, and expand North Star and online government information services to citizens and businesses.

(b) A contract established under paragraph (a) may provide for compensation of the private entity through a fee established under paragraph (c).

(c) The office may charge and may authorize a private entity that enters into a contract under paragraph (a) to charge a convenience fee for users of North Star and online government information services up to a total of $2 per transaction. The office shall consider the recommendation of the E-Government Advisory Council under section 16E.071 in setting the convenience fee. A fee established under this paragraph is in addition to any fees or surcharges authorized under other law.

(d) Receipts from the convenience fee shall be deposited in the North Star account established in subdivision 7. Notwithstanding section 16A.1285, subdivision 2, receipts credited to the account are appropriated to the office for payment to the contracted private entity under paragraph (a). In lieu of depositing the receipts in the North Star account, the office can directly transfer the receipts to the private entity or allow the private entity to retain the receipts pursuant to a contract established under this subdivision.

(e) The office shall report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over state government finance by January 15 of each odd-numbered year regarding the convenience fee receipts and the status of North Star projects and online government information services developed and supported by convenience fee receipts.

Sec. 13. **[16E.071] E-GOVERNMENT ADVISORY COUNCIL.**

Subdivision 1. **E-Government Advisory Council established.** The E-Government Advisory Council is established for the purpose of improving online government information services to citizens and businesses.

Subd. 2. **Membership.** The council shall consist of nine members as follows:

(1) the state chief information officer or the chief information officer's designee;

(2) one member appointed by the speaker of the house;

(3) one member appointed by the senate Subcommittee on Committees of the Rules and Administration Committee; and

(4) six members appointed by the governor representing state executive branch agencies that are actively involved with private businesses, the private business community, or the public.

Subd. 3. **Initial appointments and first meeting.** Appointing authorities shall make the first appointments to the council by September 1, 2013. The governor shall designate three initial appointees to serve until the first Monday in January 2015. The term of the other three appointees of the governor shall be until the first Monday in January 2017. The chief information officer or the chief information officer's designee shall convene the council's first meeting by November 1, 2013, and shall act as chair until the council elects a chair at its first meeting.

Subd. 4. **Terms; removal; vacancies; compensation.** Membership terms, removal of member, and filling of vacancies are as provided in section 15.059, except that members shall not receive

compensation or be reimbursed for expenses and except for terms of initial appointees as provided in subdivision 3.

Subd. 5. **Chair.** The council shall annually elect a chair from its members.

Subd. 6. **Duties.** The council shall recommend to the office the priority of North Star projects and online government information services to be developed and supported by convenience fee receipts. The council shall provide oversight on the convenience fee and its receipts in the North Star account. The council shall by majority quorum vote to recommend to approve or disapprove establishing the convenience fee on particular types of transactions, the fee amount, and any changes in the fee amount. If the convenience fee receipts are retained by or transferred to the private entity in lieu of deposit in the North Star account, the council may audit the private entity's convenience fee receipts, expenses paid by the receipts, and associated financial statements.

Subd. 7. **Staff.** The office shall provide administrative support to the council.

Subd. 8. **Sunset.** The council shall expire January 1, 2016.

Subd. 9. **Reports.** By June 1, 2014, and every year thereafter, the council shall report to the office with its recommendations regarding establishing the convenience fee, the fee amount, and changes to the fee amount."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the first semicolon, insert "changing provisions relating to the Office of Enterprise Technology; establishing an E-Government Council;"

Amend the title numbers accordingly

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

Senator Pappas from the Committee on State and Local Government, to which was re-referred

S.F. No. 446: A bill for an act relating to insurance; regulating the public employees insurance program; allowing participation by certain school employers; amending Minnesota Statutes 2012, section 43A.316, subdivisions 2, 4, 5, by adding subdivisions.

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

Page 2, line 10, strike "subdivision 4" and insert "section 43A.3161"

Page 2, delete section 2

Page 5, after line 17, insert:

"Sec. 5. **[43A.3161] LABOR-MANAGEMENT COMMITTEE FOR SCHOOL EMPLOYEES AND SCHOOL EMPLOYERS.**

Subdivision 1. **Membership.** The Labor-Management Committee consists of 14 members appointed to represent eligible school employers and eligible school employees in equal numbers. The seven members who represent eligible school employers shall consist of four appointed by the Minnesota School Boards Association and one each appointed by the Minnesota Association of School Administrators, the Minnesota Elementary School Principals Association, and the Minnesota Secondary School Principals Association. The seven members who represent eligible school employees shall consist of four appointed by Education Minnesota and one each appointed by the Service Employees International Union; the American Federation of State, County, and Municipal Employees; and the Minnesota School Employees Association.

Subd. 2. **Appointments.** Appointing authorities shall appoint the first members by September 1, 2013, for terms ending January 2, 2017. Thereafter, appointments shall be made by the second Monday in January 2017 and every four years thereafter.

Subd. 3. **Terms.** Except for the first appointees, terms shall be for four years, terminating on the first Monday in January.

Subd. 4. **Vacancies.** Vacancies shall be filled by appointment in the same manner as appointment of the vacating member.

Subd. 5. **First meeting.** The appointee of the Minnesota School Board Association shall convene the first meeting by January 15, 2014, and act as chair until the committee elects a chair. The committee shall elect a chair from among its members at its first meeting.

Subd. 6. **Chair.** The committee shall annually elect a chair from its membership.

Subd. 7. **Duties.** The committee shall study issues relating to the insurance program including, but not limited to, flexible benefits, utilization review, quality assessment, and cost efficiency.

Subd. 8. **Program and plan design.** The commissioner shall consult with the labor-management committee in major decisions that affect the program. The commissioner and the committee must mutually agree to all plan design changes.

Subd. 9. **Expenses.** Committee members are eligible for expense reimbursement in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2.

Subd. 10. **Report.** The committee shall report to the commissioner of management and budget by June 30 of each year with its findings and recommendations relating to the insurance program, flexible benefits, utilization review, quality assessment, and cost-efficiency of the program.

Subd. 11. **Sunset.** The committee expires when the program is no longer in operation.

Sec. 6. **REPEALER.**

Minnesota Statutes 2012, section 43A.316, subdivision 4, is repealed."

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Pappas from the Committee on State and Local Government, to which was referred

S.F. No. 1106: A bill for an act relating to occupations and professions; changing licensing requirements for the Board of Cosmetology; imposing civil penalties and fees; appropriating money; amending Minnesota Statutes 2012, sections 155A.23, subdivisions 3, 8, 11; 155A.25, subdivisions 1a, 4; 155A.27, subdivisions 4, 10; 155A.29, subdivision 2; 155A.30, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 155A; repealing Minnesota Statutes 2012, section 155A.25, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 155A.23, subdivision 3, is amended to read:

Subd. 3. **Cosmetology.** "Cosmetology" is the practice of personal services, for compensation, for the cosmetic care of the hair, nails, and skin. These services include cleaning, conditioning, shaping, reinforcing, coloring and enhancing the body surface in the areas of the head, scalp, face, arms, hands, legs, ~~and~~ feet, and trunk of the body, except where these services are performed by a barber under sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26.

Sec. 2. Minnesota Statutes 2012, section 155A.25, subdivision 1a, is amended to read:

Subd. 1a. **Schedule.** The fee schedule for licensees is as follows ~~for licenses issued after June 30, 2010, and prior to July 1, 2013~~:

(a) Three-year license fees:

(1) cosmetologist, nail technician ~~manicurist~~, or esthetician:

(i) $90 for each initial license and a $40 nonrefundable initial license application fee, for a total of $130; and

(ii) $60 for each renewal and a $15 nonrefundable renewal application fee, for a total of $75;

(2) instructor or manager:

(i) $120 for each initial license and a $40 nonrefundable initial license application fee, for a total of $160; and

(ii) $90 for each renewal and a $15 nonrefundable renewal application fee, for a total of $105;

(3) salon:

(i) $130 for each initial license and a $100 nonrefundable initial license application fee, for a total of $230; and

(ii) $100 for each renewal and a $50 nonrefundable renewal application fee, for a total of $150; and

(4) school:

(i) $1,500 for each initial license and a $1,000 nonrefundable initial license application fee, for a total of $2,500; and

(ii) $1,500 for each renewal and a $500 nonrefundable renewal application fee, for a total of $2,000.

(b) Penalties:

(1) reinspection fee, variable;

(2) manager and owner with lapsed practitioner found on inspection, $150 each;

(3) lapsed practitioner or instructor found on inspection, $200;

(4) lapsed salon found on inspection, $500;

(5) lapsed school found on inspection, $1,000;

(6) failure to display current license, $100;

(7) failure to dispose of single-use equipment, implements, or materials as provided under section 155A.355, subdivision 1, $500;

(8) use of prohibited razor-type callus shavers, rasps, or graters under section 155A.355, subdivision 2, $500;

(9) performing manicuring or cosmetology services in esthetician salon, or performing esthetician or cosmetology services in manicure salon, $500;

(10) owner and manager allowing an operator to work as an independent contractor, $200;

(11) operator working as an independent contractor, $100;

(12) refusal or failure to cooperate with an inspection, $500;

~~(3)~~ (13) expired cosmetologist, manicurist, esthetician, manager, school manager, and instructor license, $45; and

~~(4)~~ (14) expired salon or school license, $50.

(c) Administrative fees:

(1) certificate of identification, $20;

(2) name change, $20;

(3) letter of license verification, $30;

(4) duplicate license, $20;

(5) processing fee, $10;

(6) special event permit, $75 per year; and

(7) registration of hair braiders, $20 per year.

Sec. 3. Minnesota Statutes 2012, section 155A.25, subdivision 4, is amended to read:

Subd. 4. **License expiration date.** The board shall, in a manner determined by the board and without the need for rulemaking under chapter 14, phase in changes to initial and renewal license expiration dates so that by January 1, 2014:

(1) individual licenses expire on the last day of the licensee's birth month of the year due; and

(2) salon and school licenses expire on the last day of the month of initial licensure of the year due.

Sec. 4. Minnesota Statutes 2012, section 155A.27, subdivision 4, is amended to read:

Subd. 4. **Testing.** All theory, practical, and Minnesota law and rule testing must be done by a board-approved provider. Appropriate standardized tests shall be used and shall include subject matter relative to the application of Minnesota law. In every case, the primary consideration shall be to safeguard the health and safety of consumers by determining the competency of the applicants to provide the services indicated.

Sec. 5. Minnesota Statutes 2012, section 155A.27, subdivision 10, is amended to read:

Subd. 10. **Nonresident licenses.** (a) A nonresident cosmetologist, manicurist, or esthetician may be licensed in Minnesota if the individual has completed cosmetology school in a state or country with the same or greater school hour requirements, has an active license in that state or country, and has passed a board-approved theory and practice-based examination, the Minnesota-specific written operator examination for cosmetologist, manicurist, or esthetician.

(b) If an individual has less than the required number of school hours, the individual may be licensed in Minnesota if the individual has a current active license in another state or country for at least three years, and has passed a board-approved theory and practice-based examination, the Minnesota-specific written operator examination for cosmetologist, manicurist, or esthetician.

(c) If a test is used to verify the qualifications of trained cosmetologists, the test should be translated into the nonresident's native language within the limits of available resources.

(d) Applicants claiming training and experience in a foreign country shall supply official English-language translations of all required documents from a board-approved source.

(e) Licenses shall not be issued under this subdivision for managers or instructors.

Sec. 6. Minnesota Statutes 2012, section 155A.29, subdivision 2, is amended to read:

Subd. 2. **Requirements.** (a) The conditions and process by which a salon is licensed shall be established by the board by rule. In addition to those requirements, no license shall be issued unless the board first determines that the conditions in clauses (1) to (5) have been satisfied:

(1) compliance with all local and state laws, particularly relating to matters of sanitation, health, and safety;

(2) the employment of a manager, as defined in section 155A.23, subdivision 8;

~~(3) inspection and licensing prior to the commencing of business;~~

~~(4)~~ (3) if applicable, evidence of compliance with section 176.182; and

~~(5)~~ (4) evidence of continued professional liability insurance coverage of at least $25,000 for each claim and $50,000 total coverage for each policy year for each operator.

(b) A licensed esthetician or manicurist who complies with the health, safety, sanitation, inspection, and insurance rules promulgated by the board to operate a salon solely for the performance of those personal services defined in section 155A.23, subdivision 5, in the case of an esthetician, or subdivision 7, in the case of a manicurist.

Sec. 7. Minnesota Statutes 2012, section 155A.30, subdivision 1, is amended to read:

Subdivision 1. **Licensing.** Any person who establishes or conducts a school in this state shall be licensed. A school manager must maintain an active salon manager's license. An instructor must maintain an active operator or manager's license in the area in which the instructor holds an instructor's license.

Sec. 8. Minnesota Statutes 2012, section 155A.30, is amended by adding a subdivision to read:

Subd. 11. **Limit on hours of instruction.** Instruction shall not exceed ten hours per day per student.

Sec. 9. Minnesota Statutes 2012, section 155A.30, is amended by adding a subdivision to read:

Subd. 12. **Instruction location.** Instruction must be given within a licensed school building. Online instruction is permitted for board-approved theory-based classes. Practice-based classes must not be given online.

Sec. 10. **[155A.355] PROHIBITED USES.**

Subdivision 1. **Single-use equipment and materials.** Single-use equipment, implements, or materials that are made or constructed of paper, wood, or other porous materials must only be used for one application or client service. Presence of used articles in the work area is prima facie evidence of reuse. Failure to dispose of the materials in this subdivision is punishable by penalty under section 155A.25, subdivision 1a, paragraph (b), clause (7).

Subd. 2. **Skin-cutting equipment.** Razor-type callus shavers, rasps, or graters designed and intended to cut growths of skin such as corns and calluses, including but not limited to credo blades, are prohibited. Presence of these articles in the work area is prima facie evidence of use and is punishable by penalty in section 155A.25, subdivision 1a, paragraph (b), clause (8).

Subd. 3. **Substances.** Licensees must not use any of the following substances or products in performing cosmetology services:

(1) methyl methacrylate liquid monomers, also known as MMA; and

(2) fumigants, including but not limited to formalin tablets or formalin liquids.

Sec. 11. **GOOD CAUSE EXEMPTION.**

The Board of Cosmetology may amend Minnesota Rules so that they conform with this act. The Board of Cosmetology may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), in adopting the amendment, and Minnesota Statutes, section 14.386, does not apply, except as it relates to Minnesota Statutes, section 14.388.

Sec. 12. **APPROPRIATION.**

$300,000 in fiscal year 2014 and $300,000 in fiscal year 2015 are appropriated from the general fund to the Board of Cosmetology.

Sec. 13. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall change the term "manicurist" to "nail technician" wherever it appears in Minnesota Rules and Statutes.

Sec. 14. **REPEALER.**

Minnesota Statutes 2012, section 155A.25, subdivision 1, is repealed."

Amend the title numbers accordingly

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

Senator Pappas from the Committee on State and Local Government, to which was referred

S.F. No. 770: A bill for an act relating to cosmetologists; establishing continuing education requirements; amending Minnesota Statutes 2012, section 155A.27, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 155A.27, subdivision 7, is amended to read:

Subd. 7. **Renewals.** Renewal of license shall be for a period of three years under conditions and process established by rule and subject to continuing education requirements of section 155A.271.

Sec. 2. **[155A.271] CONTINUING EDUCATION REQUIREMENTS.**

Subdivision 1. **Continuing education requirements.** Effective August 1, 2014, to qualify for license renewal under this chapter as an individual cosmetologist, nail technician, esthetician, or salon manager, the applicant must attest to the completion of four hours of continuing education credits from an accredited school or a professional association of cosmetology during the three years prior to the applicant's renewal date. One credit hour of the requirement must include instruction pertaining to state laws and rules governing the practice of cosmetology. Three credit hours must include instruction pertaining to health, safety, and sanitation matters consistent with the United States Department of Labor's Occupational Safety and Health Administration standards applicable to the practice of cosmetology, or other applicable federal health, sanitation, and safety standards, and must be regularly updated so as to incorporate newly developed standards and accepted professional best practices. Credit hours earned are valid for three years and may be applied simultaneously to all individual licenses held by a licensee under this chapter. This subdivision does not apply to instructors or inactive licenses.

Subd. 2. **Schools and professional association.** Only a board-licensed school of cosmetology, a postsecondary institution as defined in section 136A.103, paragraph (a), or a board-recognized professional association may offer continuing education curriculum for credit under this section.

The school or professional association may offer online and independent study options to achieve maximum involvement of licensees and is encouraged to offer classes available in foreign language formats.

Subd. 3. **Proof of credits.** The school or professional association shall provide to licensees who attend a class a receipt to prove completion of the class. Licensees shall retain proof of their continuing education credits for one year beyond the credit's expiration. The school or professional association shall retain documentation of all licensees successfully completing a class and the licensee's credit hours for five years.

Subd. 4. **Audit.** The board shall conduct random audits of active licensees periodically to ensure compliance with continuing education requirements. To initiate an audit, the board shall notify an active licensee of the audit and request proof of credits earned during a specified period. The licensee must provide the requested proof to the board within 30 days of an audit notice. The board may request that a school or professional association verify a licensee's credits. The school or professional association must furnish verification, or a written statement that the credits are not verified, within 15 days of the board's request for verification. If the board determines that a licensee has failed to provide proof of necessary credits earned during the specified time, the board may revoke the individual's license and may deem the individual a lapsed practitioner subject to penalty under section 155A.25 or 155A.36.

Sec. 3. **GOOD CAUSE EXEMPTION.**

The Board of Cosmetology may amend Minnesota Rules so that they conform with the amendments to Minnesota Statutes in this act. The Board of Cosmetology may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), in adopting the amendment, and Minnesota Statutes, section 14.386, does not apply, except as it relates to Minnesota Statutes, section 14.388.

Sec. 4. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall replace the term "manicurist" with the term "nail technician" wherever it appears in Minnesota Statutes and Minnesota Rules."

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert "establishing a good cause exemption to rulemaking;"

Amend the title numbers accordingly

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

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

S.F. No. 359: A bill for an act relating to state government; designating the month of April as Genocide Awareness and Prevention Month; proposing coding for new law in Minnesota Statutes, chapter 10.

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

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

S.F. No. 496: A bill for an act relating to campaign finance; making various changes to campaign finance and public disclosure law; expanding definition of public official; amending Minnesota Statutes 2012, sections 10A.01, subdivision 35; 10A.025, subdivision 4; 10A.04, subdivision 5; 10A.15, subdivision 1; 10A.16; 10A.20, subdivisions 4, 12; 10A.242, subdivision 1; 10A.27, subdivision 9; 10A.273, subdivisions 1, 4; 10A.30; 10A.31, subdivisions 1, 4, 7; 10A.315; 10A.321, subdivision 1; 10A.322, subdivision 4; 10A.324, subdivision 1; 211B.37.

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

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

S.F. No. 661: A bill for an act relating to campaign finance; providing for additional disclosure; making various changes to campaign finance and public disclosure law; providing penalties; amending Minnesota Statutes 2012, sections 10A.01, subdivisions 10, 11, 27, 28, by adding subdivisions; 10A.02, subdivisions 9, 10, 11, 12, by adding a subdivision; 10A.025, subdivisions 2, 3; 10A.105, subdivision 1; 10A.12, subdivisions 1, 1a, 2; 10A.121, subdivision 1; 10A.14, subdivision 1, by adding a subdivision; 10A.15, subdivisions 1, 2, 3; 10A.20, subdivisions 1, 2, 3, 5, 6, 7, by adding a subdivision; 10A.25, subdivisions 2, 2a, 3, 3a; 10A.257, subdivision 1; 10A.27, subdivisions 1, 10, 11, 13, 14, 15; 10A.323; 13.607, subdivisions 3, 5a; 211B.32, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 2012, sections 10A.24; 10A.241; 10A.242; 10A.25, subdivision 6.

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

Delete everything after the enacting clause and insert:

"**ARTICLE 1**

POLICY CHANGES

Section 1. Minnesota Statutes 2012, section 10A.01, is amended by adding a subdivision to read:

Subd. 7c. **Ballot question political committee.** "Ballot question political committee" means a political committee that makes only expenditures to promote or defeat a ballot question and disbursements permitted under section 10A.121, subdivision 1.

Sec. 2. Minnesota Statutes 2012, section 10A.01, is amended by adding a subdivision to read:

Subd. 7d. **Ballot question political fund.** "Ballot question political fund" means a political fund that makes only expenditures to promote or defeat a ballot question and disbursements permitted under section 10A.121, subdivision 1.

Sec. 3. Minnesota Statutes 2012, section 10A.01, subdivision 10, is amended to read:

Subd. 10. **Candidate.** "Candidate" means an individual who seeks nomination or election as a state constitutional officer, legislator, or judge. An individual is deemed to seek nomination or election if the individual has taken the action necessary under the law of this state to qualify for nomination or election, has received contributions or made expenditures in excess of $100, or has given implicit or explicit consent for any other person to receive contributions or make expenditures

in excess of $100, for the purpose of bringing about the individual's nomination or election. A candidate remains a candidate until the candidate's principal campaign committee is dissolved as provided in section ~~10A.24~~ 10A.243.

Sec. 4. Minnesota Statutes 2012, section 10A.01, subdivision 11, is amended to read:

Subd. 11. **Contribution.** (a) "Contribution" means money, a negotiable instrument, or a donation in kind that is given to a political committee, political fund, principal campaign committee, or party unit. An allocation by an association of general treasury money to be used for activities that must be or are reported through the association's political fund is considered to be a contribution for the purposes of disclosure required by this chapter.

(b) "Contribution" includes a loan or advance of credit to a political committee, political fund, principal campaign committee, or party unit, if the loan or advance of credit is: (1) forgiven; or (2) repaid by an individual or an association other than the political committee, political fund, principal campaign committee, or party unit to which the loan or advance of credit was made. If an advance of credit or a loan is forgiven or repaid as provided in this paragraph, it is a contribution in the year in which the loan or advance of credit was made.

(c) "Contribution" does not include services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee, political fund, principal campaign committee, or party unit; the publishing or broadcasting of news items or editorial comments by the news media; or an individual's unreimbursed personal use of an automobile owned by the individual while volunteering personal time.

Sec. 5. Minnesota Statutes 2012, section 10A.01, is amended by adding a subdivision to read:

Subd. 16a. **Expressly advocating.** "Expressly advocating" means:

(1) that a communication clearly identifies a candidate and uses words or phrases of express advocacy; or

(2) that a communication, when taken as a whole and with limited reference to external events, such as the proximity to the election, is susceptible of no interpretation by a reasonable person other than as advocating the election or defeat of one or more clearly identified candidates.

Sec. 6. Minnesota Statutes 2012, section 10A.01, is amended by adding a subdivision to read:

Subd. 17c. **General treasury money.** "General treasury money" means money that an association other than a principal campaign committee, party unit, or political committee accumulates through membership dues and fees, donations to the association for its general purposes, and income from the operation of a business. General treasury money does not include money collected to influence the nomination or election of candidates or to promote or defeat a ballot question.

Sec. 7. Minnesota Statutes 2012, section 10A.01, is amended by adding a subdivision to read:

Subd. 26a. **Person** "Person" means an individual, an association, a political subdivision, or a public higher education system.

Sec. 8. Minnesota Statutes 2012, section 10A.01, subdivision 27, is amended to read:

Subd. 27. **Political committee.** "Political committee" means an association whose major purpose is to influence the nomination or election of ~~a candidate~~ one or more candidates or to promote or defeat a ballot question, other than a principal campaign committee or a political party unit.

Sec. 9. Minnesota Statutes 2012, section 10A.01, subdivision 28, is amended to read:

Subd. 28. **Political fund.** "Political fund" means an accumulation of dues or voluntary contributions by an association other than a political committee, principal campaign committee, or party unit, if the accumulation is collected or expended to influence the nomination or election of ~~a candidate~~ one or more candidates or to promote or defeat a ballot question. The term "political fund" as used in this chapter may also refer to the association acting through its political fund.

Sec. 10. Minnesota Statutes 2012, section 10A.02, subdivision 9, is amended to read:

Subd. 9. **Documents; information.** The executive director must inspect all material filed with the board as promptly as necessary to comply with this chapter ~~and~~, with other provisions of law requiring the filing of a document with the board, and with other provisions of law under the board's jurisdiction pursuant to subdivision 11. The executive director must immediately notify ~~the~~ an individual ~~required to file a document with the board~~ if a written complaint is filed with the board alleging, or it otherwise appears, that a document filed with the board is inaccurate or does not comply with this chapter, or that the individual has failed to file a document required by this chapter or has failed to comply with this chapter or other provisions under the board's jurisdiction pursuant to subdivision 11. ~~The executive director may provide an individual required to file a document under this chapter with factual information concerning the limitations on corporate campaign contributions imposed by section 211B.15.~~

Sec. 11. Minnesota Statutes 2012, section 10A.02, subdivision 10, is amended to read:

Subd. 10. **Audits and investigations.** The board may make audits and investigations, impose statutory civil penalties, and issue orders for compliance with respect to ~~statements and reports that are filed or that should have been filed under~~ the requirements of this chapter and provisions under the board's jurisdiction pursuant to subdivision 11. In all matters relating to its official duties, the board has the power to issue subpoenas and cause them to be served. If a person does not comply with a subpoena, the board may apply to the District Court of Ramsey County for issuance of an order compelling obedience to the subpoena. A person failing to obey the order is punishable by the court as for contempt.

Sec. 12. Minnesota Statutes 2012, section 10A.02, subdivision 11, is amended to read:

Subd. 11. **Violations; enforcement.** (a) The board may investigate any alleged violation of this chapter. The board may also investigate an alleged violation of section 211B.04, 211B.12, or 211B.15 by or related to a candidate, treasurer, principal campaign committee, political committee, political fund, or party unit, as those terms are defined in this chapter. The board must investigate any violation that is alleged in a written complaint filed with the board and must within 30 days after the filing of the complaint make ~~a public finding of whether there is probable cause to believe a violation has occurred~~ findings and conclusions as to whether a violation has occurred and must issue an order, except that if the complaint alleges a violation of section 10A.25 or 10A.27, the board must either enter a conciliation agreement or make ~~a~~ public ~~finding of whether there is probable cause,~~ findings and conclusions as to whether a violation has occurred and must issue an order within 60 days after the filing of the complaint. The deadline for action on a written complaint may be extended by majority vote of the board.

(b) The board may bring legal actions in its own name to recover money raised from contributions subject to the conditions in this paragraph.

(1) No action may be commenced unless the board has made a formal determination, after an investigation, that the money was raised for political purposes as defined in section 211B.01, subdivision 6, and that the money was used for purposes not permitted under this chapter or under section 211B.12.

(2) Prior to commencing an action, the board must give the association written notice by certified mail of its intent to take action under this subdivision and must give the association a reasonable opportunity, for a period of not less than 90 days, to recover the money without board intervention. This period must be extended for at least an additional 90 days for good cause if the association is actively pursuing recovery of the money. The board may not commence a legal action under this subdivision if the association has commenced a legal action for the recovery of the same money.

(3) Any funds recovered under this subdivision must be distributed as follows:

(i) an amount equal to the board's actual costs and disbursements in the action, including court reporter fees for depositions taken in the course of an investigation, must be returned to the board's general operating appropriation account;

(ii) an amount equal to the reasonable value of legal services provided by the Office of the Attorney General must be deposited into the general operating account of the Office of the Attorney General and is available for general purposes of the office; and

(iii) any remaining balance must be returned to the association to which the money was originally contributed.

(4) Notwithstanding clause (3), item (iii), if the candidate of a principal campaign committee is the person who used the association's money for illegal purposes, or if the association or political fund whose money was misused is no longer registered with the board, any money remaining after the payments specified in clause (3), items (i) and (ii), must be deposited into the general account of the state elections campaign account.

(5) Any action by the board under this paragraph must be commenced not later than four years after the improper use of money is shown on a report filed with the board or the board has actual knowledge of improper use. No action may be commenced under this paragraph for improper uses disclosed on reports for calendar years prior to 2011.

(6) If the board prevails in an action brought under this subdivision and the court makes a finding that the misuse of funds was willful, the court may enter judgment in favor of the board and against the person misusing the funds in the amount of the misused funds.

~~(b)~~ (c) Within a reasonable time after beginning an investigation of an individual or association, the board must notify the individual or association of the fact of the investigation. The board must not make a finding of whether there is probable cause to believe a violation has occurred without notifying the individual or association of the nature of the allegations and affording an opportunity to answer those allegations.

~~(c)~~ (d) A hearing or action of the board concerning a complaint or investigation other than a finding concerning probable cause or a conciliation agreement is confidential. Until the board makes a public finding concerning probable cause or enters a conciliation agreement:

(1) a member, employee, or agent of the board must not disclose to an individual information obtained by that member, employee, or agent concerning a complaint or investigation except as required to carry out the investigation or take action in the matter as authorized by this chapter; and

(2) an individual who discloses information contrary to this subdivision is subject to a civil penalty imposed by the board of up to $1,000.

(e) A matter that is under the board's jurisdiction pursuant to this section and that may result in a criminal offense must be finally disposed of by the board before the alleged violation may be prosecuted by a city or county attorney.

Sec. 13. Minnesota Statutes 2012, section 10A.02, subdivision 12, is amended to read:

Subd. 12. **Advisory opinions.** (a) The board may issue and publish advisory opinions on the requirements of this chapter and of those sections listed in subdivision 11 based upon real or hypothetical situations. An application for an advisory opinion may be made only by ~~an individual or association~~ a person who is subject to chapter 10A and who wishes to use the opinion to guide the ~~individual's or the association's~~ person's own conduct. The board must issue written opinions on all such questions submitted to it within 30 days after receipt of written application, unless a majority of the board agrees to extend the time limit.

(b) A written advisory opinion issued by the board is binding on the board in a subsequent board proceeding concerning the person making or covered by the request and is a defense in a judicial proceeding that involves the subject matter of the opinion and is brought against the person making or covered by the request unless:

(1) the board has amended or revoked the opinion before the initiation of the board or judicial proceeding, has notified the person making or covered by the request of its action, and has allowed at least 30 days for the person to do anything that might be necessary to comply with the amended or revoked opinion;

(2) the request has omitted or misstated material facts; or

(3) the person making or covered by the request has not acted in good faith in reliance on the opinion.

(c) A request for an opinion and the opinion itself are nonpublic data. The board, however, may publish an opinion or a summary of an opinion, but may not include in the publication the name of the requester, the name of a person covered by a request from an agency or political subdivision, or any other information that might identify the requester, unless the person consents to the inclusion.

Sec. 14. Minnesota Statutes 2012, section 10A.025, subdivision 2, is amended to read:

Subd. 2. **Penalty for false statements.** (a) A report or statement required to be filed under this chapter must be signed and certified as true by the individual required to file the report. The signature may be an electronic signature consisting of a password assigned by the board.

(b) An individual ~~who signs and certifies~~ shall not sign and certify to be true a report or statement knowing it contains false information or ~~who knowingly~~ knowing it omits required information ~~is guilty of a gross misdemeanor and subject to a civil penalty imposed by the board of up to $3,000~~.

(c) An individual shall not knowingly provide false or incomplete information to a treasurer with the intent that the treasurer will rely on that information in signing and certifying to be true a report or statement.

(d) A person who violates paragraph (b) or (c) is subject to a civil penalty imposed by the board of up to $3,000. A violation of paragraph (b) or (c) is a gross misdemeanor.

(e) The board may impose an additional civil penalty of up to $3,000 on the principal campaign committee or candidate, party unit, political committee, or association that has a political fund that is affiliated with an individual who violated paragraph (b) or (c).

Sec. 15. Minnesota Statutes 2012, section 10A.025, subdivision 3, is amended to read:

Subd. 3. **Record keeping; penalty.** (a) A person required to file a report or statement or who has accepted record-keeping responsibility for the filer must maintain records on the matters required to be reported, including vouchers, canceled checks, bills, invoices, worksheets, and receipts, that will provide in sufficient detail the necessary information from which the filed reports and statements may be verified, explained, clarified, and checked for accuracy and completeness. The person must keep the records available for audit, inspection, or examination by the board or its authorized representatives for four years from the date of filing of the reports or statements or of changes or corrections to them. ~~A person who knowingly violates this subdivision is guilty of a misdemeanor.~~

(b) The board may impose a civil penalty of up to $3,000 on a person who knowingly violates this subdivision. The board may impose a separate civil penalty of up to $3,000 on the principal campaign committee or candidate, party unit, political committee, or association that has a political fund that is affiliated with an individual who violated this subdivision.

(c) A knowing violation of this subdivision is a gross misdemeanor.

Sec. 16. Minnesota Statutes 2012, section 10A.105, subdivision 1, is amended to read:

Subdivision 1. **Single committee.** A candidate must not accept contributions from a source, other than self, in aggregate in excess of ~~$100~~ $750 or accept a public subsidy unless the candidate designates and causes to be formed a single principal campaign committee for each office sought. A candidate may not authorize, designate, or cause to be formed any other political committee bearing the candidate's name or title or otherwise operating under the direct or indirect control of the candidate. However, a candidate may be involved in the direct or indirect control of a party unit.

Sec. 17. Minnesota Statutes 2012, section 10A.12, subdivision 1, is amended to read:

Subdivision 1. **When required for contributions and approved expenditures.** An association other than a political committee or party unit may not contribute more than ~~$100~~ $750 in aggregate in any ~~one~~ calendar year to candidates, political committees, or party units or make ~~any~~ approved ~~or independent expenditure or expenditure to promote or defeat a ballot question~~ expenditures of more than $750 in aggregate in any calendar year unless the contribution or expenditure is made ~~from~~ through a political fund.

Sec. 18. Minnesota Statutes 2012, section 10A.12, subdivision 1a, is amended to read:

Subd. 1a. **When required for independent expenditures or ballot questions.** An association other than a political committee that makes only independent expenditures ~~and disbursements~~

~~permitted under section 10A.121, subdivision 1,~~ or expenditures to promote or defeat a ballot question must do so ~~by forming and registering~~ through an independent expenditure or ballot question political fund if the ~~expenditure is in excess of $100~~ independent expenditures aggregate more than $1,500 in a calendar year or if the expenditures to promote or defeat a ballot question aggregate more than $5,000 in a calendar year, or by contributing to an existing independent expenditure or ballot question political committee or ~~political~~ fund.

Sec. 19. Minnesota Statutes 2012, section 10A.12, subdivision 2, is amended to read:

Subd. 2. **Commingling prohibited.** The contents of ~~a~~ an association's political fund may not be commingled with other funds or with the personal funds of an officer or member of the association or the fund. It is not commingling for an association that uses only its own general treasury money to make expenditures and disbursements permitted under section 10A.121, subdivision 1, directly from the depository used for its general treasury money. An association that accepts more than $1,500 in contributions to influence the nomination or election of candidates or more than $5,000 in contributions to promote or defeat a ballot question must establish a separate depository for those contributions.

Sec. 20. Minnesota Statutes 2012, section 10A.121, is amended to read:

10A.121 INDEPENDENT EXPENDITURE AND BALLOT QUESTION POLITICAL COMMITTEES AND ~~INDEPENDENT EXPENDITURE POLITICAL~~ FUNDS.

Subdivision 1. **Permitted disbursements.** An independent expenditure political committee or ~~an independent expenditure political~~ fund, or a ballot question political committee or fund, ~~in addition to making independent expenditures,~~ may:

(1) pay costs associated with its fund-raising and general operations;

(2) pay for communications that do not constitute contributions or approved expenditures; ~~and~~

(3) make contributions to ~~other~~ independent expenditure or ballot question political committees or ~~independent expenditure political~~ funds;

(4) make independent expenditures;

(5) make disbursements for electioneering communications;

(6) make expenditures to promote or defeat ballot questions;

(7) return a contribution to its source;

(8) for a political fund, record bookkeeping entries transferring the association's general treasury money allocated for political purposes back to the general treasury of the association; and

(9) for a political fund, return general treasury money transferred to a separate depository to the general depository of the association.

Subd. 2. **Penalty.** (a) An independent expenditure political committee or independent expenditure political fund is subject to a civil penalty of up to four times the amount of the contribution or approved expenditure if it does the following:

(1) makes a contribution to a candidate, party unit, political committee, or political fund other than an independent expenditure political committee or an independent expenditure political fund; or

(2) makes an approved expenditure.

(b) No other penalty provided in law may be imposed for conduct that is subject to a civil penalty under this section.

Sec. 21. Minnesota Statutes 2012, section 10A.14, subdivision 1, is amended to read:

Subdivision 1. **First registration.** The treasurer of a political committee, political fund, principal campaign committee, or party unit must register with the board by filing a registration statement ~~of organization~~ no later than 14 days after the committee, fund, or party unit has made a contribution, received contributions, or made expenditures in excess of ~~$100~~ $750, or by the end of the next business day after it has received a loan or contribution that must be reported under section 10A.20, subdivision 5, whichever is earlier. This subdivision does not apply to ballot question or independent expenditure political committees or funds, which are subject to subdivision 1a.

Sec. 22. Minnesota Statutes 2012, section 10A.14, is amended by adding a subdivision to read:

Subd. 1a. **Independent expenditure or ballot question political committees and funds; first registration; reporting.** The treasurer of an independent expenditure or ballot question political committee or fund must register with the board by filing a registration statement:

(1) no later than 14 calendar days after the committee or the association registering the political fund has:

(i) received aggregate contributions for independent expenditures of more than $1,500 in a calendar year;

(ii) received aggregate contributions for expenditures to promote or defeat a ballot question of more than $5,000 in a calendar year;

(iii) made aggregate independent expenditures of more than $1,500 in a calendar year; or

(iv) made aggregate expenditures to promote or defeat a ballot question of more than $5,000 in a calendar year; or

(2) by the end of the next business day after it has received a loan or contribution that must be reported under section 10A.20, subdivision 5, and it has met one of the requirements of clause (1).

Sec. 23. Minnesota Statutes 2012, section 10A.15, subdivision 1, is amended to read:

Subdivision 1. **Anonymous contributions.** A political committee, political fund, principal campaign committee, or party unit may not retain an anonymous contribution in excess of ~~$20~~ $50, but must forward it to the board for deposit in the general account of the state elections campaign ~~fund~~ account.

Sec. 24. Minnesota Statutes 2012, section 10A.15, subdivision 2, is amended to read:

Subd. 2. **Source; amount; date.** An individual who receives a contribution in excess of ~~$20~~ $50 for a political committee, political fund, principal campaign committee, or party unit must, on

demand of the treasurer, inform the treasurer of the name and, if known, the address of the source of the contribution, the amount of the contribution, and the date it was received.

Sec. 25. Minnesota Statutes 2012, section 10A.15, subdivision 3, is amended to read:

Subd. 3. **Deposit.** All contributions received by or on behalf of a candidate, principal campaign committee, political committee, political fund, or party unit must be deposited in an account designated "Campaign Fund of ..... (name of candidate, committee, fund, or party unit)." All contributions must be deposited promptly upon receipt and, except for contributions received during the last three days of a reporting period as described in section 10A.20, must be deposited during the reporting period in which they were received. A contribution received during the last three days of a reporting period must be deposited within 72 hours after receipt and must be reported as received during the reporting period whether or not deposited within that period. A candidate, principal campaign committee, political committee, political fund, or party unit may refuse to accept a contribution. A deposited contribution may be returned to the contributor within ~~60~~ 90 days after deposit. A contribution deposited and not returned within ~~60~~ 90 days after that deposit must be reported as accepted.

Sec. 26. Minnesota Statutes 2012, section 10A.20, subdivision 1, is amended to read:

Subdivision 1. **First filing; duration.** The treasurer of a political committee, political fund, principal campaign committee, or party unit must begin to file the reports required by this section ~~in~~ for the first year it receives contributions or makes expenditures ~~in excess of $100~~ that require it to register under section 10A.14 and must continue to file until the committee, fund, or party unit is terminated. The reports must be filed electronically in a standards-based open format specified by the board. For good cause shown, the board must grant exemptions to the requirement that reports be filed electronically.

Sec. 27. Minnesota Statutes 2012, section 10A.20, subdivision 2, is amended to read:

Subd. 2. **Time for filing.** (a) The reports must be filed with the board on or before January 31 of each year and additional reports must be filed as required and in accordance with paragraphs (b) to (d).

(b) In each year in which the name of ~~the~~ a candidate for legislative or district court judicial office is on the ballot, the report of the principal campaign committee must be filed 15 days before a primary and ten days before a general election, seven days before a special primary and a special election, and ten days after a special election cycle.

(c) In each general election year, a political committee ~~or~~, a political fund ~~must file reports 28 and 15 days before a primary and 42 and ten days before a general election. Beginning in 2012, reports required under this paragraph must also be filed 56 days before a primary.~~, a state party committee, a party unit established by all or a part of the party organization within a house of the legislature, and the principal campaign committee of a candidate for constitutional or appellate court judicial office must file reports on the following schedule:

(1) a first-quarter report covering the calendar year through March 31, which is due April 14;

(2) in a year in which a primary election is held in August, a report covering the calendar year through May 31, which is due June 14;

(3) in a year in which a primary election is held before August, a pre-general-election report covering the calendar year through July 15, which is due July 29;

(4) a pre-primary-election report due 15 days before a primary election;

(5) a pre-general-election report due 42 days before the general election;

(6) a pre-general-election report due ten days before a general election; and

(7) for a special election, a constitutional office candidate whose name is on the ballot must file reports seven days before a special primary and a special election, and ten days after a special election cycle.

(d) In each general election year, a party unit not included in paragraph (c) must file reports 15 days before a primary election and ten days before a general election.

(e) Notwithstanding paragraphs (a) to (d), the principal campaign committee of a candidate whose name will not be on the general election ballot is not required to file the report due ten days before a general election or seven days before a special election.

Sec. 28. Minnesota Statutes 2012, section 10A.20, subdivision 3, is amended to read:

Subd. 3. **Contents of report.** (a) The report required by this section must include each of the items listed in paragraphs (b) to (o) that are applicable to the filer. The board shall prescribe forms based on filer type indicating which of those items must be included on the filer's report.

~~(a)~~ (b) The report must disclose the amount of liquid assets on hand at the beginning of the reporting period.

~~(b)~~ (c) The report must disclose the name, address, and employer, or occupation if self-employed, of each individual or association that has made one or more contributions to the reporting entity, including the purchase of tickets for a fund-raising effort, that in aggregate within the year exceed ~~$100~~ $200 for legislative or statewide candidates or more than $500 for ballot questions, together with the amount and date of each contribution, and the aggregate amount of contributions within the year from each source so disclosed. A donation in kind must be disclosed at its fair market value. An approved expenditure must be listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors must be listed in alphabetical order. Contributions from the same contributor must be listed under the same name. When a contribution received from a contributor in a reporting period is added to previously reported unitemized contributions from the same contributor and the aggregate exceeds the disclosure threshold of this paragraph, the name, address, and employer, or occupation if self-employed, of the contributor must then be listed on the report.

~~(c)~~ (d) The report must disclose the sum of contributions to the reporting entity during the reporting period.

~~(d)~~ (e) The report must disclose each loan made or received by the reporting entity within the year in aggregate in excess of ~~$100~~ $200, continuously reported until repaid or forgiven, together with the name, address, occupation, and principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If a loan made to the principal campaign committee of a candidate is forgiven or is repaid by an entity other than that principal campaign committee, it must be reported as a contribution for the year in which the loan was made.

~~(e)~~ (f) The report must disclose each receipt over ~~$100~~ $200 during the reporting period not otherwise listed under paragraphs ~~(b)~~ (c) to ~~(d)~~ (e).

~~(f)~~ (g) The report must disclose the sum of all receipts of the reporting entity during the reporting period.

~~(g)~~ (h) The report must disclose the name and address of each individual or association to whom aggregate expenditures, ~~including~~ approved expenditures, independent expenditures, ballot question expenditures, and disbursements for electioneering communications have been made by or on behalf of the reporting entity within the year in excess of ~~$100~~ $200, together with the amount, date, and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made or, in the case of electioneering communications, each candidate identified positively in the communication, identification of the ballot question that the expenditure was intended to promote or defeat and an indication of whether the expenditure was to promote or to defeat the ballot question, and in the case of independent expenditures made in opposition to a candidate or electioneering communications in which a candidate is identified negatively, the candidate's name, address, and office sought. A reporting entity making an expenditure on behalf of more than one candidate for state or legislative office must allocate the expenditure among the candidates on a reasonable cost basis and report the allocation for each candidate.

~~(h)~~ (i) The report must disclose the sum of all expenditures made by or on behalf of the reporting entity during the reporting period.

~~(i)~~ (j) The report must disclose the amount and nature of an advance of credit incurred by the reporting entity, continuously reported until paid or forgiven. If an advance of credit incurred by the principal campaign committee of a candidate is forgiven by the creditor or paid by an entity other than that principal campaign committee, it must be reported as a donation in kind for the year in which the advance of credit was made.

~~(j)~~ (k) The report must disclose the name and address of each political committee, political fund, principal campaign committee, or party unit to which contributions have been made that aggregate in excess of ~~$100~~ $200 within the year and the amount and date of each contribution.

~~(k)~~ (l) The report must disclose the sum of all contributions made by the reporting entity during the reporting period.

~~(l)~~ (m) The report must disclose the name and address of each individual or association to whom noncampaign disbursements have been made that aggregate in excess of ~~$100~~ $200 within the year by or on behalf of the reporting entity and the amount, date, and purpose of each noncampaign disbursement.

~~(m)~~ (n) The report must disclose the sum of all noncampaign disbursements made within the year by or on behalf of the reporting entity.

~~(n)~~ (o) The report must disclose the name and address of a nonprofit corporation that provides administrative assistance to a political committee or political fund as authorized by section 211B.15, subdivision 17, the type of administrative assistance provided, and the aggregate fair market value of each type of assistance provided to the political committee or political fund during the reporting period.

Sec. 29. Minnesota Statutes 2012, section 10A.20, subdivision 5, is amended to read:

Subd. 5. **~~Preelection~~ Pre-election reports.** (a) Any loan, contribution, or contributions:

(1) to a political committee or political fund from any one source totaling more than $1,000 ~~or more, or in a statewide election for~~;

(2) to the principal campaign committee of a candidate for an appellate court judicial office~~, any loan, contribution, or contributions from any one source~~ totaling more than $2,000 ~~or more, or in any judicial~~;

(3) to the principal campaign committee of a candidate for district court judge totaling more than $400 ~~or more, and any loan, contribution, or contributions~~; or

(4) to the principal campaign committee of a candidate for constitutional office or for the legislature ~~from any one source~~ totaling ~~80~~ more than 50 percent ~~or more~~ of the election cycle contribution limit for the office, received between the last day covered in the last report before an election and the election must be reported to the board ~~in one of the following ways:~~ in the manner provided in paragraph (b).

(b) A loan, contribution, or contributions required to be reported to the board under paragraph (a) must be reported to the board either:

(1) in person by the end of the next business day after its receipt; or

(2) by electronic means sent within 24 hours after its receipt.

(c) These loans and contributions must also be reported in the next required report.

(d) This notice requirement does not apply ~~with respect to~~ in a primary ~~in which the statewide or legislative~~ election to a candidate who is unopposed in the primary, in a primary election to a ballot question political committee or fund, or in a general election to a candidate whose name is not on the general election ballot. The board must post the report on its Web site by the end of the next business day after it is received.

(e) This subdivision does not apply to a ballot question or independent expenditure political committee or fund that has not met the registration threshold of section 10A.14, subdivision 1a. However, if a contribution that would be subject to this section triggers the registration requirement in section 10A.14, subdivision 1a, then both registration under that section and reporting under this section are required.

Sec. 30. Minnesota Statutes 2012, section 10A.20, subdivision 6, is amended to read:

Subd. 6. **Report when no committee.** (a) A candidate who does not designate and cause to be formed a principal campaign committee and ~~an individual~~ who makes ~~independent expenditures or~~ campaign expenditures ~~expressly advocating the approval or defeat of a ballot question~~ in aggregate in excess of ~~$100~~ $750 in a year must file with the board a report containing the information required by subdivision 3. Reports required by this subdivision must be filed ~~on~~ by the dates on which reports by principal campaign committees~~, funds, and party units are~~ must be filed.

(b) An individual who makes independent expenditures that aggregate more than $1,500 in a calendar year or expenditures to promote or defeat a ballot question that aggregate more than $5,000 in a calendar year must file with the board a report containing the information required by

subdivision 3. A report required by this subdivision must be filed by the date on which the next report by political committees and political funds must be filed.

Sec. 31. Minnesota Statutes 2012, section 10A.20, subdivision 7, is amended to read:

Subd. 7. **Statement of inactivity.** If a ~~reporting entity~~ principal campaign committee, party unit, or political committee, has no receipts or expenditures during a reporting period, the treasurer must file with the board at the time required by this section a statement to that effect.

Sec. 32. Minnesota Statutes 2012, section 10A.20, is amended by adding a subdivision to read:

Subd. 7a. **Activity of political fund.** An association is not required to file any statement or report for a reporting period when the association accepted no contributions into the association's political fund and made no expenditures from its political fund since the last date included in its most recent filed report. If the association maintains a separate checking account for its political fund, the receipt of interest on the proceeds of that account and the payment of fees to maintain that account do not constitute activity that requires the filing of a report for an otherwise inactive political fund.

Sec. 33. **[10A.201] ELECTIONEERING COMMUNICATIONS.**

Subdivision 1. **Electioneering communication.** (a) "Electioneering communication" means a communication distributed by television, radio, satellite, or cable broadcasting system; by means of printed material, signs, or billboards; or through the use of telephone communications that:

(1) refers to a clearly identified candidate;

(2) is made within:

(i) 30 days before a primary election or special primary election for the office sought by the candidate; or

(ii) 60 days before a general election or special election for the office sought by the candidate;

(3) is targeted to the relevant electorate; and

(4) is made without the express or implied consent, authorization, or cooperation of, and not in concert with or at the request or suggestion of, a candidate or a candidate's principal campaign committee or agent.

(b) If an electioneering communication clearly directs recipients to another communication, including a Web site, on-demand or streaming video, or similar communications, the electioneering communication consists of both the original electioneering communication and the communication to which recipients are directed and the cost of both must be included when determining if disclosure is required under this section.

(c) Electioneering communication does not include:

(1) the publishing or broadcasting of news items or editorial comments by the news media;

(2) a communication that constitutes an approved expenditure or an independent expenditure;

(3) a communication by an association distributed only to the association's own members, donors, or subscribers in a newsletter or similar publication in a form that is routinely sent to the association's members;

(4) a voter guide, which is a pamphlet or similar printed materials, intended to help voters compare candidates' positions on a set of issues, as long as each of the following is true:

(i) the guide does not focus on a single issue or a narrow range of issues, but includes questions and subjects sufficient to encompass major issues of interest to the entire electorate;

(ii) the questions and any other description of the issues are clear and unbiased in both their structure and content;

(iii) the questions posed and provided to the candidates are identical to those included in the guide;

(iv) each candidate included in the guide is given a reasonable amount of time and the same opportunity as other candidates to respond to the questions;

(v) if the candidate is given limited choices for an answer to a question, for example: "support," "oppose," "yes," or "no", the candidate is also given an opportunity, subject to reasonable limits, to explain the candidate's position in the candidate's own words; the fact that a candidate provided an explanation is clearly indicated in the guide; and the guide clearly indicates that the explanations will be made available for public inspection, subject to reasonable conditions;

(vi) answers included in the guide are those provided by the candidates in response to questions, the candidate's answers are unedited, and the answers appear in close proximity to the question to which they respond;

(vii) if the guide includes candidates' positions based on information other than responses provided directly by the candidate, the positions are based on recorded votes, reliable media reports, or public statements of the candidates and are presented in an unedited and unbiased manner; and

(viii) the guide includes all major party candidates for each office listed in the guide;

(5) any other communication specified in board rules or advisory opinions as being excluded from the definition of electioneering communications;

(6) a communication that:

(i) refers to a clearly identified candidate who is an incumbent member of the legislature or a constitutional officer;

(ii) refers to a clearly identified issue that is or was before the legislature in the form of an introduced bill; and

(iii) is made when the legislature is in session, or within ten days after the last day of a regular session of the legislature.

(d) A communication that meets the requirements of paragraph (a) but is made with the authorization or express or implied consent of, or in cooperation or in concert with, or at the request or suggestion of a candidate, a candidate's principal campaign committee, or a candidate's agent is an approved expenditure.

(e) Distributing a voter guide questionnaire, survey, or similar document to candidates and communications with candidates limited to obtaining their responses, without more, do not constitute communications that would result in the voter guide being an approved expenditure on behalf of the candidate.

Subd. 2. **Targeted to relevant electorate.** (a) For purposes of this section, a communication that refers to a clearly identified candidate is targeted to the relevant electorate if the communication is distributed to or can be received by more than 1,500 persons in the district the candidate seeks to represent, in the case of a candidate for the house of representatives, senate, or a district court judicial office or by more than 6,000 persons in the state, in the case of a candidate for constitutional office or appellate court judicial office.

(b) A communication consisting of printed materials, other than signs, billboards, or advertisements published in the print media, is targeted to the relevant electorate if it meets the requirements of paragraph (a), and is distributed to voters by means of United States mail or through direct delivery to a resident's home or business.

Subd. 3. **Disclosure of electioneering communications.** (a) Electioneering communications made by a political committee, a party unit, or a principal campaign committee must be disclosed on the periodic reports of receipts and expenditures filed by the association on the schedule and in accordance with the terms of section 10A.20.

(b) An association other than a political committee, party unit, or principal campaign committee may register a political fund with the board and disclose its electioneering communications on the reports of receipts and expenditures filed by the political fund. If it does so, it must disclose its disbursements for electioneering communication on the schedule and in accordance with the terms of section 10A.20.

(c) An association that does not disclose its disbursements for electioneering communication under paragraph (a) or (b) must disclose its electioneering communications according to the requirements of subdivision 4.

Subd. 4. **Statement required for electioneering communications made by unregistered associations.** (a) Except for associations providing disclosure as specified in subdivision 3, paragraph (a) or (b), every person who makes a disbursement for the costs of producing or distributing electioneering communications that aggregate more than $1,500 in a calendar year must, within 24 hours of each disclosure date, file with the board a disclosure statement containing the information described in this subdivision.

(b) Each statement required to be filed under this section must contain the following information:

(1) the names of: (i) the association making the disbursement; (ii) any person exercising direction or control over the activities of the association with respect to the disbursement; and (iii) the custodian of the financial records of the association making disbursement;

(2) the address of the association making the disbursement;

(3) the amount of each disbursement of more than $200 during the period covered by the statement, a description of the purpose of the disbursement, and the identification of the person to whom the disbursement was made;

(4) the names of the candidates identified or to be identified in the communication;

(5) if the disbursements were paid out of a segregated bank account that consists of funds donated specifically for electioneering communications, the name and address of each person who gave the association more than $200 in aggregate to that account during the period beginning on the first day of the preceding calendar year and ending on the disclosure date; and

(6) if the disbursements for electioneering communications were made using general treasury money of the association, an association that has paid more than $5,000 in aggregate for electioneering communications during the calendar year must file with its disclosure statement a written statement that includes the name, address, and amount attributable to each person that paid the association membership dues or fees, or made donations to the association that, in total, aggregate more than $5,000 of the money used by the association for electioneering communications. The statement must also include the total amount of the disbursements for electioneering communications attributable to persons not subject to itemization under this clause. The statement must be certified as true by an officer of the association that made the disbursements for the electioneering communications.

(c) To determine the amount of the membership dues or fees, or donations made by a person to an association and attributable to the association's disbursements for electioneering communications, the association must separately prorate the total disbursements made for electioneering communications during the calendar year over all general treasury money received during the calendar year.

(d) If the amount spent for electioneering communications exceeds the amount of general treasury money received by the association during that year:

(1) the electioneering communications must be attributed first to all receipts of general treasury money received during the calendar year in which the electioneering communications were made;

(2) any amount of current year electioneering communications that exceeds the total of all receipts of general treasury money during the current calendar year must be prorated over all general treasury money received in the preceding calendar year; and

(3) if the allocation made in clauses (1) and (2) is insufficient to cover the subject electioneering communications, no further allocation is required.

(e) After a portion of the general treasury money received by an association from a person has been designated as the source of a disbursement for electioneering communications, that portion of the association's general treasury money received from that person may not be designated as the source of any other disbursement for electioneering communications or as the source for any contribution to an independent expenditure political committee or fund.

Subd. 5. **Disclosure date.** For purposes of this section, the term "disclosure date" means the earlier of:

(1) the first date on which an electioneering communication is publicly distributed, provided that the person making the electioneering communication has made disbursements for the direct costs of producing or distributing one or more electioneering communication aggregating in excess of $1,500; or

(2) any other date during the same calendar year on which an electioneering communication is publicly distributed, provided that the person making the electioneering communication has made disbursements for the direct costs of distributing one or more electioneering communications aggregating in excess of $1,500 since the most recent disclosure date.

Subd. 6. **Contracts to disburse.** For purposes of this section, a person shall be treated as having made a disbursement if the person has entered into an obligation to make the disbursement.

Subd. 7. **Statement of attribution.** (a) An electioneering communication must include a statement of attribution.

(1) For communications distributed by printed material, signs, and billboards, the statement must say, in conspicuous letters: "Paid for by [association name] [address]."

(2) For communications distributed by television, radio, satellite, or cable broadcasting system, the statement must be included at the end of the communication and must orally state at a volume and speed that a person of ordinary hearing can comprehend: "The preceding communication was paid for by the [association name]."

(3) For communications distributed by telephone communication, the statement must precede the communication and must orally state at a volume and speed that a person of ordinary hearing can comprehend: "The following communication is paid for by the [association name]."

(b) If the communication is paid for by an association registered with the board, the statement of attribution must use the association's name as it is registered with the board. If the communication is paid for by an association not registered with the board, the statement of attribution must use the association's name as it is disclosed to the board on the association's disclosure statement associated with the communication.

Subd. 8. **Failure to file; penalty.** (a) If a person fails to file a statement required by this section by the date the statement is due, the board may impose a late filing fee of $50 per day, not to exceed $1,000, commencing the day after the report was due.

(b) The board must send notice by certified mail to a person who fails to file a statement within ten business days after the statement was due that the person may be subject to a civil penalty for failure to file the statement. A person who fails to file the statement within seven days after the certified mail notice was sent by the board is subject to a civil penalty imposed by the board of up to $1,000.

(c) An association that provides disclosure under section 10A.20 rather than under this section is subject to the late filing fee and civil penalty provisions of section 10A.20 and is not subject to the penalties provided in this subdivision.

(d) An association that makes electioneering communications under this section and willfully fails to provide the statement required by subdivision 4, paragraph (b), clause (6), within the time specified is subject to an additional civil penalty of up to four times the amount of the electioneering communications disbursements that should have been included on the statement.

Sec. 34. Minnesota Statutes 2012, section 10A.241, is amended to read:

10A.241 TRANSFER OF DEBTS.

~~Notwithstanding section 10A.24,~~ A candidate may terminate the candidate's principal campaign committee for one state office by transferring any debts of that committee to the candidate's principal campaign committee for another state office if all outstanding unpaid bills or loans from the committee being terminated are assumed and continuously reported by the committee to which the transfer is being made until paid or forgiven. A loan that is forgiven is covered by section 10A.20 and~~, for purposes of section 10A.324,~~ is a contribution to the principal campaign committee from which the debt was transferred under this section.

Sec. 35. **[10A.243] TERMINATION OF REGISTRATION.**

Subdivision 1. **Termination report.** A political committee, political fund, principal campaign committee, or party unit may terminate its registration with the board after it has disposed of all its assets in excess of $100 by filing a final report of receipts and expenditures. The final report must be identified as a termination report and must include all financial transactions that occurred after the last date included on the most recent report filed with the board. The termination report may be filed at any time after the asset threshold in this section is reached.

Subd. 2. **Asset disposition.** "Assets" include credit balances at vendors, prepaid postage and postage stamps, as well as physical assets. Assets must be disposed of at their fair market value. Assets of a political fund that consist of, or were acquired using, only the general treasury money of the fund's supporting association remain the property of the association upon termination of the association's political fund registration and are not subject to the disposal requirements of this section.

Sec. 36. **[10A.244] VOLUNTARY INACTIVE STATUS; POLITICAL FUNDS.**

Subdivision 1. **Election of voluntary inactive status.** An association that has a political fund registered under this chapter may elect to have the fund placed on voluntary inactive status if the following conditions are met:

(1) the association makes a written request for inactive status;

(2) the association has filed all periodic reports required by this chapter and has received no contributions into its political fund and made no expenditures or disbursements for electioneering communications through its political fund since the last date included on the association's most recent report; and

(3) the association has satisfied all obligations to the state for late filing fees and civil penalties imposed by the board or the board has waived this requirement.

Subd. 2. **Effect of voluntary inactive status.** After an association has complied with the requirements of subdivision 1:

(1) the board must notify the association that its political fund has been placed in voluntary inactive status and of the terms of this section;

(2) the board must stop sending the association reports, forms, and notices of report due dates that are periodically sent to entities registered with the board;

(3) the association is not required to file periodic disclosure reports for its political fund as otherwise required under this chapter;

(4) the association may not accept contributions into its political fund and may not make expenditures, contributions, or disbursements for electioneering communications through its political fund; and

(5) if the association maintains a separate depository account for its political fund, it may continue to pay bank service charges and receive interest paid on that account while its political fund is in inactive status.

Subd. 3. **Resumption of active status or termination.** (a) An association that has placed its political fund in voluntary inactive status may resume active status upon written notice to the board.

(b) A political fund placed in voluntary inactive status must resume active status within 14 days of the date that it has accepted contributions or made expenditures, contributions, or disbursements for electioneering communications that aggregate more than $750 since the political fund was placed on inactive status. If, after meeting this threshold, the association does not notify the board that its fund has resumed active status, the board may place the association's political fund in active status and notify the association of the change in status.

(c) An association that has placed its political fund in voluntary inactive status may terminate the registration of the fund without returning it to active status.

Subd. 4. **Penalty for financial activity while in voluntary inactive status.** If an association fails to notify the board of its political fund's resumption of active status under subdivision 3, the board may impose a civil penalty of $50 per day, not to exceed $1,000 commencing on the 15th calendar day after the fund resumed active status.

Sec. 37. **[10A.245] ADMINISTRATIVE TERMINATION OF INACTIVE COMMITTEES AND FUNDS.**

Subdivision 1. **Inactivity defined.** (a) A principal campaign committee becomes inactive on the later of the following dates:

(1) six years after the last election in which the individual for whom the committee exists was a candidate for the office sought or held at the time the principal campaign committee registered with the board; or

(2) six years after the last day on which the individual for whom the committee exists served in an elective office subject to this chapter.

(b) A political committee, political fund, or party unit becomes inactive when four years have elapsed since the end of a reporting period during which the political committee, political fund, or party unit made an expenditure or disbursement requiring itemized disclosure under this chapter.

(c) A political fund that has elected voluntary inactive status under section 10A.244 becomes inactive within the meaning of this section when four years have elapsed during which the political fund was continuously in voluntary inactive status.

Subd. 2. **Termination by board.** The board may terminate the registration of a principal campaign committee, party unit, political committee, or political fund found to be inactive under this section 60 days after sending written notice of inactivity by certified mail to the affected association at the last address on record with the board for that association. Within 60 days after the board sends notice under this section, the affected association must dispose of its assets as provided in this subdivision. The assets of the principal campaign committee, party unit, or political committee must be used for the purposes authorized by this chapter or section 211B.12 or must be liquidated and deposited in the general account of the state elections campaign account. The assets of an association's political fund that were derived from the association's general treasury money revert to the association's general treasury. Assets of a political fund that resulted from contributions to the political fund must be used for the purposes authorized by this chapter or section 211B.12 or must be liquidated and deposited in the general account of the state elections campaign account.

Sec. 38. **[10A.246] UNPAID DEBT UPON TERMINATION.**

Termination of a registration with the board does not affect the liability, if any, of the association or its candidates, officers, or other individuals for obligations incurred in the name of the association or its political fund.

Sec. 39. Minnesota Statutes 2012, section 10A.25, subdivision 2, is amended to read:

Subd. 2. **Amounts.** (a) In ~~a year in which an election is held~~ each election cycle for an office sought by a candidate, the principal campaign committee of the candidate must not make campaign expenditures nor permit approved expenditures to be made on behalf of the candidate that result in aggregate expenditures in excess of the following:

(1) for governor and lieutenant governor, running together, ~~$2,577,200~~ $5,000,000;

(2) for attorney general, ~~$429,600~~;

~~(3) for~~ secretary of state, and state auditor, ~~separately, $214,800~~ each $1,500,000;

~~(4)~~ (3) for state senator, ~~$68,100~~ $120,000;

~~(5)~~ (4) for state representative, ~~$34,300~~ $60,000.

(b) In addition to the amount in paragraph (a), clause (1), a candidate for endorsement for the office of lieutenant governor at the convention of a political party may make campaign expenditures and approved expenditures of five percent of that amount to seek endorsement.

(c) If a special election cycle occurs during a general election cycle, expenditures by or on behalf of a candidate in the special election cycle do not count as expenditures by or on behalf of the candidate in the general election cycle.

(d) The expenditure limits in this subdivision for an office are increased by ten percent for a candidate who ~~is running for that office for the first time~~ has not previously held the same office, whose name has not previously been on the primary or general election ballot for that office, and who has not in the past ten years raised or spent more than $750 in a run ~~previously~~ for any other office whose territory now includes a population that is more than one-third of the population in the territory of the new office. In the case of a legislative candidate, the office is that of a member of the house of representatives or senate without regard to any specific district.

Sec. 40. Minnesota Statutes 2012, section 10A.25, subdivision 2a, is amended to read:

Subd. 2a. **Aggregated expenditures.** If a candidate makes expenditures from more than one principal campaign committee for nomination or election to statewide office in the same election ~~year~~ cycle, the amount of expenditures from all of the candidate's principal campaign committees for statewide office for that election ~~year~~ cycle must be aggregated for purposes of applying the limits on expenditures under subdivision 2.

Sec. 41. Minnesota Statutes 2012, section 10A.25, subdivision 3, is amended to read:

Subd. 3. **Governor and lieutenant governor a single candidate.** For the purposes of ~~sections 10A.11 to 10A.34~~ this chapter, a candidate for governor and a candidate for lieutenant governor, running together, are considered a single candidate. Except as provided in subdivision 2, paragraph (b), all expenditures made by or all approved expenditures made on behalf of the candidate for

lieutenant governor are considered to be expenditures by or approved expenditures on behalf of the candidate for governor.

Sec. 42. Minnesota Statutes 2012, section 10A.25, subdivision 3a, is amended to read:

Subd. 3a. **Independent expenditures and electioneering communications.** The principal campaign committee of a candidate must not make independent expenditures or disbursements for electioneering communications.

Sec. 43. Minnesota Statutes 2012, section 10A.257, subdivision 1, is amended to read:

Subdivision 1. **Unused funds.** After all campaign expenditures and noncampaign disbursements for an election cycle have been made, an amount up to ~~50~~ 25 percent of the election ~~year~~ cycle expenditure limit for the office may be carried forward. Any remaining amount up to the total amount of the public subsidy from the state elections campaign fund must be returned to the state treasury for credit to the general fund under section 10A.324. Any remaining amount in excess of the total public subsidy must be contributed to the state elections campaign ~~fund~~ account or a political party for multicandidate expenditures as defined in section 10A.275.

Sec. 44. Minnesota Statutes 2012, section 10A.27, subdivision 1, is amended to read:

Subdivision 1. **Contribution limits.** (a) Except as provided in subdivision 2, a candidate must not permit the candidate's principal campaign committee to accept aggregate contributions in an election cycle made or delivered by any individual, political committee, ~~or~~ political fund, or association not registered with the board in excess of the following:

(1) to candidates for governor and lieutenant governor running together, ~~$2,000 in an election year for the office sought and $500 in other years~~ $6,000;

(2) to a candidate for attorney general, secretary of state, or state auditor, ~~$1,000 in an election year for the office sought and $200 in other years~~ $4,000;

(3) to a candidate for state senator, ~~$500 in an election year for the office sought and $100 in other years~~ $3,000;

(4) to a candidate for state representative, ~~$500 in an election year for the office sought and $100 in the other year~~ $1,500; and

(5) to a candidate for judicial office, ~~$2,000 in an election year for the office sought and $500 in other years~~ $4,500.

(b) The following deliveries are not subject to the bundling limitation in this subdivision:

(1) delivery of contributions collected by a member of the candidate's principal campaign committee, such as a block worker or a volunteer who hosts a fund-raising event, to the committee's treasurer; and

(2) a delivery made by an individual on behalf of the individual's spouse.

(c) A lobbyist, political committee, political party unit, ~~or~~ an association that has a political fund, or an association not registered with the board must not make a contribution a candidate is prohibited from accepting.

Sec. 45. Minnesota Statutes 2012, section 10A.27, subdivision 10, is amended to read:

Subd. 10. **Limited personal contributions.** A candidate who ~~accepts a public subsidy~~ signs an agreement under section 10A.322 may not contribute to the candidate's own campaign during ~~a year~~ an election cycle more than ~~ten~~ five times the candidate's election ~~year~~ cycle contribution limit under subdivision 1.

Sec. 46. Minnesota Statutes 2012, section 10A.27, subdivision 11, is amended to read:

Subd. 11. **Contributions from certain types of contributors.** A candidate must not permit the candidate's principal campaign committee to accept a contribution from a political committee, political fund, lobbyist, ~~or~~ large contributor, or association not registered with the board if the contribution will cause the aggregate contributions from those types of contributors to exceed an amount equal to 20 percent of the expenditure limits for the office sought by the candidate, provided that the 20 percent limit must be rounded to the nearest $100. For purposes of this subdivision, "large contributor" means an individual, other than the candidate, who contributes an amount that is ~~more than $100 and~~ more than one-half the amount an individual may contribute.

Sec. 47. Minnesota Statutes 2012, section 10A.27, subdivision 13, is amended to read:

Subd. 13. **Unregistered association limit; statement; penalty.** (a) The treasurer of a political committee, political fund, principal campaign committee, or party unit must not accept a contribution of more than ~~$100~~ $200 from an association not registered under this chapter unless the contribution is accompanied by a written statement that meets the disclosure and reporting period requirements imposed by section 10A.20. This statement must be certified as true and correct by an officer of the contributing association. The committee, fund, or party unit that accepts the contribution must include a copy of the statement with the report that discloses the contribution to the board. ~~This subdivision does not apply when a national political party contributes money to its affiliate in this state.~~

(b) An unregistered association may provide the written statement required by this subdivision to no more than three committees, funds, or party units in a calendar year. Each statement must cover at least the 30 days immediately preceding and including the date on which the contribution was made. An unregistered association or an officer of it is subject to a civil penalty imposed by the board of up to $1,000, if the association or its officer:

(1) fails to provide a written statement as required by this subdivision; or

(2) fails to register after giving the written statement required by this subdivision to more than three committees, funds, or party units in a calendar year.

(c) The treasurer of a political committee, political fund, principal campaign committee, or party unit who accepts a contribution in excess of ~~$100~~ $200 from an unregistered association without the required written disclosure statement is subject to a civil penalty up to four times the amount in excess of ~~$100~~ $200.

(d) This subdivision does not apply:

(1) when a national political party contributes money to its state committee; or

(2) to purchases by candidates for federal office of tickets to events or space rental at events held by party units in this state (i) if the geographical area represented by the party unit includes any part of the geographical area of the office that the federal candidate is seeking and (ii) the purchase price is not more than that paid by other attendees or renters of similar spaces.

Sec. 48. Minnesota Statutes 2012, section 10A.27, subdivision 14, is amended to read:

Subd. 14. **Contributions of business revenue.** An association may, if not prohibited by other law, contribute revenue from the operation of a business to an independent expenditure or ballot question political committee or ~~an independent expenditure political~~ fund without complying with subdivision 13.

Sec. 49. Minnesota Statutes 2012, section 10A.27, subdivision 15, is amended to read:

Subd. 15. **Contributions ~~of dues or contribution revenue~~ or use of general treasury money.** (a) An association may, if not prohibited by other law, contribute ~~revenue from membership dues or fees, or from contributions received by the association~~ its general treasury money to an independent expenditure or ballot question political committee or ~~an independent expenditure political~~ fund, including its own independent expenditure or ballot question political committee or fund, without complying with subdivision 13.

(b) Before the day when the recipient committee or fund's next report must be filed with the board under section 10A.20, subdivision 2 or 5, an association that has contributed more than $5,000 ~~or more~~ in aggregate to independent expenditure political committees or funds during the calendar year or has contributed more than $5,000 in aggregate to ballot question political committees or funds during the calendar year must provide in writing to the recipient's treasurer a statement that includes the name, address, and amount attributable to each ~~individual or association~~ person that paid the association dues or fees, or made ~~contributions~~ donations to the association that, in total, aggregate ~~$1,000 or more~~ more than $5,000 of the contribution from the association to the independent expenditure or ballot question political committee or fund. The statement must also include the total amount of the contribution ~~from individuals or associations~~ attributable to persons not subject to itemization under this section. The statement must be certified as true ~~and correct~~ by an officer of the donor association.

~~(b)~~ (c) To determine the amount of membership dues or fees, or ~~contributions~~ donations made by ~~an individual or association that exceed $1,000 of the contribution made by the donor association~~ a person to an association and attributable to the association's contribution to the independent expenditure or ballot question political committee or fund, the donor association must:

(1) apply a pro rata calculation to all unrestricted dues, fees, and contributions received by the donor association in the calendar year; or

(2) as provided in paragraph (c), identify the specific individuals or associations whose dues, fees, or contributions are included in the contribution to the independent expenditure political committee or fund.

(c) Dues, fees, or contributions from an individual or association must be identified in a contribution to an independent expenditure political committee or fund under paragraph (b), clause (2), if:

(1) the individual or association has specifically authorized the donor association to use the individual's or association's dues, fees, or contributions for this purpose; or

(2) the individual's or association's dues, fees, or contributions to the donor association are unrestricted and the donor association designates them as the source of the subject contribution to the independent expenditure political committee or fund.

(d) After a portion of ~~an individual's or association's dues, fees, or contributions to the donor association have~~ the general treasury money received by an association from a person has been designated as the source of a contribution to an independent expenditure or ballot question political committee or fund, that portion of the ~~individual's or association's dues, fees, or contributions to the donor association~~ association's general treasury money received from that person may not be designated as the source of any other contribution to an independent expenditure or ballot question political committee or fund or as the source of funds for a disbursement for electioneering communications made by that association.

~~(d) For the purposes of this section, "donor association" means the association contributing to an independent expenditure political committee or fund that is required to provide a statement under paragraph (a).~~

Sec. 50. Minnesota Statutes 2012, section 10A.323, is amended to read:

10A.323 AFFIDAVIT OF CONTRIBUTIONS.

(a) In addition to the requirements of section 10A.322, to be eligible to receive a public subsidy under section 10A.31 a candidate or the candidate's treasurer must ~~file an affidavit with the board stating that~~:

(1) between January 1 of the previous year and the cutoff date for transactions included in the report of receipts and expenditures due before the primary election ~~the candidate has accumulated~~, accumulate contributions from ~~persons~~ individuals eligible to vote in this state in at least the amount indicated for the office sought, counting only the first $50 received from each contributor, excluding in-kind contributions:

~~(1)~~ (i) candidates for governor and lieutenant governor running together, $35,000;

~~(2)~~ (ii) candidates for attorney general, $15,000;

~~(3)~~ (iii) candidates for secretary of state and state auditor, separately, $6,000;

~~(4)~~ (iv) candidates for the senate, $3,000; and

~~(5)~~ (v) candidates for the house of representatives, $1,500~~.~~;

(2) the candidate or the candidate's treasurer must file an affidavit with the board stating that the principal campaign committee has complied with this paragraph. The affidavit must state the total amount of contributions that have been received from ~~persons~~ individuals eligible to vote in this state, ~~disregarding~~ excluding:

(i) the portion of any contribution in excess of $50~~.~~;

(ii) any in-kind contribution; and

(iii) any contribution for which the name and address of the contributor is not known and recorded; and

(3) the candidate or the candidate's treasurer must submit the affidavit required by this section to the board in writing by the deadline for reporting of receipts and expenditures before a primary under section 10A.20, subdivision 4.

(b) A candidate for a vacancy to be filled at a special election for which the filing period does not coincide with the filing period for the general election must accumulate the contributions specified in paragraph (a) and must submit the affidavit required by this section to the board within five days after the close of the filing period for the special election for which the candidate filed.

Sec. 51. Minnesota Statutes 2012, section 211B.32, subdivision 1, is amended to read:

Subdivision 1. **Administrative remedy; exhaustion.** (a) Except as provided in paragraph (b), a complaint alleging a violation of chapter 211A or 211B must be filed with the office. The complaint must be finally disposed of by the office before the alleged violation may be prosecuted by a county attorney.

(b) Complaints arising under those sections and related to those individuals and associations specified in section 10A.02, subdivision 11, paragraph (a), must be filed with the Campaign Finance and Public Disclosure Board.

Sec. 52. **REPEALER.**

Minnesota Statutes 2012, sections 10A.24; 10A.242; and 10A.25, subdivision 6, are repealed.

Sec. 53. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 2

TECHNICAL CHANGES

Section 1. Minnesota Statutes 2012, section 10A.01, subdivision 35, is amended to read:

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

(1) member of the legislature;

(2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of Senate Counsel ~~and~~, Research ~~or~~, and Fiscal Analysis, House Research, or the House Fiscal Analysis Department;

(3) constitutional officer in the executive branch and the officer's chief administrative deputy;

(4) solicitor general or deputy, assistant, or special assistant attorney general;

(5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(22) director of Explore Minnesota Tourism;

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

(24) citizen member of the Clean Water Council established in section 114D.30; or

(25) member or chief executive of the Minnesota Sports Facilities Authority established in section 473J.07.

Sec. 2. Minnesota Statutes 2012, section 10A.025, subdivision 4, is amended to read:

Subd. 4. **Changes and corrections.** Material changes in information previously submitted and corrections to a report or statement must be reported in writing to the board within ten days following the date of the event prompting the change or the date upon which the person filing became aware of the inaccuracy. The change or correction must identify the form and the paragraph containing the information to be changed or corrected.

A person who willfully fails to report a material change or correction ~~is guilty of a gross misdemeanor and~~ is subject to a civil penalty imposed by the board of up to $3,000. A willful violation of this subdivision is a gross misdemeanor.

The board must send a notice by certified mail to any individual who fails to file a report required by this subdivision. If the individual fails to file the required report within ten business days after the notice was sent, the board may impose a late filing fee of $5 per day up to $100 starting on the

11th day after the notice was sent. The board must send an additional notice by certified mail to an individual who fails to file a report within 14 days after the first notice was sent by the board that the individual may be subject to a civil penalty for failure to file a report. An individual who fails to file a report required by this subdivision within seven days after the second notice was sent by the board is subject to a civil penalty imposed by the board of up to $1,000.

Sec. 3. Minnesota Statutes 2012, section 10A.04, subdivision 5, is amended to read:

Subd. 5. **Late filing.** If a lobbyist or principal fails to file a report required by this section ~~within ten business days after~~ by the date the report was due, the board may impose a late filing fee of ~~$5~~ $25 per day, not to exceed ~~$100~~ $1,000, commencing ~~with~~ the ~~11th~~ day after the report was due. The board must send notice by certified mail to any lobbyist or principal who fails to file a report within ten business days after the report was due that the lobbyist or principal may be subject to a civil penalty for failure to file the report or pay the fee. A lobbyist or principal who fails to file a report or statement or pay a fee within seven days after the certified mail notice was sent by the board is subject to a civil penalty imposed by the board of up to $1,000.

Sec. 4. Minnesota Statutes 2012, section 10A.16, is amended to read:

10A.16 EARMARKING CONTRIBUTIONS PROHIBITED.

An individual, political committee, political fund, principal campaign committee, or party unit may not solicit or accept a contribution from any source with the express or implied condition that the contribution or any part of it be directed to a particular candidate other than the initial recipient. An individual, political committee, political fund, principal campaign committee, or party unit that knowingly accepts any earmarked contribution is ~~guilty of a gross misdemeanor and~~ subject to a civil penalty imposed by the board of up to $3,000. Knowingly accepting any earmarked contribution is a gross misdemeanor.

Sec. 5. Minnesota Statutes 2012, section 10A.20, subdivision 4, is amended to read:

Subd. 4. **Period of report.** A report must cover the period from January 1 of the reporting year to seven days before the filing date, except that the report due on January 31 must cover the period from ~~the last day covered by the previous report~~ January 1 to December 31 of the reporting year.

Sec. 6. Minnesota Statutes 2012, section 10A.20, subdivision 12, is amended to read:

Subd. 12. **Failure to file; penalty.** If an individual fails to file a report required by this section that is due January 31 ~~within ten business days after the report was due~~, the board may impose a late filing fee of $25 per day, not to exceed $1,000, commencing the day after the report was due.

If an individual fails to file a report required by this section that is due before a primary or general election ~~within three days after the date due, regardless of whether the individual has received any notice~~, the board may impose a late filing fee of $50 per day, not to exceed $1,000, commencing on the day after the date the statement was due.

The board must send notice by certified mail to an individual who fails to file a report within ten business days after the report was due that the individual may be subject to a civil penalty for failure to file the report. An individual who fails to file the report within seven days after the certified mail notice was sent by the board is subject to a civil penalty imposed by the board of up to $1,000.

Sec. 7. Minnesota Statutes 2012, section 10A.273, subdivision 1, is amended to read:

Subdivision 1. **Contributions during legislative session.** (a) A candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature, must not solicit or accept a contribution from a registered lobbyist, political committee, political fund, ~~or dissolving principal campaign committee~~ an association not registered with the board, or ~~from~~ a party unit established by the party organization within a house of the legislature, during a regular session of the legislature.

(b) A registered lobbyist, political committee, political fund, ~~or dissolving principal campaign committee~~ an association not registered with the board, or a party unit established by the party organization within a house of the legislature, must not make a contribution to a candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature during a regular session of the legislature.

Sec. 8. Minnesota Statutes 2012, section 10A.273, subdivision 4, is amended to read:

Subd. 4. **Civil penalty.** A candidate, political committee, party unit, political fund, ~~principal campaign committee~~ an association not registered with the board, or a registered lobbyist that violates this section is subject to a civil penalty imposed by the board of up to $1,000. If the board makes a public finding that there is probable cause to believe a violation of this section has occurred, the board ~~must~~ may bring an action, or transmit the finding to a county attorney who must bring an action, in the District Court of Ramsey County, to collect a civil penalty as imposed by the board. Penalties paid under this section must be deposited in the general fund in the state treasury.

Sec. 9. Minnesota Statutes 2012, section 10A.30, is amended to read:

10A.30 STATE ELECTIONS CAMPAIGN ~~FUND~~ ACCOUNT.

Subdivision 1. **Establishment.** An account is established in the special revenue fund of the state known as the "state elections campaign ~~fund~~ account."

Subd. 2. **Separate account.** Within the state elections campaign ~~fund~~ account there must be maintained a separate political party account for the state committee and the candidates of each political party and a general account.

Subd. 3. **Special elections account.** An account is established in the special revenue fund of the state known as the "state special elections campaign account."

Sec. 10. Minnesota Statutes 2012, section 10A.31, subdivision 7, is amended to read:

Subd. 7. **Distribution of general account.** (a) As soon as the board has obtained the results of the primary election from the secretary of state, but no later than one week after certification of the primary results by the State Canvassing Board, the board must distribute the available money in the general account, as certified by the commissioner of revenue ~~on September 1~~ one week before the state primary and according to allocations set forth in subdivision 5, in equal amounts to all candidates of a major political party whose names are to appear on the ballot in the general election and who:

(1) have signed a spending limit agreement under section 10A.322;

(2) have filed the affidavit of contributions required by section 10A.323; and

(3) were opposed in either the primary election or the general election.

(b) The public subsidy under this subdivision may not be paid in an amount that would cause the sum of the public subsidy paid from the party account plus the public subsidy paid from the general account to exceed 50 percent of the expenditure limit for the candidate or 50 percent of the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10. Money from the general account not paid to a candidate because of the 50 percent limit must be distributed equally among all other qualifying candidates for the same office until all have reached the 50 percent limit or the balance in the general account is exhausted.

~~(c) A candidate must expend or become obligated to expend at least an amount equal to 50 percent of the money distributed by the board under this subdivision no later than the end of the final reporting period preceding the general election. Otherwise, the candidate must repay to the board the difference between the amount the candidate spent or became obligated to spend by the deadline and the amount distributed to the candidate under this subdivision. The candidate must make the repayment no later than six months following the general election. The candidate must reimburse the board for all reasonable costs, including litigation costs, incurred in collecting any amount due.~~

~~If the board determines that a candidate has failed to repay money as required by this paragraph, the board may not distribute any additional money to the candidate until the entirety of the repayment has been made.~~

Sec. 11. Minnesota Statutes 2012, section 10A.315, is amended to read:

10A.315 SPECIAL ELECTION SUBSIDY.

(a) Each eligible candidate for a legislative office in a special election must be paid a public subsidy equal to the sum of:

(1) the party account money at the last general election for the candidate's party for the office the candidate is seeking; and

(2) the general account money paid to a candidate for the same office at the last general election.

(b) A candidate who wishes to receive this public subsidy must submit a signed agreement under section 10A.322 to the board and must meet the contribution requirements of section 10A.323. The special election subsidy must be distributed in the same manner as money in the party and general accounts is distributed to legislative candidates in a general election.

(c) The amount necessary to make the payments required by this section is appropriated from the general fund ~~to the board~~ for transfer to the state special elections campaign account for distribution by the board as set forth in this section.

Sec. 12. Minnesota Statutes 2012, section 10A.322, subdivision 4, is amended to read:

Subd. 4. **Refund receipt forms; penalty.** The board must make available to a political party on request and to any candidate for whom an agreement under this section is effective, a supply of official refund receipt forms that state in boldface type that:

(1) a contributor who is given a receipt form is eligible to claim a refund as provided in section 290.06, subdivision 23~~.~~; and

(2) if the contribution is to a candidate, that the candidate has signed an agreement to limit campaign expenditures as provided in this section.

The forms must provide duplicate copies of the receipt to be attached to the contributor's claim. ~~A candidate who does not sign an agreement under this section and who willfully issues~~ The willful issuance of an official refund receipt form or a facsimile of one to any of the candidate's contributors by a candidate or treasurer of a candidate who did not sign an agreement under this section is ~~guilty of~~ a misdemeanor.

Sec. 13. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 3

TECHNICAL CONFORMING CHANGES

Section 1. Minnesota Statutes 2012, section 10A.15, subdivision 1, is amended to read:

Subdivision 1. **Anonymous contributions.** A political committee, political fund, principal campaign committee, or party unit may not retain an anonymous contribution in excess of $20, but must forward it to the board for deposit in the general account of the state elections campaign ~~fund~~ account.

Sec. 2. Minnesota Statutes 2012, section 10A.242, subdivision 1, is amended to read:

Subdivision 1. **Dissolution required.** A political committee, political fund, or principal campaign committee must be dissolved within 60 days after receiving notice from the board that the committee or fund has become inactive. The assets of the committee or fund must be spent for the purposes authorized by section 211B.12 and other applicable law or liquidated and deposited in the general account of the state elections campaign ~~fund~~ account within 60 days after the board notifies the committee or fund that it has become inactive.

Sec. 3. Minnesota Statutes 2012, section 10A.27, subdivision 9, is amended to read:

Subd. 9. **Contributions to and from other candidates.** (a) A candidate or the treasurer of a candidate's principal campaign committee must not accept a contribution from another candidate's principal campaign committee or from any other committee bearing the contributing candidate's name or title or otherwise authorized by the contributing candidate, unless the contributing candidate's principal campaign committee is being dissolved. A candidate's principal campaign committee must not make a contribution to another candidate's principal campaign committee, except when the contributing committee is being dissolved.

(b) A principal campaign committee that makes a contribution to another principal campaign committee must provide with the contribution a written statement of the committee's intent to dissolve and terminate its registration within 12 months after the contribution was made. If the committee fails to dissolve and terminate its registration by that time, the board may levy a civil penalty up to four times the size of the contribution against the contributing committee. A contribution from a terminating principal campaign committee that is not accepted by another principal campaign committee must be forwarded to the board for deposit in the general account of the state elections campaign ~~fund~~ account.

(c) A candidate's principal campaign committee must not accept a contribution from, or make a contribution to, a committee associated with a person who seeks nomination or election to the office of president, senator, or representative in Congress of the United States.

(d) A candidate or the treasurer of a candidate's principal campaign committee must not accept a contribution from a candidate for political subdivision office in any state, unless the contribution is from the personal funds of the candidate for political subdivision office. A candidate or the treasurer of a candidate's principal campaign committee must not make a contribution from the principal campaign committee to a candidate for political subdivision office in any state.

Sec. 4. Minnesota Statutes 2012, section 10A.31, subdivision 1, is amended to read:

Subdivision 1. **Designation.** An individual resident of this state who files an income tax return or a renter and homeowner property tax refund return with the commissioner of revenue may designate on their original return that $5 be paid from the general fund of the state into the state elections campaign ~~fund~~ account. If a husband and wife file a joint return, each spouse may designate that $5 be paid. No individual is allowed to designate $5 more than once in any year. The taxpayer may designate that the amount be paid into the account of a political party or into the general account.

Sec. 5. Minnesota Statutes 2012, section 10A.31, subdivision 4, is amended to read:

Subd. 4. **Appropriation.** (a) The amounts designated by individuals for the state elections campaign ~~fund~~ account, less three percent, are appropriated from the general fund, must be transferred and credited to the appropriate account in the state elections campaign ~~fund~~ account, and are annually appropriated for distribution as set forth in subdivisions 5, 5a, 6, and 7. The remaining three percent must be kept in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), $1,020,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign ~~fund~~ account.

Sec. 6. Minnesota Statutes 2012, section 10A.321, subdivision 1, is amended to read:

Subdivision 1. **Calculation and certification of estimates.** The commissioner of revenue must calculate and certify to the board one week before the first day for filing for office in each election year an estimate of the total amount in the state general account of the state elections campaign ~~fund~~ account and the amount of money each candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7, may receive from the candidate's party account in the state elections campaign ~~fund~~ account. This estimate must be based upon the allocations and formulas in section 10A.31, subdivisions 5 and 5a, any necessary vote totals provided by the secretary of state to apply the formulas in section 10A.31, subdivisions 5 and 5a, and the amount of money expected to be available after 100 percent of the tax returns have been processed.

Sec. 7. Minnesota Statutes 2012, section 10A.324, subdivision 1, is amended to read:

Subdivision 1. **When return required.** A candidate must return all or a portion of the public subsidy received from the state elections campaign ~~fund~~ account or the public subsidy received under section 10A.315, under the circumstances in this section or section 10A.257, subdivision 1.

To the extent that the amount of public subsidy received exceeds the aggregate of: (1) actual expenditures made by the principal campaign committee of the candidate; and (2) approved expenditures made on behalf of the candidate, the treasurer of the candidate's principal campaign

committee must return an amount equal to the difference to the board. The cost of postage that was not used during an election cycle and payments that created credit balances at vendors at the close of an election cycle are not considered expenditures for purposes of determining the amount to be returned. Expenditures in excess of the candidate's spending limit do not count in determining aggregate expenditures under this paragraph.

Sec. 8. Minnesota Statutes 2012, section 211B.37, is amended to read:

211B.37 COSTS ASSESSED.

Except as otherwise provided in section 211B.36, subdivision 3, the chief administrative law judge shall assess the cost of considering complaints filed under section 211B.32 as provided in this section. Costs of complaints relating to a statewide ballot question or an election for a statewide or legislative office must be assessed against the appropriation from the general fund to the general account of the state elections campaign ~~fund~~ account in section 10A.31, subdivision 4. Costs of complaints relating to any other ballot question or elective office must be assessed against the county or counties in which the election is held. Where the election is held in more than one county, the chief administrative law judge shall apportion the assessment among the counties in proportion to their respective populations within the election district to which the complaint relates according to the most recent decennial federal census.

Sec. 9. **EFFECTIVE DATE.**

This article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to campaign finance; providing for additional disclosure; making various changes to campaign finance and public disclosure law; expanding jurisdiction of Campaign Finance and Public Disclosure Board; expanding definition of public official; amending Minnesota Statutes 2012, sections 10A.01, subdivisions 10, 11, 27, 28, 35, by adding subdivisions; 10A.02, subdivisions 9, 10, 11, 12; 10A.025, subdivisions 2, 3, 4; 10A.04, subdivision 5; 10A.105, subdivision 1; 10A.12, subdivisions 1, 1a, 2; 10A.121; 10A.14, subdivision 1, by adding a subdivision; 10A.15, subdivisions 1, 2, 3; 10A.16; 10A.20, subdivisions 1, 2, 3, 4, 5, 6, 7, 12, by adding a subdivision; 10A.241; 10A.242, subdivision 1; 10A.25, subdivisions 2, 2a, 3, 3a; 10A.257, subdivision 1; 10A.27, subdivisions 1, 9, 10, 11, 13, 14, 15; 10A.273, subdivisions 1, 4; 10A.30; 10A.31, subdivisions 1, 4, 7; 10A.315; 10A.321, subdivision 1; 10A.322, subdivision 4; 10A.323; 10A.324, subdivision 1; 211B.32, subdivision 1; 211B.37; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 2012, sections 10A.24; 10A.242; 10A.25, subdivision 6."

And when so amended the bill be re-referred to the Committee on Judiciary without recommendation. Amendments adopted. Report adopted.

Senator Bakk from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03,

S.F. No. 1057: A bill for an act relating to state government; proposing the governor's budget for jobs and economic development; increasing certain fees; streamlining construction inspections; creating the Minnesota job creation fund; expanding the Minnesota Trade Offices; creating

STEP grants; reducing the unemployment insurance tax; creating the transportation economic development assistance program; repealing the Minnesota Science and Technology Authority; requiring reports; appropriating money to various departments, agencies, and boards; amending Minnesota Statutes 2012, sections 116J.8731, subdivisions 2, 3; 326B.184, subdivisions 1, 2, by adding a subdivision; 326B.37, by adding a subdivision; 326B.49, subdivisions 2, 3; 341.321; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 2012, sections 116W.01; 116W.02; 116W.03; 116W.035; 116W.04; 116W.05; 116W.06; 116W.20; 116W.21; 116W.23; 116W.24; 116W.25; 116W.26; 116W.27; 116W.28; 116W.29; 116W.30; 116W.31; 116W.32; 116W.33; 116W.34; Minnesota Rules, part 1307.0032.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Jobs, Agriculture and Rural Development. Report adopted.

Senator Bakk from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03,

S.F. No. 1051: A bill for an act relating to appropriations; appropriating money from clean water fund and parks and trails fund.

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

Senator Bakk from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03,

S.F. No. 1154: A bill for an act relating to state government finance; modifying provisions of the state auditor for costs and fees; requiring determination of IT costs for certain projects; establishing the e-government advisory council; changing the audit responsibility for job opportunity building zones to the legislative auditor; changing campaign finance provisions and establishing fees; changing provisions that refer to school trust lands director; authorizing "Support Our Veterans" license plates; changing provisions related to veterans; making department of revenue changes; establishing an automobile theft prevention surcharge; making conforming changes; appropriating money; amending Minnesota Statutes 2012, sections 6.48; 6.56, subdivision 2; 10A.01, subdivision 26; 10A.02, subdivision 15; 15A.0815, subdivision 3; 16A.82; 16E.07, subdivision 6, by adding a subdivision; 65B.84, subdivision 1; 94.342, subdivision 5; 127A.30, subdivision 1; 127A.351; 127A.352, subdivisions 1, 2; 197.608, subdivisions 3, 4, 5, 6; 197.791, subdivisions 1, 4, 5; 270C.69, subdivision 1; 289A.20, subdivisions 2, 4; 289A.26, subdivision 2a; 295.55, subdivision 4; 297F.09, subdivision 7; 297G.09, subdivision 6; 297I.30, by adding a subdivision; 297I.35, subdivision 2; 469.3201; 471.699; 473.843, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 6; 10A; 16; 168; 196; 297I; 349A; repealing Minnesota Statutes 2012, sections 6.58; 127A.352, subdivision 3; 127A.353; 168A.40, subdivisions 3, 4; 197.608, subdivision 2a; 270C.145.

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

Senator Bakk from the Committee on Rules and Administration, to which was referred Joint Rule 2.03,

S.F. No. 1170: A bill for an act relating to state government; appropriating money for environment, natural resources, and commerce; modifying and providing for certain fees;

modifying and providing for disposition of certain revenue; creating accounts; modifying mining permit provisions; modifying provisions for taking game and fish; providing for wastewater laboratory certification; modifying certain permanent school fund provisions; providing for product stewardship programs; providing for sanitary districts; requiring rulemaking; amending Minnesota Statutes 2012, sections 13.7411, subdivision 4; 15A.0815, subdivision 3; 60A.14, subdivision 1; 85.052, subdivision 6; 85.054, by adding a subdivision; 85.055, subdivision 2; 89.0385; 89.17; 92.50; 93.17, subdivision 1; 93.1925, subdivision 2; 93.25, subdivision 2; 93.285, subdivision 3; 93.46, by adding a subdivision; 93.481, subdivisions 3, 5, by adding subdivisions; 93.482; 94.342, subdivision 5; 97A.045, subdivision 1; 97A.445, subdivision 1; 97A.451, subdivisions 3, 3b, 4, 5, by adding a subdivision; 97A.475, subdivisions 2, 3; 97A.485, subdivision 6; 103G.615, subdivision 2; 103I.601, by adding a subdivision; 127A.30, subdivision 1; 127A.351; 127A.352; 168.1296, subdivision 1; 239.101, subdivision 3; 275.066; proposing coding for new law in Minnesota Statutes, chapters 93; 115; 115A; proposing coding for new law as Minnesota Statutes, chapter 442A; repealing Minnesota Statutes 2012, sections 97A.451, subdivision 4a; 115.18, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10; 115.19; 115.20; 115.21; 115.22; 115.23; 115.24; 115.25; 115.26; 115.27; 115.28; 115.29; 115.30; 115.31; 115.32; 115.33; 115.34; 115.35; 115.36; 115.37; 127A.353.

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

Senator Bakk from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03,

S.F. No. 1034: A bill for an act relating to state government; establishing the health and human services budget; modifying provisions related to health care, continuing care, nursing facility admission, children and family services, human services licensing, chemical and mental health, program integrity, managed care organizations, waiver provider standards, home care, and the Department of Health; redesigning home and community-based services; establishing community first services and supports and Northstar Care for Children; providing for fraud investigations in the child care assistance program; establishing autism early intensive intervention benefits; creating a human services performance council; making technical changes; requiring a study; requiring reports; appropriating money; repealing MinnesotaCare; amending Minnesota Statutes 2012, sections 16C.10, subdivision 5; 16C.155, subdivision 1; 103I.005, by adding a subdivision; 103I.521; 119B.011, by adding a subdivision; 119B.02, by adding a subdivision; 119B.025, subdivision 1; 119B.03, subdivision 4; 119B.05, subdivision 1; 119B.13, subdivisions 1, 1a, 6, by adding subdivisions; 144.051, by adding subdivisions; 144.0724, subdivision 4; 144.123, subdivision 1; 144.125, subdivision 1; 144.98, subdivisions 3, 5, by adding subdivisions; 144.99, subdivision 4; 144A.351; 144A.43; 144A.44; 144A.45; 144D.01, subdivision 4; 145.986; 145C.01, subdivision 7; 148E.065, subdivision 4a; 149A.02, subdivisions 1a, 2, 3, 4, 5, 16, 23, 27, 34, 35, 37, by adding subdivisions; 149A.03; 149A.65, by adding subdivisions; 149A.70, subdivisions 1, 2, 3, 5; 149A.71, subdivisions 2, 4; 149A.72, subdivisions 3, 9, by adding a subdivision; 149A.73, subdivisions 1, 2, 4; 149A.74; 149A.90, subdivision 8; 149A.91, subdivision 9; 149A.92, subdivision 1; 149A.93, subdivisions 3, 6; 149A.94; 149A.96, subdivision 9; 174.30, subdivision 1; 243.166, subdivisions 4b, 7; 245.4682, subdivision 2; 245A.02, subdivisions 1, 9, 10, 14; 245A.03, subdivisions 7, 9; 245A.04, subdivision 13; 245A.042, subdivision 3; 245A.07, subdivisions 2a, 3; 245A.08, subdivision 2a; 245A.10; 245A.11, subdivisions 2a, 7, 7a, 7b, 8; 245A.1435; 245A.144; 245A.1444; 245A.16, subdivision 1; 245A.40, subdivision 5; 245A.50; 245C.04, by adding

a subdivision; 245C.08, subdivision 1; 245C.33, subdivision 1; 245D.02; 245D.03; 245D.04; 245D.05; 245D.06; 245D.07; 245D.09; 245D.10; 246.18, subdivision 8, by adding a subdivision; 246.54; 254B.04, subdivision 1; 256.01, subdivisions 2, 24, 34, by adding subdivisions; 256.0112, by adding a subdivision; 256.82, subdivisions 2, 3; 256.969, subdivision 3a; 256.975, subdivision 7, by adding subdivisions; 256.9754, subdivision 5, by adding subdivisions; 256.98, subdivision 8; 256B.02, by adding subdivisions; 256B.021, by adding subdivisions; 256B.04, subdivisions 18, 21, by adding a subdivision; 256B.055, subdivisions 3a, 6, 10, 15, by adding subdivisions; 256B.056, subdivisions 1, 1a, 1c, 3, 3c, 4, 5c, 10, by adding a subdivision; 256B.057, subdivisions 1, 8, 10, by adding a subdivision; 256B.059, subdivision 1; 256B.06, subdivision 4; 256B.0625, subdivisions 13e, 17a, 19c, 58, by adding subdivisions; 256B.0659, subdivision 21; 256B.0911, subdivisions 1, 1a, 3a, 4d, 6, 7, by adding a subdivision; 256B.0913, subdivision 4, by adding a subdivision; 256B.0915, subdivisions 3a, 5, by adding a subdivision; 256B.0916, by adding a subdivision; 256B.0917, subdivisions 6, 13, by adding subdivisions; 256B.092, subdivisions 11, 12, by adding subdivisions; 256B.434, subdivision 4; 256B.437, subdivision 6; 256B.439, subdivisions 1, 2, 3, 4, by adding a subdivision; 256B.441, subdivisions 13, 53, by adding subdivisions; 256B.49, subdivisions 11a, 12, 14, 15, by adding subdivisions; 256B.4912, subdivisions 1, 7, by adding subdivisions; 256B.493, subdivision 2; 256B.5011, subdivision 2; 256B.69, subdivisions 5c, 31; 256B.76, subdivisions 1, 2; 256B.761; 256B.766; 256I.05, by adding a subdivision; 256J.08, subdivision 24; 256J.21, subdivisions 2, 3; 256J.24, subdivisions 3, 7; 256J.621; 256J.626, subdivision 7; 257.85, subdivisions 2, 5, 6; 260C.446; 402A.10; 402A.18; 471.59, subdivision 1; 626.556, subdivisions 2, 3, 10d; 626.557, subdivisions 4, 9, 9a, 9e; 626.5572, subdivision 13; Laws 1998, chapter 407, article 6, section 116; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; 149A; 245; 245A; 245D; 256; 256B; 256J; 259A; 260C; 402A; proposing coding for new law as Minnesota Statutes, chapters 245E; 256N; repealing Minnesota Statutes 2012, sections 103I.005, subdivision 20; 144.123, subdivision 2; 144A.46; 144A.461; 149A.025; 149A.20, subdivision 8; 149A.30, subdivision 2; 149A.40, subdivision 8; 149A.45, subdivision 6; 149A.50, subdivision 6; 149A.51, subdivision 7; 149A.52, subdivision 5a; 149A.53, subdivision 9; 245A.655; 245B.01; 245B.02; 245B.03; 245B.031; 245B.04; 245B.05, subdivisions 1, 2, 3, 5, 6, 7; 245B.055; 245B.06; 245B.07; 245B.08; 245D.08; 256.82, subdivision 4; 256B.055, subdivisions 3, 5, 10b; 256B.056, subdivision 5b; 256B.057, subdivisions 1c, 2; 256B.0911, subdivisions 4a, 4b, 4c; 256B.0917, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 14; 256B.092, subdivision 11; 256B.49, subdivisions 16a, 22; 256J.24, subdivision 10; 256L.01, subdivisions 1, 1a, 2, 3, 3a, 4a, 5; 256L.02, subdivisions 1, 2, 3; 256L.03, subdivisions 1, 1a, 1b, 2, 3, 3a, 3b, 4, 5, 6; 256L.031; 256L.04, subdivisions 1, 1a, 1b, 2, 2a, 7, 7a, 7b, 8, 9, 10, 10a, 12, 13; 256L.05; 256L.06, subdivision 3; 256L.07, subdivisions 1, 2, 3, 4, 5, 8, 9; 256L.09, subdivisions 1, 2, 4, 5, 6, 7; 256L.10; 256L.11; 256L.12; 256L.15, subdivisions 1, 1a, 1b, 2; 256L.17, subdivisions 1, 2, 3, 4, 5; 256L.18; 256L.22; 256L.24; 256L.26; 256L.28; 260C.441; 485.14; Minnesota Rules, parts 3400.0130, subpart 8; 4668.0002; 4668.0003; 4668.0005; 4668.0008; 4668.0012; 4668.0016; 4668.0017; 4668.0019; 4668.0030; 4668.0035; 4668.0040; 4668.0050; 4668.0060; 4668.0065; 4668.0070; 4668.0075; 4668.0080; 4668.0100; 4668.0110; 4668.0120; 4668.0130; 4668.0140; 4668.0150; 4668.0160; 4668.0170; 4668.0180; 4668.0190; 4668.0200; 4668.0218; 4668.0220; 4668.0230; 4668.0240; 4668.0800; 4668.0805; 4668.0810; 4668.0815; 4668.0820; 4668.0825; 4668.0830; 4668.0835; 4668.0840; 4668.0845; 4668.0855; 4668.0860; 4668.0865; 4668.0870; 4669.0001; 4669.0010; 4669.0020; 4669.0030; 4669.0040; 4669.0050; 9502.0355, subpart 4; 9560.0650, subparts 1, 3, 6; 9560.0651; 9560.0655.

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

Senator Sheran from the Committee on Health, Human Services and Housing, to which was re-referred

S.F. No. 778: A bill for an act relating to collective bargaining; authorizing collective bargaining for family child care providers; authorizing collective bargaining for home and community-based long-term care services; establishing the Self-Directed Service Workforce Council; proposing coding for new law in Minnesota Statutes, chapters 179A; 256B.

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

Page 2, delete line 3 and insert "clause (5), and who receives child care assistance to subsidize child care services for a child or children currently in their care, under sections 119B.03; 119B.05; and 119B.011, subdivisions 20 and 20a."

Page 2, line 18, after the period, insert "This list shall include all family child care providers who meet the definition in section 179A.51, who had an active registration under chapter 119B."

Page 2, line 21, after "commissioner" insert "of human services" and delete "then"

Page 2, line 23, delete everything after "have"

Page 2, line 24, delete "participants" and insert "had an active registration under chapter 119B" and delete "six" and insert "12"

Page 2, line 26, after "commissioner" insert "of human services"

Page 2, line 34, after "of" insert "actively registered"

Page 3, line 1, delete "this" and after "subdivision" insert "4"

Page 3, line 2, after the period, insert "The commissioner shall notify in writing every person whose name is on a list provided by the commissioner of human services to any employee organization under this section. This notice shall identify all information about the person that was provided to the organization and shall identify the organization to which the information was provided."

Page 4, line 19, before "This" insert "Except for Minnesota Statutes, section 179A.53,"

Page 6, line 9, after the period, insert "The commissioner shall notify in writing every person whose name is on a list provided by the commissioner of human services to any employee organization under this section. This notice shall identify all information about the person that was provided to the organization and shall identify the organization to which the information was provided."

Page 6, line 35, after the first comma, insert "and Minnesota Statutes,"

Page 7, line 1, delete the second ", as"

Page 7, line 2, delete everything before the semicolon

Page 7, line 3, delete ", and as modified by this"

Page 7, line 4, delete "section"

Page 9, delete lines 30 and 31

Page 9, line 32, delete "(e)" and insert "(d)"

Page 10, line 4, delete "(f)" and insert "(e)"

Page 10, line 13, delete "(g)" and insert "(f)"

Page 10, line 14, delete "(g)" and insert "(f)"

Page 10, line 23, delete "(h)" and insert "(g)"

And when so amended the bill be re-referred to the Committee on Judiciary without recommendation. Senator Petersen, B. questioned the reference thereon and, under Rule 21, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 1014: A bill for an act relating to human services; modifying provisional discharge for the Minnesota sex offender program; modifying victim notification of discharge or release of person in the Minnesota sex offender program; amending Minnesota Statutes 2012, sections 253B.18, subdivision 5a; 253B.185, subdivisions 10, 12, 13, 14, 14a; 253B.19, subdivision 3; 611A.06, subdivisions 1, 2.

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

Delete everything after the enacting clause and insert:

"**ARTICLE 1**

STRICT AND INTENSIVE SUPERVISION AND TREATMENT AND PUBLIC EDUCATION CAMPAIGN

Section 1. **STRICT AND INTENSIVE SUPERVISION AND TREATMENT.**

The commissioner of human services shall ensure there are an adequate number of facilities that provide strict and intensive supervision and treatment for individuals civilly committed under Minnesota Statutes, section 253B.185, who are court-ordered to strict and intensive supervision and treatment placement. The facilities must meet public safety requirements as specified by the commissioners of human services, public safety, and corrections, and ensure the safety of the public while meeting the treatment needs of the civilly committed population. The commissioner shall use the information resulting from the January 2013 request for information to determine existing capacity for a range of options for facilities, and treatment that is effective and appropriate and allows progression. If the capacity is insufficient, the commissioner shall develop or contract to provide additional facilities, services, and treatment to meet the need.

Sec. 2. **EDUCATION RELATING TO SEX OFFENDER CIVIL COMMITMENT PROCEDURAL CHANGES.**

The commissioner of human services shall develop and provide education to judges and court staff, county attorneys and other lawyers, and court-appointed examiners about the civil

commitment procedural changes under Article 2 and the strict and intensive supervision and treatment under section 1.

Sec. 3. **PUBLIC EDUCATION CAMPAIGN.**

The commissioner of human services shall develop a public education campaign informing the general public about the 2012 class action lawsuit relating to the Minnesota sex offender program (MSOP), the court's rulings, including the order from the court establishing the sex offender civil commitment advisory task force and the work of the task force, and the response by the legislature resulting in the legislation in this bill. The public education campaign must be a statewide effort to educate Minnesotans on the process of civilly committing sex offenders and the emerging policy in response to the court's decisions, and related issues.

ARTICLE 2

CIVIL COMMITMENT MODIFICATIONS

Section 1. Minnesota Statutes 2012, section 253B.185, subdivision 1, is amended to read:

Subdivision 1. **Commitment generally.** (a) Except as otherwise provided in this section, the provisions of this chapter pertaining to persons who are mentally ill and dangerous to the public apply with like force and effect to persons who are alleged or found to be sexually dangerous persons or persons with a sexual psychopathic personality. For purposes of this section, "sexual psychopathic personality" includes any individual committed as a "psychopathic personality" under Minnesota Statutes 1992, section 526.10.

(b) Before commitment proceedings are instituted, the facts shall first be submitted to the county attorney, who, if satisfied that good cause exists, will prepare the petition. The county attorney may request a prepetition screening report. The petition is to be executed by a person having knowledge of the facts and filed with the district court of the county of financial responsibility or the county where the patient is present. If the patient is in the custody of the commissioner of corrections, the petition may be filed in the county where the conviction for which the person is incarcerated was entered.

(c) Upon the filing of a petition alleging that a proposed patient is a sexually dangerous person or is a person with a sexual psychopathic personality, the court shall conduct a bifurcated hearing. The first phase of the bifurcated hearing shall be to hear the petition as provided in section 253B.18, except that section 253B.18, subdivisions ~~2 and 3~~ 2, 3, and 4c, shall not apply. During the first phase, the court must determine if the proposed patient is a sexually dangerous person or is a person with a sexual psychopathic personality. If the court determines the proposed patient is a sexually dangerous person or is a person with a sexual psychopathic personality, the court must schedule the second phase of the bifurcated hearing. During the second phase, the court must determine the appropriate level of placement for the patient pursuant to paragraph (d).

(d) In commitments under this section, the court shall commit the patient to ~~a secure treatment facility unless the patient establishes by clear and convincing evidence that a less restrictive treatment program is available~~ an appropriate placement that is consistent with the patient's treatment needs and the requirements of public safety.

(e) After a final determination that a patient is a sexually dangerous person or sexual psychopathic personality, the court shall order commitment for an indeterminate period of time and the patient shall be transferred, provisionally discharged, or discharged, only as provided in this section.

Sec. 2. Minnesota Statutes 2012, section 253B.185, is amended by adding a subdivision to read:

Subd. 1c. **Strict and intensive supervision and treatment.** (a) The court may commit a person to strict and intensive supervision and treatment if the court finds that, based on the nature and circumstances of the behavior and the mental or emotional condition that forms the basis for the commitment, strict and intensive supervision and treatment is an appropriate placement.

(b) If the court finds that strict and intensive supervision and treatment is appropriate, the court shall notify the Minnesota sex offender program, which must prepare a plan that identifies the treatment and services for the patient including recommendations regarding the conditions of strict and intensive supervision and treatment. The plan must be presented to the court for its approval within 60 days after the court finds that strict and intensive supervision and treatment is appropriate, unless the program and the patient request additional time to develop the plan.

(c) An order for strict and intensive supervision and treatment places the patient in the custody and control of the commissioner of human services for the provision of treatment, services, and supervision under the Minnesota sex offender program and the patient is subject to the conditions set by the court and the program, which must ensure the safety of the public while meeting the treatment needs of the civilly committed patient.

(d) If the program determines that a patient under this subdivision has violated a condition set by the court and the program under paragraph (c) or is exhibiting behavior that may be dangerous to self or others or that the interests of public safety requires that strict and intensive supervision and treatment placement be revoked, the program may request the court to issue an emergency ex parte order directing a law enforcement agency to take the person into custody and transport the person to a Department of Corrections or county correctional or detention facility or a secure treatment facility. The county attorney or the program shall submit a statement showing probable cause for the detention and submit a petition to revoke the strict and intensive supervision and treatment order within 48 hours after the detention. The court shall hear the petition within 30 days, unless the hearing or deadline is waived by the patient. If the court determines that a condition of the strict and intensive supervision and treatment placement has been violated or that the safety of the patient or others requires that the strict and intensive supervision and treatment placement be revoked, the court shall revoke the strict and intensive supervision and treatment placement and order an appropriate commitment placement under this section.

(e) This subdivision does not affect or replace any applicable registration requirements under section 243.166 or notice requirements under sections 244.052 and 244.053.

Sec. 3. Minnesota Statutes 2012, section 253B.185, is amended by adding a subdivision to read:

Subd. 9a. **Annual review of placement level.** (a) The commissioner shall appoint an examiner to conduct a reexamination of the mental condition of a person committed under this section within 12 months after the date of the initial commitment order and again thereafter at least once each 12 months to determine whether the person has made sufficient progress for the judicial appeal panel to

consider whether the person's placement should be modified. At the time of a reexamination under this section, the person who has been committed may retain or have the commissioner appoint an examiner.

(b) Any examiner conducting a reexamination under paragraph (a) shall prepare a written report of the reexamination no later than 30 days after the date of the reexamination. The report must examine and assess the patient's :

(1) progress toward treatment goals;

(2) risk to the public; and

(3) suitability for an alternative placement that balances the patient's continued treatment needs and public safety. The examiner shall provide a copy of the report to the county attorney, the commissioner, and the judicial appeal panel.

(c) Notwithstanding paragraph (a), the court that committed a person under this section may order a reexamination of the person at any time during the period in which the person is subject to the commitment order.

(d) At any reexamination under paragraph (a), the treating professional shall prepare a treatment progress report. The treating professional shall provide a copy of the treatment progress report to the commissioner. The treatment progress report shall consider all of the following:

(1) the specific factors associated with the person's risk for committing another sexually violent offense;

(2) whether the person has made significant progress in treatment or has refused treatment;

(3) the ongoing treatment needs of the person;

(4) any specialized needs or conditions associated with the person that must be considered in future treatment planning.

(e) Any examiners under paragraph (a) and treating professionals under paragraph (d) shall have reasonable access to the person for purposes of reexamination, to the person's past and present treatment records and to the person's patient health care records.

(f) The commissioner shall submit an annual report comprised of the reexamination report under paragraph (a) and the treatment progress report under paragraph (d) to the judicial appeal panel. A copy of the annual report shall be placed in the person's treatment records. The commissioner shall provide a copy of the annual report to the patient and the county. The panel shall provide a copy of the annual report to the patient's attorney as soon as he or she is retained or appointed.

(g) If a person committed under this section is incarcerated for a new criminal charge or conviction, any reporting requirement under paragraphs (a), (d), or (f) does not apply during the incarceration period. A court may order a reexamination of the person under paragraph (c) if the court finds reexamination to be necessary. The schedule for reporting established under paragraph (a) shall resume when the person is in the custody and control of the commissioner of human services, under the Minnesota sex offender program."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 4, delete everything before the semicolon and insert "modifying provisions related to the Minnesota sex offender program; requiring a public education campaign; modifying the civil commitment act"

Amend the title numbers accordingly

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

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

S.F. No. 727: A bill for an act relating to human services; modifying requirements for assessments; amending Minnesota Statutes 2012, section 256B.0911, subdivision 3a.

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

Page 4, lines 1 and 4, reinstate the stricken "60" and delete "90"

Page 4, line 6, strike "in a face-to-face visit"

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

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

S.F. No. 1101: A bill for an act relating to human services; removing residency ratio restrictions for home and community-based services waiver and general assistance recipients; amending Minnesota Statutes 2012, sections 256B.492; 256D.44, subdivision 5.

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

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

S.F. No. 1077: A bill for an act relating to human services; modifying provisions related to chemical and mental health and human services licensing; establishing methadone treatment program standards; modifying drug treatment provisions; amending Minnesota Statutes 2012, sections 254B.04, by adding a subdivision; 254B.05, subdivision 1b; proposing coding for new law in Minnesota Statutes, chapter 245A.

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

Delete everything after the enacting clause and insert:

"**ARTICLE 1**

LICENSING

Section 1. **[245A.1915] OPIOID ADDICTION TREATMENT EDUCATION REQUIREMENT FOR PROVIDERS LICENSED TO PROVIDE CHEMICAL DEPENDENCY TREATMENT SERVICES.**

All programs licensed by the commissioner must provide educational information concerning treatment options for opioid addiction, including the use of a medication for the use of opioid addiction, to clients identified as having or seeking treatment for opioid addiction. The commissioner shall develop educational materials that are supported by research and updated periodically that must be used by programs to comply with this requirement.

Sec. 2. **[245A.192] PROVIDERS LICENSED TO PROVIDE TREATMENT OF OPIOID ADDICTION.**

Subdivision 1. **Scope.** (a) This section applies to services licensed under this chapter to provide treatment for opioid addiction. In addition to the requirements under Minnesota Rules, parts 9530.6405 to 9530.6505, a program licensed to provide treatment of opioid addiction must meet the requirements in this section.

(b) Where a standard in this section differs from a standard in an otherwise applicable administrative rule, the standards of this section apply.

(c) When federal guidance or interpretations have been issued on federal standards or requirements also required under this section, the federal guidance or interpretation shall apply.

Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Diversion" means the use of a medication for the treatment of opioid addiction being diverted from its intended use.

(c) "Guest dose or dosing" means the practice of administering a medication used for the treatment of opioid addiction to a person who is not a client of the program that is administering or dispensing the medication.

(d) "Medical director" means a physician, licensed to practice medicine in the jurisdiction in which the opioid treatment program is located, who assumes responsibility for administering all medical services performed by the program, either by performing them directly or by delegating specific responsibility to authorized program physicians and health care professionals functioning under the medical director's direct supervision.

(e) "Medication used for the treatment of opioid addiction" means a medication approved by the Food and Drug Administration for the treatment of opioid addiction.

(f) "Minnesota health care programs" has the meaning given in section 256B.0636, clause (3).

(g) "Opioid treatment program" has the meaning given in Code of Federal Regulations, title 42, section 8.12, and includes programs licensed under Minnesota Rules, part 9530.6500.

(h) "Placing authority" has the meaning given in Minnesota Rules, part 9530.6605, subpart 21a.

(i) "Program" means an entity that is licensed under Minnesota Rules, part 9530.6500.

(j) "Unsupervised use" means the use of a medication for the treatment of opioid addiction dispensed for use by a client outside of the program setting. This is also referred to as a "take-home" dose.

Subd. 3. **Medication orders.** Prior to the program administering or dispensing a medication used for the treatment of opioid addiction:

(1) a client-specific order must be received by an appropriately credentialed physician;

(2) the signed order must be documented in the client's record; and

(3) if the order is not directly issued by the physician, such as by a verbal order, the physician that issued the order must review the documentation and sign the order in the client's record within 72 hours of the medication being administered or dispensed. The physician must document whether the medication was administered or dispensed as ordered. The license holder must report to the commissioner any medication error that endangers a patient's health, as determined by the medical director.

Subd. 4. **Drug testing.** Each client enrolled in the program must receive a minimum of eight random drug tests per 12 months of treatment. These tests must be reasonably disbursed over the 12-month period. A license holder may elect to conduct more drug tests.

Subd. 5. **Criteria for unsupervised use.** (a) To limit the potential for diversion of medication used for the treatment of opioid addiction to the illicit market, any such medications dispensed to patients for unsupervised use shall be subject to the following requirements:

(1) any patient in an opioid treatment program may receive a single take-home dose for a day that the clinic is closed for business, including Sundays and state and federal holidays; and

(2) treatment program decisions on dispensing medications used to treat opioid addiction to patients for unsupervised use beyond that set forth in paragraph (a), clause (1), of this subdivision, shall be determined by the medical director. The medical director must consider the criteria in this paragraph in determining whether a client may be permitted unsupervised or take-home use of such medications. The criteria must also be considered when determining whether dispensing medication for a client's unsupervised use is appropriate to increase or to extend the amount of time between visits to the program. The criteria includes:

(i) absence of recent abuse of drugs, including, but not limited to, opioids, nonnarcotics, and alcohol;

(ii) regularity of program attendance;

(iii) absence of serious behavioral problems at the program;

(iv) absence of known recent criminal activity such as drug dealing;

(v) stability of the client's home environment and social relationships;

(vi) length of time in comprehensive maintenance treatment;

(vii) reasonable assurance that take-home medication will be safely stored within the client's home; and

(viii) whether the rehabilitative benefit the client derived from decreasing the frequency of program attendance outweighs the potential risks of diversion or unsupervised use.

(b) The determination, including the basis of the determination, must be consistent with the criteria in paragraph (a), clause (2), and must be documented in the client's medical record.

Subd. 6. **Restrictions for unsupervised or take-home use of methadone hydrochloride.** (a) In cases where it is determined that a client meets the criteria in subdivision 5, paragraph (a), clause (2), and may be dispensed a medication used for the treatment of opioid addiction, the restrictions in paragraphs (b) to (g) must be followed when the medication to be dispensed is methadone hydrochloride.

(b) During the first 90 days of treatment, the take-home supply must be limited to a maximum of a single dose each week and the client shall ingest all other doses under direct supervision.

(c) In the second 90 days of treatment, the take-home supply must be limited to two doses per week.

(d) In the third 90 days of treatment, the take-home supply must not exceed three doses per week.

(e) In the remaining months of the first year, a client may be given a maximum six-day supply of take-home medication.

(f) After one year of continuous treatment, a client may be given a maximum two-week supply of take-home medication.

(g) After two years of continuous treatment, a client may be given a maximum one-month supply of take-home medication, but must make monthly visits.

Subd. 7. **Restriction exceptions.** When a license holder has reason to accelerate the number of unsupervised or take-home doses of methadone hydrochloride, the license holder must comply with the requirements of Code of Federal Regulations, title 42, chapter 1, subchapter A, part 8, section 8.12, the criteria for unsupervised use in subdivision 5, and must use the exception process provided by the federal Center for Substance Abuse Treatment Division of Pharmacologic Therapies. For the purposes of enforcement of this subdivision, the commissioner has the authority to monitor for compliance with these federal regulations and may issue licensing actions according to sections 245A.05, 245A.06, and 245A.07 based on the commissioner's determination of noncompliance.

Subd. 8. **Guest dosing.** In order to receive a guest dose, the client must be enrolled in an opioid treatment program elsewhere in the state or country and be receiving the medication on a temporary basis because the client is not able to receive the medication at the program in which the client is enrolled. Such arrangements shall not exceed 30 consecutive days in any one program and must not be for the convenience or benefit of either program. Guest dosing may also occur when the client's primary clinic is not open and the client is not receiving take-home doses.

Subd. 9. **Data and reporting.** The license holder must submit data concerning medication used for the treatment of opioid addiction to a central registry. The data must be submitted in a method determined by the commissioner and must be submitted for each client at the time of admission and discharge. The program must document the date the information was submitted. This requirement is effective upon implementation of changes to the Drug and Alcohol Abuse Normative Evaluation System (DAANES) or development of an electronic system by which to submit the data.

Subd. 10. **Nonmedication treatment services; documentation.** (a) The program must offer at least 50 consecutive minutes of individual or group therapy treatment services as defined in Minnesota Rules, part 9530.6430, subpart 1, item A, subitem (1), per week, for the first ten weeks following admission, and at least 50 consecutive minutes per month thereafter. As clinically appropriate, the program may offer these services cumulatively and not consecutively in increments of no less than 15 minutes over the required time period, and for a total of 60 minutes of treatment services over the time period, and must document the reason for providing services cumulatively in the client's record. The program may offer additional levels of service when deemed clinically necessary.

(b) Notwithstanding the requirements of individual treatment plans set forth in Minnesota Rules, part 9530.6425:

(1) treatment plan contents for maintenance clients are not required to include goals the client must reach to complete treatment and have services terminated;

(2) treatment plans for clients in a taper or detox status must include goals the client must reach to complete treatment and have services terminated;

(3) for the initial ten weeks after admission for all new admissions, readmissions, and transfers, progress notes must be entered in a client's file at least weekly and be recorded in each of the six dimensions upon the development of the treatment plan and thereafter. Subsequently, the counselor must document progress no less than one time monthly, recorded in the six dimensions or when clinical need warrants more frequent notations; and

(4) treatment plan reviews must occur weekly, or after each treatment service, whichever is less frequent, for the first ten weeks of treatment for all new admissions, readmissions, and transfers. Following the first ten weeks of treatment, treatment plan reviews may occur monthly, unless the client has needs that warrant more frequent revisions or documentation.

Subd. 11. **Prescription monitoring program.** (a) Upon admission to an opioid treatment program, clients will be notified that the medical director will be monitoring the prescription monitoring program to review the prescribed controlled drugs they have received. The medical director must review data from the Minnesota Board of Pharmacy, prescription monitoring program (PMP) established under section 152.126 prior to the client being ordered any controlled substance as defined under section 152.126, subdivision 1, paragraph (b), including medications used for the treatment of opioid addiction. The subsequent reviews of the PMP data must occur quarterly and be documented in the client's individual file. When the PMP data shows a recent history of multiple prescribers or multiple prescriptions for controlled substances, then subsequent reviews of the PMP data must occur monthly and be documented in the client's individual file. If, at any time the medical director believes the use of the controlled substances places the client at risk of harm, the program must seek the client's consent to discuss the client's opioid treatment with other prescribers and must seek consent for the other prescriber to disclose to the opioid treatment programs' medical director the client's condition that formed the basis of the other prescriptions. Additionally, any findings from the PMP data that are relevant to the medical director's course of treatment for the client must be documented in the client's individual file. A review of the PMP is not required for every medication dose adjustment.

(b) The commissioner shall collaborate with the Minnesota Board of Pharmacy to develop and implement an electronic system through which the commissioner shall routinely access the data

from the Minnesota Board of Pharmacy, prescription monitoring program established under section 152.126 for the purpose of determining whether any client enrolled in an opioid addiction treatment program licensed according to this section has also been prescribed or dispensed a controlled substance in addition to that administered or dispensed by the opioid addiction treatment program. When the commissioner determines there have been multiple prescribers or multiple prescriptions of controlled substances, the commissioner shall:

(1) inform the medical director of the opioid treatment program only that the commissioner determined the existence of multiple prescribers or multiple prescriptions of controlled substances; and

(2) direct the medical director of the opioid treatment program to access the data directly, review the effect of the multiple prescribers or multiple prescriptions, and document the review.

(c) If determined necessary, the commissioner shall seek a federal waiver of, or exception to, any applicable provision of Code of Federal Regulations, title 42, part 2.34, item (c), prior to implementing this paragraph.

Subd. 12. **Policies and procedures.** (a) License holders must develop and maintain the policies and procedures required in this subdivision. Where a standard exceeds that in administrative rule, the standards of this subdivision apply.

(b) For programs that are not open every day of the year, the license holder must maintain a policy and procedure that permits clients to receive a single unsupervised use of medication used for the treatment of opioid addiction for days that the program is closed for business, including, but not limited to, Sundays and state and federal holidays as required under subdivision 5, paragraph (a), clause (1).

(c) The license holder must maintain a policy and procedure that includes specific measures to reduce the possibility of medication used for the treatment of opioid addiction being diverted from its intended treatment use. The policy and procedure must:

(1) specifically identify and define the responsibilities of the medical and administrative staff for carrying out diversion control measures; and

(2) include a process for contacting no less than five percent of clients who have unsupervised use of medication used for the treatment of opioid addiction, excluding those approved solely under subdivision 5, paragraph (a), clause (1), to require them to physically return to the program each month. The system must require clients to return to the program within a stipulated time frame and turn in all unused medication containers related to opioid addiction treatment. The license holder must document all related contacts on a central log and the outcome of the contact for each client in the individual client's record.

(d) Medications used for the treatment of opioid addictions must be ordered, administered, and dispensed according to applicable state and federal regulations and the standards set by applicable accreditation entities. In addition, when an order requires assessment by the person administering or dispensing the medication to determine the amount to be administered or dispensed, the assessment must be completed by an individual whose professional scope of practice permits such assessment. For the purposes of enforcement of this paragraph, the commissioner has the authority to monitor for compliance with these state and federal regulations and the relevant standards of the license holder's

accreditation agency and may issue licensing actions according to sections 245A.05, 245A.06, and 245A.07 based on the commissioner's determination of noncompliance.

Subd. 13. **Quality improvement plan.** The license holder must develop and maintain a quality improvement process and plan. The plan must:

(1) include evaluation of the services provided to clients with the goal of identifying issues that may improve service delivery and client outcomes;

(2) include goals for the program to accomplish based on the evaluation;

(3) be reviewed annually by the management of the program to determine whether the goals were met and if not, whether additional action is required;

(4) be updated at least annually to include new or continued goals based on an updated evaluation of services; and

(5) identify two specific goal areas, in addition to others identified by the program including:

(i) a goal concerning oversight and monitoring of the premises around and near the exterior of the program to reduce the possibility of medication used for the treatment of opioid addiction being inappropriately used by clients, including but not limited to the sale or transfer of the medication to others; and

(ii) a goal concerning community outreach, including but not limited to communications with local law enforcement and county human services agencies with the goal of increasing coordination of services and identification of areas of concern to be addressed in the plan.

Subd. 14. **Placing authorities.** Programs must provide certain notification and client-specific updates to placing authorities for clients who are enrolled in Minnesota health care programs. At the request of the placing authority, the program must provide client-specific updates, including but not limited to informing the placing authority of positive drug screenings and changes in medications used for the treatment of opioid addiction ordered for the client.

ARTICLE 2

CHEMICAL AND MENTAL HEALTH

Section 1. Minnesota Statutes 2012, section 254B.04, is amended by adding a subdivision to read:

Subd. 2b. **Eligibility for placement in opioid treatment programs.** (a) Notwithstanding provisions of Minnesota Rules, part 9530.6622, subpart 5, related to a placement authority's requirement to authorize services or service coordination in a program that complies with Minnesota Rules, part 9530.6500, or Code of Federal Regulations, title 42, part 8, and after taking into account an individual's preference for placement in an opioid treatment program, a placement authority may, but is not required to, authorize services or service coordination or otherwise place an individual in an opioid treatment program. Prior to making a determination of placement for an individual, the placing authority must consult with the current treatment provider, if any.

(b) Prior to placement of an individual who is determined by the assessor to require treatment for opioid addiction, the assessor must provide educational information concerning treatment options for opioid addiction, including the use of a medication for the use of opioid addiction. The

commissioner shall develop educational materials supported by research and updated periodically that must be used by assessors to comply with this requirement.

ARTICLE 3

CONTROLLED SUBSTANCES PRESCRIPTION MONITORING PROGRAM

Section 1. Minnesota Statutes 2012, section 152.02, subdivision 2, is amended to read:

Subd. 2. **Schedule I.** (a) Schedule I consists of the substances listed in this subdivision.

(b) Opiates. Unless specifically excepted or unless listed in another schedule, any of the following substances, including their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the analogs, isomers, esters, ethers, and salts is possible:

(1) acetylmethadol;

(2) allylprodine;

(3) alphacetylmethadol (except levo-alphacetylmethadol, also known as levomethadyl acetate);

(4) alphameprodine;

(5) alphamethadol;

(6) alpha-methylfentanyl benzethidine;

(7) betacetylmethadol;

(8) betameprodine;

(9) betamethadol;

(10) betaprodine;

(11) clonitazene;

(12) dextromoramide;

(13) diampromide;

(14) diethyliambutene;

(15) difenoxin;

(16) dimenoxadol;

(17) dimepheptanol;

(18) dimethyliambutene;

(19) dioxaphetyl butyrate;

(20) dipipanone;

(21) ethylmethylthiambutene;

(22) etonitazene;

(23) etoxeridine;

(24) furethidine;

(25) hydroxypethidine;

(26) ketobemidone;

(27) levomoramide;

(28) levophenacylmorphan;

(29) 3-methylfentanyl;

(30) acetyl-alpha-methylfentanyl;

(31) alpha-methylthiofentanyl;

(32) benzylfentanyl beta-hydroxyfentanyl;

(33) beta-hydroxy-3-methylfentanyl;

(34) 3-methylthiofentanyl;

(35) thenylfentanyl;

(36) thiofentanyl;

(37) para-fluorofentanyl;

(38) morpheridine;

(39) 1-methyl-4-phenyl-4-propionoxypiperidine;

(40) noracymethadol;

(41) norlevorphanol;

(42) normethadone;

(43) norpipanone;

(44) 1-(2-phenylethyl)-4-phenyl-4-acetoxypiperidine (PEPAP);

(45) phenadoxone;

(46) phenampromide;

(47) phenomorphan;

(48) phenoperidine;

(49) piritramide;

(50) proheptazine;

(51) properidine;

(52) propiram;

(53) racemoramide;

(54) tilidine;

(55) trimeperidine.

(c) Opium derivatives. Any of the following substances, their analogs, salts, isomers, and salts of isomers, unless specifically excepted or unless listed in another schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

(1) acetorphine;

(2) acetyldihydrocodeine;

(3) benzylmorphine;

(4) codeine methylbromide;

(5) codeine-n-oxide;

(6) cyprenorphine;

(7) desomorphine;

(8) dihydromorphine;

(9) drotebanol;

(10) etorphine;

(11) heroin;

(12) hydromorphinol;

(13) methyldesorphine;

(14) methyldihydromorphine;

(15) morphine methylbromide;

(16) morphine methylsulfonate;

(17) morphine-n-oxide;

(18) myrophine;

(19) nicocodeine;

(20) nicomorphine;

(21) normorphine;

(22) pholcodine;

(23) thebacon.

(d) Hallucinogens. Any material, compound, mixture or preparation which contains any quantity of the following substances, their analogs, salts, isomers (whether optical, positional, or geometric),

and salts of isomers, unless specifically excepted or unless listed in another schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

(1) methylenedioxy amphetamine;

(2) methylenedioxymethamphetamine;

(3) methylenedioxy-N-ethylamphetamine (MDEA);

(4) n-hydroxy-methylenedioxyamphetamine;

(5) 4-bromo-2,5-dimethoxyamphetamine (DOB);

(6) 2,5-dimethoxyamphetamine (2,5-DMA);

(7) 4-methoxyamphetamine;

(8) 5-methoxy-3, 4-methylenedioxy amphetamine;

(9) alpha-ethyltryptamine;

(10) bufotenine;

(11) diethyltryptamine;

(12) dimethyltryptamine;

(13) 3,4,5-trimethoxy amphetamine;

(14) 4-methyl-2, 5-dimethoxyamphetamine (DOM);

(15) ibogaine;

(16) lysergic acid diethylamide (LSD);

(17) mescaline;

(18) parahexyl;

(19) N-ethyl-3-piperidyl benzilate;

(20) N-methyl-3-piperidyl benzilate;

(21) psilocybin;

(22) psilocyn;

(23) tenocyclidine (TPCP or TCP);

(24) N-ethyl-1-phenyl-cyclohexylamine (PCE);

(25) 1-(1-phenylcyclohexyl) pyrrolidine (PCPy);

(26) 1-[1-(2-thienyl)cyclohexyl]-pyrrolidine (TCPy);

(27) 4-chloro-2,5-dimethoxyamphetamine (DOC);

(28) 4-ethyl-2,5-dimethoxyamphetamine (DOET);

(29) 4-iodo-2,5-dimethoxyamphetamine (DOI);

(30) 4-bromo-2,5-dimethoxyphenethylamine (2C-B);

(31) 4-chloro-2,5-dimethoxyphenethylamine (2C-C);

(32) 4-methyl-2,5-dimethoxyphenethylamine (2-CD);

(33) 4-ethyl-2,5-dimethoxyphenethylamine (2C-E);

(34) 4-iodo-2,5-dimethoxyphenethylamine (2C-I);

(35) 4-propyl-2,5-dimethoxyphenethylamine (2C-P);

(36) 4-isopropylthio-2,5-dimethoxyphenethylamine (2C-T-4);

(37) 4-propylthio-2,5-dimethoxyphenethylamine (2C-T-7);

(38) 2-(8-bromo-2,3,6,7-tetrahydrofuro [2,3-f][1]benzofuran-4-yl)ethanamine (2-CB-FLY);

(39) bromo-benzodifuranyl-isopropylamine (Bromo-DragonFLY);

(40) alpha-methyltryptamine (AMT);

(41) N,N-diisopropyltryptamine (DiPT);

(42) 4-acetoxy-N,N-dimethyltryptamine (4-AcO-DMT);

(43) 4-acetoxy-N,N-diethyltryptamine (4-AcO-DET);

(44) 4-hydroxy-N-methyl-N-propyltryptamine (4-HO-MPT);

(45) 4-hydroxy-N,N-dipropyltryptamine (4-HO-DPT);

(46) 4-hydroxy-N,N-diallyltryptamine (4-HO-DALT);

(47) 4-hydroxy-N,N-diisopropyltryptamine (4-HO-DiPT);

(48) 5-methoxy-N,N-diisopropyltryptamine (5-MeO-DiPT);

(49) 5-methoxy-α-methyltryptamine (5-MeO-AMT);

(50) 5-methoxy-N,N-dimethyltryptamine (5-MeO-DMT);

(51) 5-methylthio-N,N-dimethyltryptamine (5-MeS-DMT);

(52) 5-methoxy-N-methyl-N-propyltryptamine (5-MeO-MiPT);

(53) 5-methoxy-α-ethyltryptamine (5-MeO-AET);

(54) 5-methoxy-N,N-dipropyltryptamine (5-MeO-DPT);

(55) 5-methoxy-N,N-diethyltryptamine (5-MeO-DET);

(56) 5-methoxy-N,N-diallytryptamine (5-MeO-DALT);

(57) methoxetamine (MXE);

(58) 5-iodo-2-aminoindane (5-IAI);

(59) 5,6-methylenedioxy-2-aminoindane (MDAI)-;

(60) 2-(4-iodo-2,5-dimethoxyphenyl)-N-[(2-methoxyphenyl)methyl]ethanamine (25I-NBOMe).

(e) Peyote. All parts of the plant presently classified botanically as Lophophora williamsii Lemaire, whether growing or not, the seeds thereof, any extract from any part of the plant, and every compound, manufacture, salts, derivative, mixture, or preparation of the plant, its seeds or extracts. The listing of peyote as a controlled substance in Schedule I does not apply to the nondrug use of peyote in bona fide religious ceremonies of the American Indian Church, and members of the American Indian Church are exempt from registration. Any person who manufactures peyote for or distributes peyote to the American Indian Church, however, is required to obtain federal registration annually and to comply with all other requirements of law.

(f) Central nervous system depressants. Unless specifically excepted or unless listed in another schedule, any material compound, mixture, or preparation which contains any quantity of the following substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

(1) mecloqualone;

(2) methaqualone;

(3) gamma-hydroxybutyric acid (GHB), including its esters and ethers;

(4) flunitrazepam.

(g) Stimulants. Unless specifically excepted or unless listed in another schedule, any material compound, mixture, or preparation which contains any quantity of the following substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

(1) aminorex;

(2) cathinone;

(3) fenethylline;

(4) methcathinone;

(5) methylaminorex;

(6) N,N-dimethylamphetamine;

(7) N-benzylpiperazine (BZP);

(8) methylmethcathinone (mephedrone);

(9) 3,4-methylenedioxy-N-methylcathinone (methylone);

(10) methoxymethcathinone (methedrone);

(11) methylenedioxypyrovalerone (MDPV);

(12) fluoromethcathinone;

(13) methylethcathinone (MEC);

(14) 1-benzofuran-6-ylpropan-2-amine (6-APB);

(15) dimethylmethcathinone (DMMC);

(16) fluoroamphetamine;

(17) fluoromethamphetamine;

(18) α-methylaminobutyrophenone (MABP or buphedrone);

(19) β-keto-N-methylbenzodioxolylpropylamine (bk-MBDB or butylone);

(20) 2-(methylamino)-1-(4-methylphenyl)butan-1-one (4-MEMABP or BZ-6378);

(21) naphthylpyrovalerone (naphyrone); and

(22) any other substance, except bupropion or compounds listed under a different schedule, that is structurally derived from 2-aminopropan-1-one by substitution at the 1-position with either phenyl, naphthyl, or thiophene ring systems, whether or not the compound is further modified in any of the following ways:

(i) by substitution in the ring system to any extent with alkyl, alkylenedioxy, alkoxy, haloalkyl, hydroxyl, or halide substituents, whether or not further substituted in the ring system by one or more other univalent substituents;

(ii) by substitution at the 3-position with an acyclic alkyl substituent;

(iii) by substitution at the 2-amino nitrogen atom with alkyl, dialkyl, benzyl, or methoxybenzyl groups; or

(iv) by inclusion of the 2-amino nitrogen atom in a cyclic structure.

(h) Marijuana, tetrahydrocannabinols, and synthetic cannabinoids. Unless specifically excepted or unless listed in another schedule, any natural or synthetic material, compound, mixture, or preparation that contains any quantity of the following substances, their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, or salts is possible:

(1) marijuana;

(2) tetrahydrocannabinols naturally contained in a plant of the genus Cannabis, synthetic equivalents of the substances contained in the cannabis plant or in the resinous extractives of the plant, or synthetic substances with similar chemical structure and pharmacological activity to those substances contained in the plant or resinous extract, including, but not limited to, 1 cis or trans tetrahydrocannabinol, 6 cis or trans tetrahydrocannabinol, and 3,4 cis or trans tetrahydrocannabinol;

(3) synthetic cannabinoids, including the following substances:

(i) Naphthoylindoles, which are any compounds containing a 3-(1-napthoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Examples of naphthoylindoles include, but are not limited to:

(A) 1-Pentyl-3-(1-naphthoyl)indole (JWH-018 and AM-678);

(B) 1-Butul-3-(1-naphthoyl)indole (JWH-073);

(C) 1-Pentyl-3-(4-methoxy-1-naphthoyl)indole (JWH-081);

(D) 1-[2-(4-morpholinyl)ethyl]-3-(1-naphthoyl)indole (JWH-200);

(E) 1-Propyl-2-methyl-3-(1-naphthoyl)indole (JWH-015);

(F) 1-Hexyl-3-(1-naphthoyl)indole (JWH-019);

(G) 1-Pentyl-3-(4-methyl-1-naphthoyl)indole (JWH-122);

(H) 1-Pentyl-3-(4-ethyl-1-naphthoyl)indole (JWH-210);

(I) 1-Pentyl-3-(4-chloro-1-naphthoyl)indole (JWH-398);

(J) 1-(5-fluoropentyl)-3-(1-naphthoyl)indole (AM-2201).

(ii) Napthylmethylindoles, which are any compounds containing a 1H-indol-3-yl-(1-naphthyl)methane structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Examples of naphthylmethylindoles include, but are not limited to:

(A) 1-Pentyl-1H-indol-3-yl-(1-naphthyl)methane (JWH-175);

(B) 1-Pentyl-1H-indol-3-yl-(4-methyl-1-naphthyl)methan (JWH-184).

(iii) Naphthoylpyrroles, which are any compounds containing a 3-(1-naphthoyl)pyrrole structure with substitution at the nitrogen atom of the pyrrole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the pyrrole ring to any extent, whether or not substituted in the naphthyl ring to any extent. Examples of naphthoylpyrroles include, but are not limited to, (5-(2-fluorophenyl)-1-pentylpyrrol-3-yl)-naphthalen-1-ylmethanone (JWH-307).

(iv) Naphthylmethylindenes, which are any compounds containing a naphthylideneindene structure with substitution at the 3-position of the indene ring by an allkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indene ring to any extent, whether or not substituted in the naphthyl ring to any extent. Examples of naphthylemethylindenes include, but are not limited to, E-1-[1-(1-naphthalenylmethylene)-1H-inden-3-yl]pentane (JWH-176).

(v) Phenylacetylindoles, which are any compounds containing a 3-phenylacetylindole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent, whether or not substituted in the phenyl ring to any extent. Examples of phenylacetylindoles include, but are not limited to:

(A) 1-(2-cyclohexylethyl)-3-(2-methoxyphenylacetyl)indole (RCS-8);

(B) 1-pentyl-3-(2-methoxyphenylacetyl)indole (JWH-250);

(C) 1-pentyl-3-(2-methylphenylacetyl)indole (JWH-251);

(D) 1-pentyl-3-(2-chlorophenylacetyl)indole (JWH-203).

(vi) Cyclohexylphenols, which are compounds containing a 2-(3-hydroxycyclohexyl)phenol structure with substitution at the 5-position of the phenolic ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not substituted in the cyclohexyl ring to any extent. Examples of cyclohexylphenols include, but are not limited to:

(A) 5-(1,1-dimethylheptyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (CP 47,497);

(B) 5-(1,1-dimethyloctyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (Cannabicyclohexanol or CP 47,497 C8 homologue);

(C) 5-(1,1-dimethylheptyl)-2-[(1R,2R)-5-hydroxy-2-(3-hydroxypropyl)cyclohexyl] -phenol (CP 55,940).

(vii) Benzoylindoles, which are any compounds containing a 3-(benzoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent and whether or not substituted in the phenyl ring to any extent. Examples of benzoylindoles include, but are not limited to:

(A) 1-Pentyl-3-(4-methoxybenzoyl)indole (RCS-4);

(B) 1-(5-fluoropentyl)-3-(2-iodobenzoyl)indole (AM-694);

(C) (4-methoxyphenyl-[2-methyl-1-(2-(4-morpholinyl)ethyl)indol-3-yl]methanone (WIN 48,098 or Pravadoline).

(viii) Others specifically named:

(A) (6aR,10aR)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl) -6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (HU-210);

(B) (6aS,10aS)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl) -6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (Dexanabinol or HU-211);

(C) 2,3-dihydro-5-methyl-3-(4-morpholinylmethyl)pyrrolo[1,2,3-de] -1, 4-benzoxazin-6-yl-1-naphthalenylmethanone (WIN 55,212-2)-;

(D) (1-pentylindol-3-yl)-(2,2,3,3-tetramethylcyclopropyl)methanone (UR-144);

(E) (1-(5-fluoropentyl)-1H-indol-3-yl)(2,2,3,3-tetramethylcyclopropyl)methanone (XLR-11);

(F) 1-pentyl-N-tricyclo[3.3.1.13,7]dec-1-yl-1H-indazole-3-carboxamide (AKB-48(APINACA));

(G) N-((3s,5s,7s)-adamantan-1-yl)-1-(5-fluoropentyl)-1H-indazole-3-carboxamide (5-Fluoro-AKB-48);

(H) 1-pentyl-8-quinolinyl ester-1H-indole-3-carboxylic acid (PB-22); and

(I) 8-quinolinyl ester-1-(5-fluoropentyl)-1H-indole-3-carboxylic acid (5-Fluoro PB-22).

(i) A controlled substance analog, to the extent that it is implicitly or explicitly intended for human consumption.

Sec. 2. Minnesota Statutes 2012, section 152.126, subdivision 6, is amended to read:

Subd. 6. **Access to reporting system data.** (a) Except as indicated in this subdivision, the data submitted to the board under subdivision 4 is private data on individuals as defined in section 13.02, subdivision 12, and not subject to public disclosure.

(b) Except as specified in subdivision 5, the following persons shall be considered permissible users and may access the data submitted under subdivision 4 in the same or similar manner, and for the same or similar purposes, as those persons who are authorized to access similar private data on individuals under federal and state law:

(1) a prescriber or an agent or employee of the prescriber to whom the prescriber has delegated the task of accessing the data, to the extent the information relates specifically to a current patient, to whom the prescriber is prescribing or considering prescribing any controlled substance and with the provision that the prescriber remains responsible for the use or misuse of data accessed by a delegated agent or employee;

(2) a dispenser or an agent or employee of the dispenser to whom the dispenser has delegated the task of accessing the data, to the extent the information relates specifically to a current patient to whom that dispenser is dispensing or considering dispensing any controlled substance and with the provision that the dispenser remains responsible for the use or misuse of data accessed by a delegated agent or employee;

(3) an individual who is the recipient of a controlled substance prescription for which data was submitted under subdivision 4, or a guardian of the individual, parent or guardian of a minor, or health care agent of the individual acting under a health care directive under chapter 145C;

(4) personnel of the board specifically assigned to conduct a bona fide investigation of a specific licensee;

(5) personnel of the board engaged in the collection of controlled substance prescription information as part of the assigned duties and responsibilities under this section;

(6) authorized personnel of a vendor under contract with the board who are engaged in the design, implementation, operation, and maintenance of the electronic reporting system as part of the assigned duties and responsibilities of their employment, provided that access to data is limited to the minimum amount necessary to carry out such duties and responsibilities;

(7) federal, state, and local law enforcement authorities acting pursuant to a valid search warrant; and

(8) personnel of the medical assistance program assigned to use the data collected under this section to identify recipients whose usage of controlled substances may warrant restriction to a single primary care physician, a single outpatient pharmacy, or a single hospital.

For purposes of clause (3), access by an individual includes persons in the definition of an individual under section 13.02.

(c) Any permissible user identified in paragraph (b), who directly accesses the data electronically, shall implement and maintain a comprehensive information security program that

contains administrative, technical, and physical safeguards that are appropriate to the user's size and complexity, and the sensitivity of the personal information obtained. The permissible user shall identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of personal information that could result in the unauthorized disclosure, misuse, or other compromise of the information and assess the sufficiency of any safeguards in place to control the risks.

(d) The board shall not release data submitted under this section unless it is provided with evidence, satisfactory to the board, that the person requesting the information is entitled to receive the data.

(e) The board shall not release the name of a prescriber without the written consent of the prescriber or a valid search warrant or court order. The board shall provide a mechanism for a prescriber to submit to the board a signed consent authorizing the release of the prescriber's name when data containing the prescriber's name is requested.

(f) The board shall maintain a log of all persons who access the data and shall ensure that any permissible user complies with paragraph (c) prior to attaining direct access to the data.

(g) Section 13.05, subdivision 6, shall apply to any contract the board enters into pursuant to subdivision 2. A vendor shall not use data collected under this section for any purpose not specified in this section.

(h) The commissioner of human services for purposes of establishing and implementing a system through which the Department of Human Services shall routinely access the data for the purpose of determining whether any client enrolled in an opioid treatment program licensed according to chapter 245A has also been prescribed or dispensed a controlled substance in addition to that administered or dispensed by the opioid treatment program. When the commissioner determines there have been multiple prescribers or multiple prescriptions of controlled substances, the commissioner shall:

(1) inform the medical director of the opioid treatment program only that the commissioner determined the existence of multiple prescribers or multiple prescriptions of controlled substances; and

(2) direct the medical director of the opioid treatment program to access the data directly, review the effect of the multiple prescribers or multiple prescriptions, and document the review.

If determined necessary, the commissioner of human services shall seek a federal waiver of, or exception to, any applicable provision of Code of Federal Regulations, title 42, part 2.34, item (c), prior to implementing this paragraph."

Amend the title numbers accordingly

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

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 583: A bill for an act relating to transportation; amending local option taxes for transportation; broadening authority for county wheelage tax; amending authority for greater

Minnesota transportation sales tax; making technical changes; amending Minnesota Statutes 2012, sections 163.051; 297A.993, subdivision 1.

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

Page 3, after line 17, insert:

"Sec. 3. Minnesota Statutes 2012, section 297A.993, subdivision 2, is amended to read:

Subd. 2. **Allocation; termination.** The proceeds of the taxes must be dedicated exclusively to: (1) payment of the capital cost of a specific transportation project or improvement; or (2) payment of the costs, which may include both capital and operating costs, of a specific transit project or improvement. The transportation or transit project or improvement must be designated by the board of the county, or more than one county acting under a joint powers agreement. Except for taxes for operating costs of a transit project or improvement, the taxes must terminate ~~after the project or improvement has been completed~~ when revenues raised are sufficient to finance the project.

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

Amend the title numbers accordingly

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

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 923: A bill for an act relating to public safety; motor vehicles; clarifying registration rules and periods; modifying rules pertaining to trip permits; modifying the design for veterans special plates; modifying record retention requirements; making changes to conform with federal requirements; authorizing background checks of certain department employees; clarifying language pertaining to senior identification cards; making technical corrections; amending Minnesota Statutes 2012, sections 168.017, subdivisions 2, 3; 168.053, subdivision 1; 168.123, subdivision 2; 168.183, subdivision 1; 168.187, subdivision 17; 168.27, subdivisions 10, 11, by adding a subdivision; 168A.153, subdivisions 1, 2; 171.01, subdivision 49b; 171.07, subdivisions 3a, 4; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Minnesota Statutes 2012, section 168.094.

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

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 800: A bill for an act relating to transportation; data practices; classifying certain Minnesota road use test participation data; classifying certain construction manager and general contractor contract data; amending Minnesota Statutes 2012, section 13.72, by adding subdivisions.

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

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 875: A bill for an act relating to transportation; regulating public-private partnerships involving public infrastructure investments; establishing a joint program office; proposing coding for new law in Minnesota Statutes, chapter 174.

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

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 608: A bill for an act relating to public safety; traffic regulations; school buses; making technical corrections to certain safety requirements; amending Minnesota Statutes 2012, sections 169.011, subdivision 71; 169.443, subdivision 9; 169.447, subdivision 2; 169.454, subdivision 12.

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

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 810: A bill for an act relating to data practices; classifying certain data collected from or provided by applicants, users, and customers of transit services in the metropolitan area; amending Minnesota Statutes 2012, section 13.72, subdivision 10, by adding a subdivision.

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

Page 2, delete lines 6 to 8

Page 2, line 9, delete "(c)" and insert "(b)"

Page 2, line 13, delete "(d)" and insert "(c)" and delete the colon and insert "to another government entity to prevent unlawful intrusion into government electronic systems, or as otherwise provided by law."

Page 2, delete lines 14 to 23

Page 2, delete section 3

Renumber the sections in sequence

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

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 664: A bill for an act relating to transportation; amending local option taxes for transportation; broadening authority for county wheelage tax; making technical changes; amending Minnesota Statutes 2012, section 163.051.

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

Senator Torres Ray from the Committee on Education, to which was referred

S.F. No. 812: A bill for an act relating to education; creating a vision therapy pilot project; appropriating money.

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

Senator Torres Ray from the Committee on Education, to which was referred

S.F. No. 1155: A bill for an act relating to education; establishing a task force to review school district detachment and annexation.

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

Senator Torres Ray from the Committee on Education, to which was referred

S.F. No. 945: A bill for an act relating to education; clarifying school districts' ability to request department assistance; amending Minnesota Statutes 2012, section 127A.18.

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

Senator Torres Ray from the Committee on Education, to which was referred

S.F. No. 1169: A bill for an act relating to education; establishing a special education case loads task force; modifying rules governing individualized education program development; modifying rules governing special education services purchasing; requiring a report; repealing Minnesota Rules, parts 3525.0800, subpart 2; 3525.2810, subparts 1, 4.

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

Page 1, line 11, after "districts" insert ", including special education teachers,"

Page 1, delete section 2

Page 2, delete section 3

Amend the title accordingly

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

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

S.F. No. 639: A bill for an act relating to environment; providing for product stewardship programs; requiring a report; amending Minnesota Statutes 2012, section 13.7411, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 115A.

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

Page 2, line 13, delete "subclause" and insert "item"

Page 2, line 15, delete "subclauses" and insert "items"

Page 2, line 18, before the semicolon, insert "by certifying that election in writing to the commissioner"

Page 4, line 35, delete "proximate to" and insert "near"

Page 6, line 7, delete everything after "must" and insert "ensure that the full amount of the stewardship assessment added to the cost of carpet by producers under subdivision 10 is included in"

Page 6, line 8, delete everything before the first "the"

Page 7, line 28, after "pay" insert "to the commissioner"

Page 7, line 32, before "for" insert "in the state"

Page 7, delete lines 33 and 34 and insert:

"(e) The commissioner must deposit the fees collected under this section in the state treasury and credit the fee to the miscellaneous special revenue account in the environmental fund. Fees in the account may be used by the commissioner to implement and enforce this section."

Page 8, line 16, delete "subclause" and insert "item"

Page 8, line 18, delete "subclauses" and insert "items"

Page 8, line 21, before the semicolon, insert "by certifying that election in writing to the commissioner"

Page 12, line 12, delete everything after "must" and insert "ensure that the full amount of the stewardship assessment added to the cost of architectural paint by producers under subdivision 10 is included in"

Page 12, line 13, delete everything before the second "the"

Page 13, line 31, after "pay" insert "to the commissioner"

Page 14, delete lines 1 and 2 and insert:

"(e) The commissioner must deposit the fees collected under this section in the state treasury and credit the fee to the miscellaneous special revenue account in the environmental fund. Fees in the account may be used by the commissioner to implement and enforce this section."

Page 14, line 18, delete "subclause" and insert "item"

Page 14, line 20, delete "subclauses" and insert "items"

Page 14, line 23, before the semicolon insert "by certifying that election in writing to the commissioner"

Page 14, delete lines 29 to 31

Page 14, line 32, delete "(8)" and insert "(7)"

Page 15, line 1, delete "(9)" and insert "(8)"

Page 15, line 4, delete "(10)" and insert "(9)"

Page 15, line 9, delete "reuse and"

Page 15, line 11, delete "and reuse"

Page 15, line 33, delete "all"

Page 15, line 34, before "batteries" insert "primary"

Page 16, lines 4 and 16, before "batteries" insert "primary"

Page 16, line 15, delete "reuse, deconstruct, or"

Page 16, line 26, delete "and reused"

Page 16, line 31, delete "and"

Page 16, line 32, delete the period and insert "; and"

Page 16, after line 32, insert:

"(v) the market share of the producers participating in the plan."

Page 17, line 29, delete "12" and insert "13"

Page 18, line 4, delete "unwanted" and insert "discarded"

Page 18, line 5, delete "reuse," and delete the third comma

Page 18, line 8, after "audit" insert "of the stewardship organization"

Page 18, after line 24, insert:

"Subd. 15. **Private enforcement.** (a) The operator of a statewide product stewardship program established under subdivision 2 that incurs costs exceeding $5,000 to collect, handle, recycle, or properly dispose of discarded primary batteries sold or offered for sale in Minnesota by a producer who does not implement its own program or participate in a program implemented by a stewardship organization, may bring a civil action or actions to recover costs and fees as specified in paragraph (b) from each nonimplementing or nonparticipating producer who can reasonably be identified from a brand or marking on a used consumer battery or from other information.

(b) An action under paragraph (a) may be brought against one or more primary battery producers, provided that no such action may be commenced:

(1) prior to 60 days after written notice of the operator's intention to file suit has been provided to the agency and the defendant or defendants; or

(2) if the agency has commenced enforcement actions under subdivision 10 and is diligently pursuing such actions.

(c) In any action under paragraph (b), the plaintiff operator may recover from a defendant nonimplementing or nonparticipating primary battery producer costs the plaintiff incurred to collect, handle, recycle, or properly dispose of primary batteries reasonably identified as having originated from the defendant, plus the plaintiff's attorneys' fees and litigation costs."

Page 18, line 25, delete "15" and insert "16"

Page 19, line 7, after "pay" insert "to the commissioner"

Page 19, delete lines 10 and 11 and insert:

"(e) The commissioner must deposit the fees collected under this section in the state treasury and credit the fee to the miscellaneous special revenue account in the environmental fund. Fees in the account may be used by the commissioner to implement and enforce this section."

And when so amended the bill be re-referred to the Committee on Commerce without recommendation. Amendments adopted. Report adopted.

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

S.F. No. 769: A bill for an act relating to public safety; clarifying certain statutory provisions relating to crime victim rights and programs; providing for a restitution working group; amending Minnesota Statutes 2012, sections 611A.0315; 611A.036, subdivision 7; 629.72, subdivisions 1, 2, 6, 7; 629.73; proposing coding for new law in Minnesota Statutes, chapter 13.

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

Page 1, delete section 1 and insert:

"Section 1. **[13.854] RELEASE OF ARRESTED, DETAINED, OR CONFINED PERSON; AUTOMATED NOTIFICATION SERVICE.**

This section applies to requests for notification of change in custody status of an arrested, detained, or confined person from the Department of Corrections or other custodial authority made through an automated electronic notification system. Data on an individual requesting notification and the notice provided by the automated system are private data on individuals and are accessible only to that individual.

Sec. 2. Minnesota Statutes 2012, section 13.871, subdivision 5, is amended to read:

Subd. 5. **Crime victims.** (a) **Crime victim notice of release.** Data on crime victims who request notice of an offender's release are classified under section 611A.06.

(b) **Sex offender HIV tests.** Results of HIV tests of sex offenders under section 611A.19, subdivision 2, are classified under that section.

(c) **Battered women.** Data on battered women maintained by grantees for emergency shelter and support services for battered women are governed by section 611A.32, subdivision 5.

(d) **Victims of domestic abuse.** Data on battered women and victims of domestic abuse maintained by grantees and recipients of per diem payments for emergency shelter for battered women and support services for battered women and victims of domestic abuse are governed by sections 611A.32, subdivision 5, and 611A.371, subdivision 3.

(e) **Personal history; internal auditing.** Certain personal history and internal auditing data is classified by section 611A.46.

(f) **Crime victim claims for reparations.** Claims and supporting documents filed by crime victims seeking reparations are classified under section 611A.57, subdivision 6.

(g) **Crime Victim Oversight Act.** Data maintained by the commissioner of public safety under the Crime Victim Oversight Act are classified under section 611A.74, subdivision 2.

(h) **Victim identity data.** Data relating to the identity of the victims of certain criminal sexual conduct is governed by section 609.3471.

(i) **Victim notification.** Data on victims requesting a notice of release of an arrested or detained person are classified under sections 629.72 and 629.73."

Page 3, after line 27, insert:

"Sec. 6. Minnesota Statutes 2012, section 629.72, subdivision 1a, is amended to read:

Subd. 1a. **Detention in lieu of citation; release.** (a) Notwithstanding any other law or rule, an arresting officer may not issue a citation in lieu of arrest and detention to an individual charged with ~~harassment~~ stalking, domestic abuse, violation of an order for protection, or violation of a domestic abuse no contact order.

(b) Notwithstanding any other law or rule, an individual who is arrested on a charge of ~~harassing~~ stalking any person, domestic abuse, violation of an order for protection, or violation of a domestic abuse no contact order, must be brought to the police station or county jail. The officer in charge of the police station or the county sheriff in charge of the jail shall issue a citation in lieu of continued detention unless it reasonably appears to the officer or sheriff that release of the person (1) poses a threat to the alleged victim or another family or household member, (2) poses a threat to public safety, or (3) involves a substantial likelihood the arrested person will fail to appear at subsequent proceedings.

(c) If the arrested person is not issued a citation by the officer in charge of the police station or the county sheriff, the arrested person must be brought before the nearest available judge of the district court in the county in which the alleged ~~harassment~~ stalking, domestic abuse, violation of an order for protection, or violation of a domestic abuse no contact order took place without unnecessary delay as provided by court rule."

Page 5, delete lines 31 to 33 and insert:

"(c) Data on the victim and the notice provided by the custodial authority are private data on individuals as defined in section 13.02, subdivision 12, and are accessible only to the victim."

Page 7, delete lines 1 to 4 and insert:

"Subd. 3. **Data.** Data on the victim and the notice provided by the custodial authority are private data on individuals as defined in section 13.02, subdivision 12, and are accessible only to the victim."

Page 7, line 30, delete "....." and insert "15"

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

S.F. No. 523: A bill for an act relating to employment; limiting reliance on criminal history for employment purposes; providing for remedies; amending Minnesota Statutes 2012, sections 181.981, subdivision 1; 364.021; 364.06; 364.09; 364.10.

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

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2012, section 181.53, is amended to read:

181.53 CONDITIONS PRECEDENT TO EMPLOYMENT NOT REQUIRED.

No person, whether acting directly or through an agent, or as the agent or employee of another, shall require as a condition precedent to employment any written statement as to the participation of the applicant in a strike, or as to a personal record, ~~save as to conviction of a public offense,~~ for more than one year immediately preceding the date of application ~~therefor~~; nor shall any person, acting in any of ~~the aforesaid~~ these capacities, use or require blanks or forms of application for employment in contravention of this section."

Page 1, line 23, before the period, insert "or, if there is not an interview, before a conditional offer of employment is made to the applicant"

Page 2, delete subdivision 2 and insert:

"Subd. 2. **Private employers.** (a) The commissioner of human rights shall investigate violations of section 364.021 by a private employer. If the commissioner finds that a violation has occurred, the commissioner may impose penalties as provided in paragraphs (b) and (c).

(b) For violations that occur before January 1, 2015, the penalties are as follows:

(1) for the first violation, the commissioner shall issue a written warning to the employer that includes a notice regarding the penalties for subsequent violations;

(2) if a first violation is not remedied within 30 days of the issuance of a warning under clause (1), the commissioner may impose up to a $500 fine; and

(3) subsequent violations before January 1, 2015, are subject to a fine of up to $500 per violation, not to exceed $500 in a calendar month.

(c) For violations that occur after December 31, 2014, the penalties are as follows:

(1) for employers that employ no more than 20 persons at a site in this state, the penalty is up to $500 for each violation, not to exceed $500 in a calendar month; and

(2) for employers that employ more than 20 persons at one or more sites in this state, the penalty is up to $500 for each violation, not to exceed $2,000 in a calendar month."

Page 3, line 16, delete "statutory" and after "requirement" insert "under law"

Page 3, after line 22, insert:

"Sec. 7. **EFFECTIVE DATE.**

This act is effective January 1, 2014."

Renumber the sections in sequence

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Jobs, Agriculture and Rural Development. Amendments adopted. Report adopted.

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

S.F. No. 985: A bill for an act relating to public safety; allowing participants in original ignition interlock device program to drive employer-owned vehicles not equipped with ignition interlock devices in certain instances.

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

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2012, section 169A.37, subdivision 1, is amended to read:

Subdivision 1. **Crime described.** It is a crime for a person:

(1) to fail to comply with an impoundment order under section 169A.60 (administrative plate impoundment);

(2) to file a false statement under section 169A.60, subdivision 7, 8, or 14;

(3) to operate a self-propelled motor vehicle on a street or highway when the vehicle is subject to an impoundment order issued under section 169A.60, unless specially coded plates have been issued for the vehicle pursuant to section 169A.60, subdivision 13;

(4) to fail to notify the commissioner of the impoundment order when requesting new plates;

(5) who is subject to a plate impoundment order under section 169A.60, to drive, operate, or be in control of any motor vehicle during the impoundment period, unless the vehicle is employer-owned and is not required to be equipped with an ignition interlock device pursuant to section 12 or 171.306, subdivision 4, paragraph (b), or has specially coded plates issued pursuant to section 169A.60, subdivision 13, and the person is validly licensed to drive; or

(6) who is the transferee of a motor vehicle and who has signed a sworn statement under section 169A.60, subdivision 14, to allow the previously registered owner to drive, operate, or be in control of the vehicle during the impoundment period.

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

Sec. 2. Minnesota Statutes 2012, section 169A.51, subdivision 2, is amended to read:

Subd. 2. **Implied consent advisory.** (a) Subject to paragraph (b), at the time a test is requested, the person must be informed:

(1) that Minnesota law requires the person to take a test:

(i) to determine if the person is under the influence of alcohol, controlled substances, or hazardous substances;

(ii) to determine the presence of a controlled substance listed in Schedule I or II or metabolite, other than marijuana or tetrahydrocannabinols; and

(iii) if the motor vehicle was a commercial motor vehicle, to determine the presence of alcohol;

(2) that refusal to take a test is a crime;

(3) if the peace officer has probable cause to believe the person has violated the criminal vehicular homicide and injury laws, that a test will be taken with or without the person's consent; and

(4) that the person has the right to consult with an attorney, but that this right is limited to the extent that it cannot unreasonably delay administration of the test.

(b) A peace officer who is not pursuing an implied consent revocation is not required to give the advisory described in paragraph (a) to a person whom the officer has probable cause to believe has violated section 609.21, subdivision 1, clause (2), (3), (4), (5), or (6) (criminal vehicular operation DWI-related provisions).

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2012, section 169A.55, is amended by adding a subdivision to read:

Subd. 5. **Reinstatement of driving privileges; criminal vehicular operation.** A person whose driver's license has been revoked under section 171.17, subdivision 1, paragraph (a), clause (1) (revocation, criminal vehicular operation), or suspended under section 171.187 (suspension, criminal vehicular operation), for a violation of section 609.21, subdivision 1, clause (2), (3), (4), (5), or (6) (criminal vehicular operation DWI-related provisions), shall not be eligible for reinstatement of driving privileges until the person has submitted to the commissioner verification of the use of ignition interlock for the applicable time period specified in those sections. The commissioner shall establish performance standards and a process for certifying chemical monitoring devices. The standards and procedures are not rules and are exempt from chapter 14, including section 14.386.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2012, section 171.17, is amended by adding a subdivision to read:

Subd. 4. **Criminal vehicular operation; revocation periods.** (a) As used in this subdivision, "qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

(b) Upon receiving a record of a conviction for a violation of section 609.21, subdivision 1, clause (2), (3), (4), (5), or (6), the commissioner shall revoke the driver's license or driving privileges of a person as follows:

(1) not less than ten years if the violation resulted in great bodily harm or death to another and the person has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents, and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner;

(2) not less than eight years if the violation resulted in great bodily harm or death to another and the person has a qualified prior impaired driving incident within the past ten years;

(3) not less than six years if the violation resulted in great bodily harm or death to another;

(4) not less than six years if the violation resulted in bodily harm or substantial bodily harm to another and the person has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents, and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner;

(5) not less than four years if the violation resulted in bodily harm or substantial bodily harm to another and the person has a qualified prior impaired driving incident within the past ten years; or

(6) not less than two years if the violation resulted in bodily harm or substantial bodily harm to another.

(c) Section 169A.09 applies when determining the number of qualified prior impaired driving incidents under this subdivision.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 5. **[171.187] SUSPENSION; CRIMINAL VEHICULAR OPERATION AND MANSLAUGHTER.**

Subdivision 1. **Suspension required.** The commissioner shall suspend the driver's license of a person:

(1) for whom a peace officer has made the certification described in section 629.344 that probable cause exists to believe that the person violated section 609.21, subdivision 1, clause (2), (3), (4), (5), or (6); or

(2) who has been formally charged with a violation of section 609.20, 609.205, or 609.21, resulting from the operation of a motor vehicle.

Subd. 2. **Suspension period.** A suspension under this section continues until:

(1) the conviction, acquittal, or dismissal of the underlying crime that resulted in the suspension; or

(2) the commissioner, acting under subdivision 4, orders the termination of the suspension.

Subd. 3. **Credit.** If a person whose driver's license was suspended under subdivision 1 is later convicted of the underlying offense that resulted in the suspension and the commissioner revokes the person's license, the commissioner shall credit the time accrued under the suspension period toward the revocation period imposed under section 171.17, subdivision 4, or for violations of section 609.20, 609.205, or 609.21, subdivision 1, clause (1), (7), or (8).

Subd. 4. **Administrative review of license suspension.** (a) At any time during which a person's driver's license is suspended under this section, the person may request in writing a review of the suspension by the commissioner. Upon receiving a request, the commissioner or the commissioner's designee shall review the order of suspension, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. Within 15 days of receiving the request, the commissioner shall report in writing the results of the review. The review provided in this subdivision is not subject to the contested case provisions in chapter 14.

(b) In addition to any other reason provided for in this subdivision, a person may request a review of the suspension by the commissioner if the suspension has been in place for at least three months and the person has not been indicted or formally charged with the underlying crime that resulted in the license suspension.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2012, section 171.30, subdivision 1, is amended to read:

Subdivision 1. **Conditions of issuance.** (a) The commissioner may issue a limited license to the driver under the conditions in paragraph (b) in any case where a person's license has been:

(1) suspended under section 171.18, 171.173, ~~or~~ 171.186, or 171.187;

(2) revoked, canceled, or denied under section:

(i) 169.792;

(ii) 169.797;

(iii) 169A.52:

(A) subdivision 3, paragraph (a), clause (1) or (2);

(B) subdivision 3, paragraph (a), clause (4), (5), or (6), if in compliance with section 171.306;

(C) subdivision 4, paragraph (a), clause (1) or (2), if the test results indicate an alcohol concentration of less than twice the legal limit;

(D) subdivision 4, paragraph (a), clause (4), (5), or (6), if in compliance with section 171.306;

(iv) 171.17; or

(v) 171.172; or

(3) revoked, canceled, or denied under section 169A.54:

(i) subdivision 1, clause (1), if the test results indicate an alcohol concentration of less than twice the legal limit;

(ii) subdivision 1, clause (2);

(iii) subdivision 1, clause (5), (6), or (7), if in compliance with section 171.306; or

(iv) subdivision 2, if the person does not have a qualified prior impaired driving incident as defined in section 169A.03, subdivision 22, on the person's record, and the test results indicate an alcohol concentration of less than twice the legal limit.

(b) The following conditions for a limited license under paragraph (a) include:

(1) if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of the driver's license;

(2) if the use of a driver's license by a homemaker is necessary to prevent the substantial disruption of the education, medical, or nutritional needs of the family of the homemaker; or

(3) if attendance at a postsecondary institution of education by an enrolled student of that institution depends upon the use of the driver's license.

(c) The commissioner in issuing a limited license may impose such conditions and limitations as in the commissioner's judgment are necessary to the interests of the public safety and welfare including reexamination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation, and to particular conditions of traffic. The commissioner may require that an applicant for a limited license affirmatively demonstrate that use of public transportation or carpooling as an alternative to a limited license would be a significant hardship.

(d) For purposes of this subdivision:

(1) "homemaker" refers to the person primarily performing the domestic tasks in a household of residents consisting of at least the person and the person's dependent child or other dependents; and

(2) "twice the legal limit" means an alcohol concentration of two times the limit specified in section 169A.20, subdivision 1, clause (5).

(e) The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in possession at all times when operating as a driver.

(f) In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually.

(g) If the person's driver's license or permit to drive has been revoked under section 169.792 or 169.797, the commissioner may only issue a limited license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(h) The limited license issued by the commissioner to a person under section 171.186, subdivision 4, must expire 90 days after the date it is issued. The commissioner must not issue a limited license to a person who previously has been issued a limited license under section 171.186, subdivision 4.

(i) The commissioner shall not issue a limited driver's license to any person described in section 171.04, subdivision 1, clause (6), (7), (8), (11), or (14).

(j) The commissioner shall not issue a class A, class B, or class C limited license.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2012, section 171.30, subdivision 2a, is amended to read:

Subd. 2a. **Other waiting periods.** Notwithstanding subdivision 2, a limited license shall not be issued for a period of:

(1) 15 days, to a person whose license or privilege has been revoked or suspended for a first violation of section 169A.20, sections 169A.50 to 169A.53, or a statute or ordinance from another state in conformity with either of those sections; or

(2) one year, to a person whose license or privilege has been revoked or suspended for committing manslaughter resulting from the operation of a motor vehicle, committing criminal vehicular homicide or injury under section 609.21, subdivision 1, clause (1), (7), or (8), or violating a statute or ordinance from another state in conformity with either of those offenses.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2012, section 171.30, is amended by adding a subdivision to read:

Subd. 5. **Exception; criminal vehicular operation.** Notwithstanding subdivision 1, the commissioner may not issue a limited license to a person whose driver's license has been suspended or revoked due to a violation of section 609.21, subdivision 1, clause (2), (3), (4), (5), or (6).

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2012, section 171.306, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the terms in this subdivision have the meanings given them.

(b) "Ignition interlock device" or "device" means equipment that is designed to measure breath alcohol concentration and to prevent a motor vehicle's ignition from being started by a person whose breath alcohol concentration measures 0.02 or higher on the equipment.

(c) "Program participant" means a person who has qualified to take part in the ignition interlock program under this section, and whose driver's license has been:

(1) revoked, canceled, or denied under section 169A.52, 169A.54, or 171.04, subdivision 1, clause (10)~~, and who has qualified to take part in the ignition interlock program under this section~~; or

(2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.21, subdivision 1, clause (2), (3), (4), (5), or (6).

(d) "Qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2012, section 171.306, subdivision 4, is amended to read:

Subd. 4. **Issuance of restricted license.** (a) The commissioner shall issue a class D driver's license, subject to the applicable limitations and restrictions of this section, to a program participant who meets the requirements of this section and the program guidelines. The commissioner shall not issue a license unless the program participant has provided satisfactory proof that:

(1) a certified ignition interlock device has been installed on the participant's motor vehicle at an installation service center designated by the device's manufacturer; and

(2) the participant has insurance coverage on the vehicle equipped with the ignition interlock device. The commissioner shall require the participant to present an insurance identification card, policy, or written statement as proof of insurance coverage, and may require the insurance identification card provided be certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(b) A license issued under authority of this section must contain a restriction prohibiting the program participant from driving, operating, or being in physical control of any motor vehicle not equipped with a functioning ignition interlock device certified by the commissioner. A participant may drive an employer-owned vehicle not equipped with an interlock device while in the normal course and scope of employment duties pursuant to the program guidelines established by the commissioner and with the employer's written consent.

(c) A program participant whose driver's license has been: (1) revoked under section 169A.52, subdivision 3, paragraph (a), clause (1), (2), or (3), or subdivision 4, paragraph (a), clause (1), (2), or (3), or section 169A.54, subdivision 1, clause (1), (2), (3), or (4)~~.~~; or (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.21, subdivision 1, clause (2), (3), (4), (5), or (6); may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction.

(d) A program participant whose driver's license has been revoked, canceled, or denied under section 169A.52, subdivision 3, paragraph (a), clause (4), (5), or (6), or subdivision 4, paragraph (a), clause (4), (5), or (6), or section 169A.54, subdivision 1, clause (5), (6), or (7), may apply for a limited license, subject to the ignition interlock restriction, if the program participant is enrolled in a licensed chemical dependency treatment or rehabilitation program as recommended in a chemical use assessment, and if the participant meets the other applicable requirements of section 171.30. After completing a licensed chemical dependency treatment or rehabilitation program and one year of limited license use without violating the ignition interlock restriction, the conditions of limited license use, or program guidelines, the participant may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction. If the program participant's ignition interlock device subsequently registers a positive breath alcohol concentration of 0.02 or higher, the commissioner shall cancel the driver's license, and the program participant may apply for another limited license according to this paragraph.

(e) Notwithstanding any statute or rule to the contrary, the commissioner has authority to determine when a program participant is eligible for restoration of full driving privileges, except that the commissioner shall not reinstate full driving privileges until the program participant has met all applicable prerequisites for reinstatement under section 169A.55 and until the program participant's device has registered no positive breath alcohol concentrations of 0.02 or higher during the preceding 90 days.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 11. **[629.344] CRIMINAL VEHICULAR OPERATION AND MANSLAUGHTER; CERTIFICATION OF PROBABLE CAUSE BY PEACE OFFICER.**

If a peace officer determines that probable cause exists to believe that a person has violated section 609.21, subdivision 1, clause (2), (3), (4), (5), or (6), the officer shall certify this determination and notify the commissioner of public safety.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date."

Page 1, line 10, after "duties" insert" pursuant to the program guidelines established by the commissioner referenced in Minnesota Statutes, section 171.306, subdivision 4, paragraph (b), and"

Page 1, after line 12, insert:

"Sec. 13. **REPEALER.**

Minnesota Rules, parts 7503.0300, subpart 1; and 7503.0800, subpart 2, are repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "modifying driver's license suspension and revocation provisions for certain persons who commit criminal vehicular operation offenses; expanding the ignition interlock device program to include these offenders;"

Amend the title numbers accordingly

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

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

S.F. No. 1041: A bill for an act relating to higher education; making technical, conforming, policy, and clarifying changes to provisions related to higher education law; modifying provisions related to the higher education advisory council, student grants and aid, and school licensure and registration; modifying procedures related to terminating institutions from financial aid programs; modifying certain definitions; modifying dissemination of certain data; amending Minnesota Statutes 2012, sections 13.47, subdivision 3; 136A.031, subdivision 2; 136A.101, subdivisions 8, 9; 136A.125, subdivision 2; 136A.233, subdivision 2; 136A.646; 136A.65, subdivisions 4, 8; 136A.653, by adding a subdivision; 141.25, subdivision 7; 141.35; 268.19, subdivision 1; 299A.45, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Rules, parts 4830.0140; 4830.0150; 4830.0160; 4830.0170; 4830.0180; 4830.0190; 4830.0195.

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

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

S.F. No. 316: A bill for an act relating to commerce; requiring estate sale conductors to post a bond to protect owners of the property to be sold; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

Page 1, line 21, after "give" insert "or previously have filed"

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

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

S.F. No. 423: A bill for an act relating to environment; authorizing certain expenditures from clean water fund; modifying reporting requirements; modifying Petroleum Tank Release Cleanup Act; providing for wastewater laboratory certification; providing for sanitary districts; repealing obsolete rules; appropriating money; amending Minnesota Statutes 2012, sections 114D.50, subdivision 4; 115A.1320, subdivision 1; 115B.20, subdivision 6; 115B.28, subdivision 1; 115C.02, subdivision 4; 115C.08, subdivision 4, by adding a subdivision; 115D.10; 116.48, subdivision 6; 275.066; 473.846; proposing coding for new law in Minnesota Statutes, chapter 115; proposing coding for new law as Minnesota Statutes, chapter 442A; repealing Minnesota Statutes 2012, sections 115.18, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10; 115.19; 115.20; 115.21; 115.22; 115.23; 115.24; 115.25; 115.26; 115.27; 115.28; 115.29; 115.30; 115.31; 115.32; 115.33; 115.34; 115.35; 115.36; 115.37; Minnesota Rules, parts 7021.0010, subparts 1, 2, 4, 5; 7021.0020; 7021.0030; 7021.0040; 7021.0050, subpart 5; 9210.0300; 9210.0310; 9210.0320; 9210.0330; 9210.0340; 9210.0350; 9210.0360; 9210.0370; 9210.0380; 9220.0530, subpart 6.

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

Page 14, line 2, after "request" insert "boundary-related" and after "information" insert "that is otherwise classified as public data"

Page 14, line 33, after the period, insert "A sanitary district is administratively feasible under this section if the district has the financial and managerial resources needed to deliver adequate and efficient sanitary sewer services within the proposed district."

Page 17, line 35, after "feasibility" insert "under subdivision 1, paragraph (a)"

Page 20, line 2, after the period, insert "A sanitary district is administratively feasible under this section if the district has the financial and managerial resources needed to deliver adequate and efficient sanitary sewer services within the proposed district."

Page 23, line 10, after "feasibility" insert "under subdivision 1, paragraph (b)"

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

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

S.F. No. 925: A bill for an act relating to marriage; providing for marriage between two persons; providing for exemptions based on religious association; amending Minnesota Statutes 2012, sections 363A.26; 517.01; 517.03, subdivision 1; 517.08, subdivision 1a; 517.09; 518.07; proposing coding for new law in Minnesota Statutes, chapter 517.

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

Page 3, line 26, delete "517.08" and insert "517.04"

Page 3, line 33, delete "union" and insert "organization"

Page 4, delete lines 8 to 11

Page 4, line 12, delete "3" and insert "2"

And when so amended the bill do pass. Senator Limmer questioned the reference thereon and, under Rule 21, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 887: A bill for an act relating to health; requiring radon education disclosure for residential real property; changing provisions for tuberculosis standards; changing adverse health events reporting requirements; modifying a poison control provision; providing liability coverage for certain volunteer medical personnel and permitting agreements to conduct criminal background studies; changing provisions for body art establishments and body art technicians; changing athletic trainer provisions; defining occupational therapy practitioners; changing provisions for occupational therapy; amending prescribing authority for legend drugs; providing penalties; amending Minnesota Statutes 2012, sections 144.50, by adding a subdivision; 144.55, subdivision 3; 144.56, by adding a subdivision; 144.7065, subdivisions 2, 3, 4, 5, 6, 7, by adding a subdivision; 144A.04, by adding a subdivision; 144A.45, by adding a subdivision; 144A.752, by adding a subdivision; 144D.08; 145.93, subdivision 3; 145A.04, by adding a subdivision; 145A.06, subdivision 7; 146B.02, subdivisions 2, 8; 146B.03, by adding a subdivision; 146B.07, subdivision 5; 148.6402, by adding a subdivision; 148.6440; 148.7802, subdivisions 3, 9; 148.7803; 148.7805, subdivision 1; 148.7808, subdivisions 1, 4; 148.7812, subdivision 2; 148.7813, by adding a subdivision; 148.7814; 151.37, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 144; 145A; repealing Minnesota Statutes 2012, sections 146B.03, subdivision 10; 148.7808, subdivision 2; 148.7813; 325F.814; 609.2246; Minnesota Rules, parts 4655.3000, subparts 2, 3, 4; 4658.0810, subparts 1, 2; 4658.0815, subparts 1, 2, 3, 4; 4664.0290, subparts 1, 2, 3, 4; 4668.0065, subparts 1, 2.

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

Page 1, after line 24, insert:

"Section 1. Minnesota Statutes 2012, section 13.381, is amended by adding a subdivision to read:

Subd. 14a. **Minnesota Responds Medical Reserve Corps.** Criminal history record data on Minnesota Responds Medical Reserve Corps volunteers are classified under section 145A.061.

Sec. 2. Minnesota Statutes 2012, section 144.1501, subdivision 4, is amended to read:

Subd. 4. **Loan forgiveness.** The commissioner of health may select applicants each year for participation in the loan forgiveness program, within the limits of available funding. The commissioner shall distribute available funds for loan forgiveness proportionally among the eligible professions according to the vacancy rate for each profession in the required geographic area, facility type, teaching area, patient group, or specialty type specified in subdivision 2. The commissioner shall allocate funds for physician loan forgiveness so that 75 percent of the funds

available are used for rural physician loan forgiveness and 25 percent of the funds available are used for underserved urban communities and pediatric psychiatry loan forgiveness. If the commissioner does not receive enough qualified applicants each year to use the entire allocation of funds for any eligible profession, the remaining funds may be allocated proportionally among the other eligible professions according to the vacancy rate for each profession in the required geographic area, patient group, or facility type specified in subdivision 2. Applicants are responsible for securing their own qualified educational loans. The commissioner shall select participants based on their suitability for practice serving the required geographic area or facility type specified in subdivision 2, as indicated by experience or training. The commissioner shall give preference to applicants closest to completing their training. For each year that a participant meets the service obligation required under subdivision 3, up to a maximum of four years, the commissioner shall make annual disbursements directly to the participant equivalent to 15 percent of the average educational debt for indebted graduates in their profession in the year closest to the applicant's selection for which information is available, not to exceed the balance of the participant's qualifying educational loans. Before receiving loan repayment disbursements and as requested, the participant must complete and return to the commissioner ~~an affidavit~~ a confirmation of practice form provided by the commissioner verifying that the participant is practicing as required under subdivisions 2 and 3. The participant must provide the commissioner with verification that the full amount of loan repayment disbursement received by the participant has been applied toward the designated loans. After each disbursement, verification must be received by the commissioner and approved before the next loan repayment disbursement is made. Participants who move their practice remain eligible for loan repayment as long as they practice as required under subdivision 2."

Page 13, line 4, after "Corps" insert "and applies for membership in the Minnesota behavioral health or mobile medical"

Page 14, line 24, delete "adjudicated delinquent,"

Page 14, line 29, delete everything before "obtained"

Page 17, line 24, reinstate "a" and delete "an occupational therapy" and insert "licensed occupational therapist"

Page 22, line 12, strike "student athletic trainer." and insert "athletic training student."

Page 23, line 30, strike "four" and insert "two"

Page 24, line 6, delete "licensed" and insert "registered"

Page 27, before line 2, insert:

"(a) Minnesota Statutes 2012, sections 144.1487; 144.1488; 144.1489; 144.1490; and 144.1491, are repealed."

Page 27, line 2, delete "(a)" and insert "(b)"

Page 27, delete lines 4 to 9

Renumber the sections in sequence

Amend the title accordingly

And when so amended the bill be re-referred to the Committee on Commerce without recommendation. Amendments adopted. Report adopted.

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

S.F. No. 872: A bill for an act relating to human services; modifying provisions related to fair hearings and internal audits; creating the Cultural and Ethnic Leadership Communities Council; removing obsolete language; making technical changes; amending Minnesota Statutes 2012, sections 245.4661, subdivisions 2, 6; 245.482, subdivision 5; 256.01, subdivision 2; 256.017, subdivision 1; 256.045, subdivisions 1, 3, 4; 256.0451, subdivisions 5, 13, 22, 24; 256B.055, subdivision 12; 256B.057, subdivision 3b; 256D.02, subdivision 12a; 256J.30, subdivisions 8, 9; 256J.37, subdivision 3a; 256J.395, subdivision 1; 256J.575, subdivision 3; 256J.626, subdivisions 6, 7; 256J.72, subdivisions 1, 3; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 2012, sections 245.461, subdivision 3; 245.463, subdivisions 1, 3, 4; 256.01, subdivisions 2a, 13, 23a; 256B.0185; 256D.02, subdivision 4a; 256J.575, subdivision 4; 256J.74, subdivision 4; 256L.04, subdivision 9.

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

Page 4, line 26, delete everything after the period

Page 4, delete lines 27 to 29

Page 5, line 6, delete everything after the period and insert "A human service judge may grant a request for a hearing in person by holding the hearing by interactive video technology or in person. The human services judge must hear the case in person if the person asserts that either the person or a witness has a physical or mental disability that would impair their ability to fully participate in a hearing held by interactive video technology."

Page 5, delete lines 7 and 8

Page 6, after line 32, insert:

"Sec. 4. Minnesota Statutes 2012, section 256.045, subdivision 5, is amended to read:

Subd. 5. **Orders of the commissioner of human services.** A state human services referee shall conduct a hearing on the appeal and shall recommend an order to the commissioner of human services. The recommended order must be based on all relevant evidence and must not be limited to a review of the propriety of the state or county agency's action. A referee may take official notice of adjudicative facts. The commissioner of human services may accept the recommended order of a state human services referee and issue the order to the county agency and the applicant, recipient, former recipient, or prepaid health plan. The commissioner on refusing to accept the recommended order of the state human services referee, shall notify the petitioner, the agency, or prepaid health plan of that fact and shall state reasons therefor and shall allow each party ten days' time to submit additional written argument on the matter. After the expiration of the ten-day period, the commissioner shall issue an order on the matter to the petitioner, the agency, or prepaid health plan.

A party aggrieved by an order of the commissioner may appeal under subdivision 7, or request reconsideration by the commissioner within 30 days after the date the commissioner

issues the order. The commissioner may reconsider an order upon request of any party or on the commissioner's own motion. A request for reconsideration does not stay implementation of the commissioner's order. The person seeking reconsideration has the burden to demonstrate why the matter should be reconsidered. The request for reconsideration may include legal argument and proposed additional evidence supporting the request. If proposed additional evidence is submitted, the person must explain why the proposed additional evidence was not provided at the time of the hearing. If reconsideration is granted, the other participants must be sent a copy of all material submitted in support of the request for reconsideration and must be given ten days to respond. Upon reconsideration, the commissioner may issue an amended order or an order affirming the original order.

Any order of the commissioner issued under this subdivision shall be conclusive upon the parties unless appeal is taken in the manner provided by subdivision 7. Any order of the commissioner is binding on the parties and must be implemented by the state agency, a county agency, or a prepaid health plan according to subdivision 3a, until the order is reversed by the district court, or unless the commissioner or a district court orders monthly assistance or aid or services paid or provided under subdivision 10.

A vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services is not a party and may not request a hearing or seek judicial review of an order issued under this section, unless assisting a recipient as provided in subdivision 4. A prepaid health plan is a party to an appeal under subdivision 3a, but cannot seek judicial review of an order issued under this section."

Page 7, line 16, delete "and are otherwise only" and insert ". These rulings and orders are"

Page 9, line 14, reinstate the stricken "30" and delete "ten"

Page 9, line 15, delete "working" and after "requested" insert "under section 256.045, subdivision 5"

Page 9, lines 19 to 21, delete the new language

Page 25, after line 36, insert:

"Sec. 6. Minnesota Statutes 2012, section 256B.056, subdivision 11, is amended to read:

Subd. 11. **Treatment of annuities.** (a) Any person requesting medical assistance payment of long-term care services shall provide a complete description of any interest either the person or the person's spouse has in annuities on a form designated by the department. The form shall include a statement that the state becomes a preferred remainder beneficiary of annuities or similar financial instruments by virtue of the receipt of medical assistance payment of long-term care services. The person and the person's spouse shall furnish the agency responsible for determining eligibility with complete current copies of their annuities and related documents and complete the form designating the state as the preferred remainder beneficiary for each annuity in which the person or the person's spouse has an interest.

(b) The department shall provide notice to the issuer of the department's right under this section as a preferred remainder beneficiary under the annuity or similar financial instrument for medical assistance furnished to the person or the person's spouse, and provide notice of the issuer's responsibilities as provided in paragraph (c).

(c) An issuer of an annuity or similar financial instrument who receives notice of the state's right to be named a preferred remainder beneficiary as described in paragraph (b) shall provide confirmation to the requesting agency that the state has been made a preferred remainder beneficiary. The issuer shall also notify the county agency when a change in the amount of income or principal being withdrawn from the annuity or other similar financial instrument or a change in the state's preferred remainder beneficiary designation under the annuity or other similar financial instrument occurs. The county agency shall provide the issuer with the name, address, and telephone number of a unit within the department that the issuer can contact to comply with this paragraph.

(d) "Preferred remainder beneficiary" for purposes of this subdivision and sections 256B.0594 and 256B.0595 means the state is a remainder beneficiary in the first position in an amount equal to the amount of medical assistance paid on behalf of the institutionalized person, or is a remainder beneficiary in the second position if the institutionalized person designates and is survived by a remainder beneficiary who is (1) a spouse who does not reside in a medical institution, (2) a minor child, or (3) a child of any age who is blind or permanently and totally disabled as defined in the Supplemental Security Income program. Notwithstanding this paragraph, the state is the remainder beneficiary in the first position if the spouse or child disposes of the remainder for less than fair market value.

(e) For purposes of this subdivision, "institutionalized person" and "long-term care services" have the meanings given in section 256B.0595, subdivision 1, paragraph ~~(h)~~ (g).

(f) For purposes of this subdivision, "medical institution" means a skilled nursing facility, intermediate care facility, intermediate care facility for persons with developmental disabilities, nursing facility, or inpatient hospital."

Page 26, delete section 7 and insert:

"Sec. 8. Minnesota Statutes 2012, section 256B.0595, subdivision 1, is amended to read:

Subdivision 1. **Prohibited transfers.** ~~(a) For transfers of assets made on or before August 10, 1993, if an institutionalized person or the institutionalized person's spouse has given away, sold, or disposed of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under the supplemental security program, within 30 months before or any time after the date of institutionalization if the person has been determined eligible for medical assistance, or within 30 months before or any time after the date of the first approved application for medical assistance if the person has not yet been determined eligible for medical assistance, the person is ineligible for long-term care services for the period of time determined under subdivision 2.~~

~~(b)~~ (a) Effective for transfers made after August 10, 1993, an institutionalized person, an institutionalized person's spouse, or any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the institutionalized person or institutionalized person's spouse, may not give away, sell, or dispose of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under the Supplemental Security Income program, for the purpose of establishing or maintaining medical assistance eligibility. This applies to all transfers, including those made by a community spouse after the month in which the institutionalized spouse is determined eligible for medical assistance. For purposes of determining eligibility for long-term care services, any transfer of such assets within 36 months before or any time after an institutionalized person requests medical assistance

payment of long-term care services, or 36 months before or any time after a medical assistance recipient becomes an institutionalized person, for less than fair market value may be considered. Any such transfer is presumed to have been made for the purpose of establishing or maintaining medical assistance eligibility and the institutionalized person is ineligible for long-term care services for the period of time determined under subdivision 2, unless the institutionalized person furnishes convincing evidence to establish that the transaction was exclusively for another purpose, or unless the transfer is permitted under subdivision 3 or 4. In the case of payments from a trust or portions of a trust that are considered transfers of assets under federal law, or in the case of any other disposal of assets made on or after February 8, 2006, any transfers made within 60 months before or any time after an institutionalized person requests medical assistance payment of long-term care services and within 60 months before or any time after a medical assistance recipient becomes an institutionalized person, may be considered.

~~(c)~~ (b) This section applies to transfers, for less than fair market value, of income or assets, including assets that are considered income in the month received, such as inheritances, court settlements, and retroactive benefit payments or income to which the institutionalized person or the institutionalized person's spouse is entitled but does not receive due to action by the institutionalized person, the institutionalized person's spouse, or any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the institutionalized person or the institutionalized person's spouse.

~~(d)~~ (c) This section applies to payments for care or personal services provided by a relative, unless the compensation was stipulated in a notarized, written agreement which was in existence when the service was performed, the care or services directly benefited the person, and the payments made represented reasonable compensation for the care or services provided. A notarized written agreement is not required if payment for the services was made within 60 days after the service was provided.

~~(e)~~ (d) This section applies to the portion of any asset or interest that an institutionalized person, an institutionalized person's spouse, or any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the institutionalized person or the institutionalized person's spouse, transfers to any annuity that exceeds the value of the benefit likely to be returned to the institutionalized person or institutionalized person's spouse while alive, based on estimated life expectancy as determined according to the current actuarial tables published by the Office of the Chief Actuary of the Social Security Administration. The commissioner may adopt rules reducing life expectancies based on the need for long-term care. This section applies to an annuity purchased on or after March 1, 2002, that:

(1) is not purchased from an insurance company or financial institution that is subject to licensing or regulation by the Minnesota Department of Commerce or a similar regulatory agency of another state;

(2) does not pay out principal and interest in equal monthly installments; or

(3) does not begin payment at the earliest possible date after annuitization.

~~(f)~~ (e) Effective for transactions, including the purchase of an annuity, occurring on or after February 8, 2006, by or on behalf of an institutionalized person who has applied for or is receiving long-term care services or the institutionalized person's spouse shall be treated as the disposal of an asset for less than fair market value unless the department is named a preferred remainder beneficiary

as described in section 256B.056, subdivision 11. Any subsequent change to the designation of the department as a preferred remainder beneficiary shall result in the annuity being treated as a disposal of assets for less than fair market value. The amount of such transfer shall be the maximum amount the institutionalized person or the institutionalized person's spouse could receive from the annuity or similar financial instrument. Any change in the amount of the income or principal being withdrawn from the annuity or other similar financial instrument at the time of the most recent disclosure shall be deemed to be a transfer of assets for less than fair market value unless the institutionalized person or the institutionalized person's spouse demonstrates that the transaction was for fair market value. In the event a distribution of income or principal has been improperly distributed or disbursed from an annuity or other retirement planning instrument of an institutionalized person or the institutionalized person's spouse, a cause of action exists against the individual receiving the improper distribution for the cost of medical assistance services provided or the amount of the improper distribution, whichever is less.

~~(g)~~ (f) Effective for transactions, including the purchase of an annuity, occurring on or after February 8, 2006, by or on behalf of an institutionalized person applying for or receiving long-term care services shall be treated as a disposal of assets for less than fair market value unless it is:

(i) an annuity described in subsection (b) or (q) of section 408 of the Internal Revenue Code of 1986; or

(ii) purchased with proceeds from:

(A) an account or trust described in subsection (a), (c), or (p) of section 408 of the Internal Revenue Code;

(B) a simplified employee pension within the meaning of section 408(k) of the Internal Revenue Code; or

(C) a Roth IRA described in section 408A of the Internal Revenue Code; or

(iii) an annuity that is irrevocable and nonassignable; is actuarially sound as determined in accordance with actuarial publications of the Office of the Chief Actuary of the Social Security Administration; and provides for payments in equal amounts during the term of the annuity, with no deferral and no balloon payments made.

~~(h)~~ (g) For purposes of this section, long-term care services include services in a nursing facility, services that are eligible for payment according to section 256B.0625, subdivision 2, because they are provided in a swing bed, intermediate care facility for persons with developmental disabilities, and home and community-based services provided pursuant to sections 256B.0915, 256B.092, and 256B.49. For purposes of this subdivision and subdivisions 2, 3, and 4, "institutionalized person" includes a person who is an inpatient in a nursing facility or in a swing bed, or intermediate care facility for persons with developmental disabilities or who is receiving home and community-based services under sections 256B.0915, 256B.092, and 256B.49.

~~(i)~~ (h) This section applies to funds used to purchase a promissory note, loan, or mortgage unless the note, loan, or mortgage:

(1) has a repayment term that is actuarially sound;

(2) provides for payments to be made in equal amounts during the term of the loan, with no deferral and no balloon payments made; and

(3) prohibits the cancellation of the balance upon the death of the lender.

In the case of a promissory note, loan, or mortgage that does not meet an exception in clauses (1) to (3), the value of such note, loan, or mortgage shall be the outstanding balance due as of the date of the institutionalized person's request for medical assistance payment of long-term care services.

~~(j)~~ (i) This section applies to the purchase of a life estate interest in another person's home unless the purchaser resides in the home for a period of at least one year after the date of purchase.

~~(k)~~ (j) This section applies to transfers into a pooled trust that qualifies under United States Code, title 42, section 1396p(d)(4)(C), by:

(1) a person age 65 or older or the person's spouse; or

(2) any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of a person age 65 or older or the person's spouse.

Sec. 9. Minnesota Statutes 2012, section 256B.0595, subdivision 2, is amended to read:

Subd. 2. **Period of ineligibility for long-term care services.** ~~(a) For any uncompensated transfer occurring on or before August 10, 1993, the number of months of ineligibility for long-term care services shall be the lesser of 30 months, or the uncompensated transfer amount divided by the average medical assistance rate for nursing facility services in the state in effect on the date of application. The amount used to calculate the average medical assistance payment rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year. The period of ineligibility begins with the month in which the assets were transferred. If the transfer was not reported to the local agency at the time of application, and the applicant received long-term care services during what would have been the period of ineligibility if the transfer had been reported, a cause of action exists against the transferee for the cost of long-term care services provided during the period of ineligibility, or for the uncompensated amount of the transfer, whichever is less. The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of compensation received.~~

~~(b)~~ (a) For uncompensated transfers made after August 10, 1993, the number of months of ineligibility for long-term care services shall be the total uncompensated value of the resources transferred divided by the average medical assistance rate for nursing facility services in the state in effect on the date of application. The amount used to calculate the average medical assistance payment rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year. The period of ineligibility begins with the first day of the month after the month in which the assets were transferred except that if one or more uncompensated transfers are made during a period of ineligibility, the total assets transferred during the ineligibility period shall be combined and a penalty period calculated to begin on the first day of the month after the month in which the first uncompensated transfer was made. If the transfer was reported to the local agency after the date that advance notice of a period of ineligibility that affects the next month could be provided to the recipient and the recipient received medical assistance services or the transfer was not reported to the local agency, and the applicant or recipient received medical assistance services during what would have been the period of ineligibility if the transfer had been reported, a cause of action exists against the transferee for that portion of long-term care services provided during the period of ineligibility, or for the uncompensated amount of the transfer, whichever is less. The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of compensation received. Effective for transfers made on or after March 1, 1996,

involving persons who apply for medical assistance on or after April 13, 1996, no cause of action exists for a transfer unless:

(1) the transferee knew or should have known that the transfer was being made by a person who was a resident of a long-term care facility or was receiving that level of care in the community at the time of the transfer;

(2) the transferee knew or should have known that the transfer was being made to assist the person to qualify for or retain medical assistance eligibility; or

(3) the transferee actively solicited the transfer with intent to assist the person to qualify for or retain eligibility for medical assistance.

~~(c)~~ (b) For uncompensated transfers made on or after February 8, 2006, the period of ineligibility:

(1) for uncompensated transfers by or on behalf of individuals receiving medical assistance payment of long-term care services, begins the first day of the month following advance notice of the period of ineligibility, but no later than the first day of the month that follows three full calendar months from the date of the report or discovery of the transfer; or

(2) for uncompensated transfers by individuals requesting medical assistance payment of long-term care services, begins the date on which the individual is eligible for medical assistance under the Medicaid state plan and would otherwise be receiving long-term care services based on an approved application for such care but for the period of ineligibility resulting from the uncompensated transfer; and

(3) cannot begin during any other period of ineligibility.

~~(d)~~ (c) If a calculation of a period of ineligibility results in a partial month, payments for long-term care services shall be reduced in an amount equal to the fraction.

~~(e)~~ (d) In the case of multiple fractional transfers of assets in more than one month for less than fair market value on or after February 8, 2006, the period of ineligibility is calculated by treating the total, cumulative, uncompensated value of all assets transferred during all months on or after February 8, 2006, as one transfer.

~~(f)~~ (e) A period of ineligibility established under paragraph ~~(c)~~ (b) may be eliminated if all of the assets transferred for less than fair market value used to calculate the period of ineligibility, or cash equal to the value of the assets at the time of the transfer, are returned. A period of ineligibility must not be adjusted if less than the full amount of the transferred assets or the full cash value of the transferred assets are returned.

Sec. 10. Minnesota Statutes 2012, section 256B.0595, subdivision 4, is amended to read:

Subd. 4. **Other exceptions to transfer prohibition.** (a) An institutionalized person, as defined in subdivision 1, paragraph ~~(h)~~ (g), who has made, or whose spouse has made a transfer prohibited by subdivision 1, is not ineligible for long-term care services if one of the following conditions applies:

(1) the assets were transferred to the individual's spouse or to another for the sole benefit of the spouse; or

(2) the institutionalized spouse, prior to being institutionalized, transferred assets to a spouse, provided that the spouse to whom the assets were transferred does not then transfer those assets to another person for less than fair market value. (At the time when one spouse is institutionalized, assets must be allocated between the spouses as provided under section 256B.059); or

(3) the assets were transferred to the individual's child who is blind or permanently and totally disabled as determined in the supplemental security income program; or

(4) a satisfactory showing is made that the individual intended to dispose of the assets either at fair market value or for other valuable consideration; or

(5) the local agency determines that denial of eligibility for long-term care services would work an undue hardship and grants a waiver of a period of ineligibility resulting from a transfer for less than fair market value based on an imminent threat to the individual's health and well-being. Imminent threat to the individual's health and well-being means that imposing a period of ineligibility would endanger the individual's health or life or cause serious deprivation of food, clothing, or shelter. Whenever an applicant or recipient is denied eligibility because of a transfer for less than fair market value, the local agency shall notify the applicant or recipient that the applicant or recipient may request a waiver of the period of ineligibility if the denial of eligibility will cause undue hardship. With the written consent of the individual or the personal representative of the individual, a long-term care facility in which an individual is residing may file an undue hardship waiver request, on behalf of the individual who is denied eligibility for long-term care services on or after July 1, 2006, due to a period of ineligibility resulting from a transfer on or after February 8, 2006.

(b) Subject to paragraph (c), when evaluating a hardship waiver, the local agency shall take into account whether the individual was the victim of financial exploitation, whether the individual has made reasonable efforts to recover the transferred property or resource, whether the individual has taken any action to prevent the designation of the department as a remainder beneficiary on an annuity as described in section 256B.056, subdivision 11, and other factors relevant to a determination of hardship.

(c) In the case of an imminent threat to the individual's health and well-being, the local agency shall approve a hardship waiver of the portion of an individual's period of ineligibility resulting from a transfer of assets for less than fair market value by or to a person:

(1) convicted of financial exploitation, fraud, or theft upon the individual for the transfer of assets; or

(2) against whom a report of financial exploitation upon the individual has been substantiated. For purposes of this paragraph, "financial exploitation" and "substantiated" have the meanings given in section 626.5572.

(d) The local agency shall make a determination within 30 days of the receipt of all necessary information needed to make such a determination. If the local agency does not approve a hardship waiver, the local agency shall issue a written notice to the individual stating the reasons for the denial and the process for appealing the local agency's decision. When a waiver is granted, a cause of action exists against the person to whom the assets were transferred for that portion of long-term care services provided within:

(1) 30 months of a transfer made on or before August 10, 1993;

(2) 60 months of a transfer if the assets were transferred after August 30, 1993, to a trust or portion of a trust that is considered a transfer of assets under federal law;

(3) 36 months of a transfer if transferred in any other manner after August 10, 1993, but prior to February 8, 2006; or

(4) 60 months of any transfer made on or after February 8, 2006,

or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action; or

(5) for transfers occurring after August 10, 1993, the assets were transferred by the person or person's spouse: (i) into a trust established for the sole benefit of a son or daughter of any age who is blind or disabled as defined by the Supplemental Security Income program; or (ii) into a trust established for the sole benefit of an individual who is under 65 years of age who is disabled as defined by the Supplemental Security Income program.

"For the sole benefit of" has the meaning found in section 256B.059, subdivision 1.

Sec. 11. Minnesota Statutes 2012, section 256B.0595, subdivision 9, is amended to read:

Subd. 9. **Filing cause of action; limitation.** (a) The county of financial responsibility under chapter 256G may bring a cause of action under any or all of the following:

(1) subdivision 1, paragraph ~~(f)~~ (e);

(2) subdivision 2, ~~paragraphs~~ paragraph (a) ~~and (b)~~;

(3) subdivision 3, paragraph (b);

(4) subdivision 4, paragraph (d); and

(5) subdivision 8

on behalf of the claimant who must be the commissioner.

(b) Notwithstanding any other law to the contrary, a cause of action under subdivision 2, paragraph (a) or (b), or 8, must be commenced within six years of the date the local agency determines that a transfer was made for less than fair market value. Notwithstanding any other law to the contrary, a cause of action under subdivision 3, paragraph (b), or 4, clause (5), must be commenced within six years of the date of approval of a waiver of the penalty period for a transfer for less than fair market value based on undue hardship.

Sec. 12. Minnesota Statutes 2012, section 256D.02, subdivision 12a, is amended to read:

Subd. 12a. **Resident.** (a) For purposes of eligibility for general assistance and general assistance medical care, a person must be a resident of this state.

(b) A "resident" is a person living in the state for at least 30 days with the intention of making the person's home here and not for any temporary purpose. Time spent in a shelter for battered women shall count toward satisfying the 30-day residency requirement. All applicants for these programs are required to demonstrate the requisite intent and can do so in any of the following ways:

(1) by showing that the applicant maintains a residence at a verified address, other than a place of public accommodation. An applicant may verify a residence address by presenting a valid state

driver's license, a state identification card, a voter registration card, a rent receipt, a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address, or other form of verification approved by the commissioner; or

(2) by verifying residence according to Minnesota Rules, part 9500.1219, subpart 3, item C.

(c) ~~For general assistance medical care, a county agency shall waive the 30-day residency requirement in cases of medical emergencies.~~ For general assistance, a county shall waive the 30-day residency requirement where unusual hardship would result from denial of general assistance. For purposes of this subdivision, "unusual hardship" means the applicant is without shelter or is without available resources for food.

The county agency must report to the commissioner within 30 days on any waiver granted under this section. The county shall not deny an application solely because the applicant does not meet at least one of the criteria in this subdivision, but shall continue to process the application and leave the application pending until the residency requirement is met or until eligibility or ineligibility is established.

(d) For purposes of paragraph (c), the following definitions apply (1) "metropolitan statistical area" is as defined by the United States Census Bureau; (2) "shelter" includes any shelter that is located within the metropolitan statistical area containing the county and for which the applicant is eligible, provided the applicant does not have to travel more than 20 miles to reach the shelter and has access to transportation to the shelter. Clause (2) does not apply to counties in the Minneapolis-St. Paul metropolitan statistical area.

(e) Migrant workers as defined in section 256J.08 and, until March 31, 1998, their immediate families are exempt from the residency requirements of this section, provided the migrant worker provides verification that the migrant family worked in this state within the last 12 months and earned at least $1,000 in gross wages during the time the migrant worker worked in this state.

(f) For purposes of eligibility for emergency general assistance, the 30-day residency requirement under this section shall not be waived.

(g) If any provision of this subdivision is enjoined from implementation or found unconstitutional by any court of competent jurisdiction, the remaining provisions shall remain valid and shall be given full effect."

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

S.F. No. 643: A bill for an act relating to corrections; allowing Department of Corrections to access data to track employment of offenders sentenced to probation for the purpose of case planning; amending Minnesota Statutes 2012, section 268.19, subdivision 1.

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

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 716: A bill for an act relating to energy; regulating the assessment of need and routing of certain transmission lines.

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

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 674: A bill for an act relating to energy; regulating the routing of high-voltage transmission lines; amending Minnesota Statutes 2012, sections 216E.03, subdivision 7; 216E.12, by adding a subdivision.

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

Page 3, line 1, delete "land" and insert "real property" in both places

Page 3, line 2, delete "same" and delete everything after "right" and insert "to compensation from the utility for diminution in the value of the property caused by the construction of the line"

Page 3, delete line 3

Page 3, line 4, delete everything before the comma and delete "land will be" and insert "property is"

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

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 455: A bill for an act relating to energy; regulating the routing process for high-voltage transmission lines; prohibiting the designation of a preferred route in the permitting process; amending Minnesota Statutes 2012, section 216E.03, subdivision 3.

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

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 1166: A bill for an act relating to environmental health; prohibiting the sale of certain products containing triclosan or similar antibacterial compounds; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Senator Bonoff from the Committee on Higher Education and Workforce Development, to which was referred

S.F. No. 899: A bill for an act relating to higher education; requiring the publication of labor market information by the Department of Employment and Economic Development; requiring the use and dissemination of labor market information by the Minnesota State Colleges and Universities; utilizing workforce centers in assisting individuals seeking credentials for high-demand jobs; amending Minnesota Statutes 2012, section 136F.37; proposing coding for new law in Minnesota Statutes, chapters 116J; 116L.

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

Delete everything after the enacting clause and insert:

"Section 1. **[116J.4011] LABOR MARKET INFORMATION DATA PRODUCTION REQUIREMENT.**

(a) As part of the commissioner's obligation under section 116J.401, the commissioner must, in collaboration with the Office of Higher Education and local workforce councils, produce and publish labor market analysis describing the alignment between employer requirements and workforce qualifications.

(b) The analysis must include a description of job trends that supports career choice and job seeking including:

(1) measures of current job growth, projected future job growth, and current job vacancies;

(2) a breakdown of these measures, whenever feasible, by industry, occupation, statewide and substate region, by educational requirement, state employee retirement trends, and by racial trends;

(3) a description of industry- or occupation-based credentials and minimum educational standards necessary for successful employment in each area; and

(4) a designation of areas of opportunity based on high growth, high vacancy, and high pay conditions.

(c) The analysis must include a description of workforce supply and quality, including:

(1) a description of the current educational attainment of the workforce and its distribution across industries, occupations, and regions;

(2) the number and distribution of recent graduates of and current enrollees in postsecondary institutions by academic concentration or major and by credential type; and

(3) the completion rate, employment outcome, and average debt for recent postsecondary graduates by program of study, institution type, and credential.

(d) The analysis must be reviewed on a regular basis by representatives from the business and postsecondary sectors, and any feedback should be incorporated into data collection and presentation where feasible. This feedback may also include surveys of employers on their skill, credential, and other workforce requirements when necessary.

(e) Analysis, data, and reports required by this section must be easily accessible, easily readable, and prominently presented on the Department of Employment and Economic Development Web site and Web sites of workforce centers. Information on job vacancies and areas of potential employment opportunities should link to educational or credential requirements, appropriate training or educational offerings, prevailing wages, and other indicators of market conditions deemed important to career choosers and job seekers.

Sec. 2. **[116J.4012] CREDENTIAL OUTCOME REPORTS.**

(a) The commissioner shall develop and require centralized reporting on a uniform set of outcomes for education credentials and program accountability for use by the state to identify best practices among adult basic education, Workforce Investment Act, TANF, community and technical colleges, dislocated worker, and other adult workforce programs.

(b) The commissioner shall provide an annual assessment and public report to the legislature regarding credential outcomes produced by programs and provide recommendations to better align efforts across agencies to meet employer demand. The report shall also provide data on employment outcomes and trends by race and promising strategies to eliminate racial employment disparities.

Sec. 3. **[116L.191] WORKFORCE CENTER; CREDENTIAL ASSISTANCE.**

(a) The commissioner shall provide at local workforce centers services that assist individuals in identifying and obtaining industry-recognized credentials for jobs, particularly jobs in high demand. The workforce centers must consult and cooperate with training institutions, particularly postsecondary institutions to identify credential programs to individuals.

(b) Each workforce center shall provide information under section 116J.4011, paragraph (b), clause (3), linked as a shortcut from the desktop of each workforce center computer and available in hard copy. Prominent signs should be posted in workforce centers directing individuals to where they can find a list of top job vacancies and related credential information.

Sec. 4. Minnesota Statutes 2012, section 136F.37, is amended to read:

136F.37 JOB PLACEMENT IMPACT ON PROGRAM REVIEW; INFORMATION TO STUDENTS.

Subdivision 1. **Colleges; technical occupational program.** The board must assess labor market data when conducting college program reviews. Colleges must provide prospective students with the job placement rate for graduates of technical and occupational programs offered at the colleges.

Subd. 2. **DEED labor market survey; MnSCU usage and disclosure.** The data assessed under subdivision 1 must include labor market data compiled by the Department of Employment and Economic Development under section 116J.4011. The board and its colleges and universities must use this market data when deciding upon course and program offerings. The board must provide a link to this labor market data on its Internet portal.

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

Sec. 5. **PILOT PROGRAMS; COMBINING CAREER AND HIGHER EDUCATION ADVISING.**

The workforce council in each of the workforce service areas of Hennepin/Carver, Northeast Minnesota, Stearns/Benton, and rural Minnesota CEP must with at least one public school district in its service area, cooperate in operating a program to assist high school students in selecting careers of interest to a student and a postsecondary path to prepare for that career. The local workforce council shall individually advise a student on jobs in high demand in areas of interest to a student. Advising must include information on various career paths and associated jobs, the salary profile of those jobs, and the credentials and other training desired by employers for those jobs. A district may assist the local workforce council by, among other activities:

(1) describing to the local workforce council what kind of vocational exploration the student already received;

(2) identifying opportunities for the council to assist students by providing office space at school to meet with students, access to assemblies and other groups for testing and career exploration,

access to teachers through in-service and in other manners, to support students to use a pilot program; and

(3) working with students after testing and advising by the local workforce council."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Jobs, Agriculture and Rural Development. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 359, 496, 727, 875, 608, 945, 316, 643, 716, 674 and 455 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Koenen, Dibble, Rest and Thompson introduced–

S.F. No. 1301: A bill for an act relating to taxation; income and corporate franchise; providing for a subtraction of certain railroad track maintenance expenditures; amending Minnesota Statutes 2012, sections 290.01, subdivisions 19b, 19d; 290.091, subdivision 2.

Referred to the Committee on Taxes.

Senators Rest, Gazelka, Metzen, Dahms and Anderson introduced–

S.F. No. 1302: A bill for an act relating to gambling; appropriating money for problem gambling.

Referred to the Committee on Finance.

Senators Osmek and Dibble introduced–

S.F. No. 1303: A bill for an act relating to transportation; appropriating money for eWorkPlace telework program.

Referred to the Committee on Finance.

Senators Marty, Eken, Tomassoni, Hayden and Sparks introduced–

S.F. No. 1304: A bill for an act relating to workforce development; appropriating money for Conservation Corps Minnesota.

Referred to the Committee on Finance.

Senator Latz introduced–

S.F. No. 1305: A bill for an act relating to transportation; bridges; providing for disposition of remnant steel of I-35W bridge; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Transportation and Public Safety.

Senators Goodwin and Carlson introduced–

S.F. No. 1306: A bill for an act relating to transportation; amending regulation of motor carriers of railroad employees; amending Minnesota Statutes 2012, sections 169.781, subdivision 2; 221.0255.

Referred to the Committee on Transportation and Public Safety.

Senator Hawj introduced–

S.F. No. 1307: A bill for an act relating to human rights; changing provisions for certain certificates of compliance; amending Minnesota Statutes 2012, sections 363A.36, subdivision 1; 363A.37; repealing Minnesota Rules, part 5000.3560, subparts 2, 3.

Referred to the Committee on Judiciary.

Senators Clausen, Carlson, Lourey, Hoffman and Hayden introduced–

S.F. No. 1308: A bill for an act relating to real property; modifying lien provisions of the Minnesota Common Interest Ownership Act; amending Minnesota Statutes 2012, section 515B.3-116.

Referred to the Committee on Judiciary.

Senators Clausen, Kent, Wiger, Johnson and Wiklund introduced–

S.F. No. 1309: A bill for an act relating to education finance; increasing the maximum amount of the building lease levy from $150 to $175 per pupil; amending Minnesota Statutes 2012, section 126C.40, subdivision 1.

Referred to the Committee on Finance.

Senators Pappas and Sieben introduced–

S.F. No. 1310: A bill for an act relating to human rights; providing for expansion of duties under the Human Rights Act; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 363A.

Referred to the Committee on Judiciary.

Senator Hayden introduced–

S.F. No. 1311: A bill for an act relating to economic development; creating a full employment initiative in targeted labor surplus areas; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Jobs, Agriculture and Rural Development.

Senators Hoffman, Eaton and Marty introduced–

S.F. No. 1312: A bill for an act relating to human services; establishing a pilot project for peer-to-peer supports; appropriating money.

Referred to the Committee on Health, Human Services and Housing.

Senator Ruud introduced–

S.F. No. 1313: A bill for an act relating to capital investment; appropriating money for the Cuyuna Lakes State Trail; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senators Ruud and Gazelka introduced–

S.F. No. 1314: A bill for an act relating to food safety; establishing an exception for certain chili or soup cook-off events; amending Minnesota Statutes 2012, section 157.22.

Referred to the Committee on Health, Human Services and Housing.

Senator Hoffman introduced–

S.F. No. 1315: A bill for an act relating to human services; modifying payment methodologies for home and community-based services; amending Minnesota Statutes 2012, sections 256B.4912, subdivisions 2, 3; 256B.4913.

Referred to the Committee on Health, Human Services and Housing.

Senators Eaton, Sheran and Hoffman introduced–

S.F. No. 1316: A bill for an act relating to health; regulating laser treatments; requiring transparency in health care advertising; amending Minnesota Statutes 2012, section 147.081, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 144; 147.

Referred to the Committee on Health, Human Services and Housing.

Senator Hayden introduced–

S.F. No. 1317: A bill for an act relating to human services; requiring the commissioner of human services to develop a comprehensive asthma care plan.

Referred to the Committee on Health, Human Services and Housing.

Senator Sheran introduced–

S.F. No. 1318: A bill for an act relating to capital investment; appropriating money for phase one of the renovation of the Minnesota Security Hospital in St. Peter; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senator Sieben introduced–

S.F. No. 1319: A bill for an act relating to transportation; creating Bridge Coatings Standards Advisory Group.

Referred to the Committee on Transportation and Public Safety.

Senator Bakk introduced–

S.F. No. 1320: A bill for an act relating to local government; providing and clarifying the compatibility of concurrently holding certain offices; amending Minnesota Statutes 2012, section 375.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 123B; repealing Minnesota Statutes 2012, section 367.033.

Referred to the Committee on State and Local Government.

Senator Pederson, J. introduced–

S.F. No. 1321: A bill for an act relating to transportation; transit; reimbursing greater Minnesota transit providers for free transit rides provided to disabled veterans; appropriating money.

Referred to the Committee on Finance.

Senator Pederson, J. introduced–

S.F. No. 1322: A bill for an act relating to education finance; requiring an adequacy study of Minnesota's school finance system; appropriating money.

Referred to the Committee on Education.

Senator Brown introduced–

S.F. No. 1323: A bill for an act relating to clean water; appropriating money for replacement of Malone Bridge.

Referred to the Committee on Finance.

Senator Champion introduced–

S.F. No. 1324: A bill for an act relating to taxation; providing for reimbursement to taxing jurisdictions for certain property tax disaster abatements; appropriating money.

Referred to the Committee on Taxes.

Senator Sheran introduced–

S.F. No. 1325: A bill for an act relating to capital investment; appropriating money for Mankato transit facilities; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senator Goodwin introduced–

S.F. No. 1326: A bill for an act relating to retirement; Minnesota State Retirement System; permitting deferred members from the general employees retirement plan, correctional employees retirement plan, and the State Patrol retirement plan to vote in board elections; amending Minnesota Statutes 2012, section 352.03, subdivisions 1, 1a.

Referred to the Committee on State and Local Government.

Senators Nelson, Torres Ray, Ruud, Bonoff and Sheran introduced–

S.F. No. 1327: A bill for an act relating to human services; modifying child care provider requirements; amending Minnesota Statutes 2012, section 119B.125, subdivision 1.

Referred to the Committee on Health, Human Services and Housing.

Senators Rosen, Reinert, Hayden and Benson introduced–

S.F. No. 1328: A bill for an act relating to health; requiring continuing medical education credits; proposing coding for new law in Minnesota Statutes, chapter 147.

Referred to the Committee on Health, Human Services and Housing.

Senators Housley, Senjem and Wiger introduced–

S.F. No. 1329: A bill for an act relating to taxation; city of Forest Lake; extending duration of Forest Lake Economic Development Authority; authorizing use of tax increment financing; extending authority.

Referred to the Committee on Taxes.

Senators Housley, Senjem, Kent and Wiger introduced–

S.F. No. 1330: A bill for an act relating to education finance; permitting Independent School District No. 831, Forest Lake, to participate in the alternative facilities revenue program; amending Laws 1999, chapter 241, article 4, section 25, as amended.

Referred to the Committee on Finance.

Senators Housley, Senjem and Wiger introduced–

S.F. No. 1331: A bill for an act relating to tax increment financing; providing a two-year extension of the temporary authority to stimulate construction; amending Minnesota Statutes 2012, section 469.176, subdivision 4m.

Referred to the Committee on Taxes.

Senators Reinert and Rosen introduced–

S.F. No. 1332: A bill for an act relating to crime; providing criminal penalties for selling or possessing a synthetic drug look-alike substance; proposing coding for new law in Minnesota Statutes, chapter 152.

Referred to the Committee on Judiciary.

Senator Senjem introduced–

S.F. No. 1333: A bill for an act relating to human services; modifying the supplemental rate for group residential housing providers; amending Minnesota Statutes 2012, section 256I.05, by adding a subdivision.

Referred to the Committee on Finance.

Senators Jensen, Stumpf and Weber introduced–

S.F. No. 1334: A bill for an act relating to education finance; incorporating the health and safety revenue program into the deferred maintenance revenue program; setting a per pupil formula allowance for the program; amending Minnesota Statutes 2012, sections 123B.57, subdivisions 2, 6; 123B.59, subdivisions 1, 4; 123B.591; repealing Minnesota Statutes 2012, section 123B.57, subdivisions 1, 3, 4, 5, 6a, 6b, 6c, 7.

Referred to the Committee on Finance.

Senators Rosen, Reinert, Newman, Hayden and Benson introduced–

S.F. No. 1335: A bill for an act relating to public safety; adding to the list of Schedule I controlled substances; amending Minnesota Statutes 2012, section 152.02, subdivision 2.

Referred to the Committee on Judiciary.

Senator Wiger introduced–

S.F. No. 1336: A bill for an act relating to juvenile justice services; requiring discussion of specified issues and a report to the legislature.

Referred to the Committee on Judiciary.

Senator Pappas introduced–

S.F. No. 1337: A bill for an act relating to workers' compensation; modifying Workers' Compensation Court of Appeals personnel provisions; amending Minnesota Statutes 2012, section 175A.07, subdivision 2.

Referred to the Committee on Jobs, Agriculture and Rural Development.

Senator Clausen introduced–

S.F. No. 1338: A bill for an act relating to state government; excluding certain income and assets from counting toward income and asset limits for certain programs.

Referred to the Committee on Health, Human Services and Housing.

Senator Wiklund introduced–

S.F. No. 1339: A bill for an act relating to state government; making changes to nonvisual technology access standards; amending Minnesota Statutes 2012, section 16C.145.

Referred to the Committee on State and Local Government.

Senator Hayden introduced–

S.F. No. 1340: A bill for an act relating to human services; modifying provisions related to licensing data, human services licensing, child care programs, financial fraud and abuse investigations, and vendors of chemical dependency treatment services; amending Minnesota Statutes 2012, sections 13.46, subdivisions 3, 4; 119B.125, subdivision 1b; 168.012, subdivision 1; 171.07, subdivision 1a; 245A.02, subdivision 5a; 245A.04, subdivisions 1, 5, 11; 245A.06, subdivision 1; 245A.07, subdivisions 2, 3, by adding a subdivision; 245A.08, subdivisions 2a, 5a; 245A.146, subdivisions 3, 4; 245A.50, subdivision 4; 245A.65, subdivision 1; 245A.66, subdivision 1; 245B.02, subdivision 10; 245B.04; 245B.05, subdivisions 1, 7; 245B.07, subdivisions 5, 9, 10; 254B.05, subdivision 5; 268.19, subdivision 1; 471.346; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 2012, sections 245B.02, subdivision 8a; 245B.07, subdivision 7a.

Referred to the Committee on Health, Human Services and Housing.

Senator Johnson introduced–

S.F. No. 1341: A bill for an act relating to capital investment; appropriating money for safety and infrastructure improvements in the BNSF Northtown Yard to increase the speed of Northstar Commuter Rail travel through the yard; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senator Hayden introduced–

S.F. No. 1342: A bill for an act relating to health; appropriating money for federally qualified health centers.

Referred to the Committee on Finance.

Senators Kent and Torres Ray introduced–

S.F. No. 1343: A bill for an act relating to jobs; creating a collaborative job-based education and apprenticeship program; requiring a report; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 178A.

Referred to the Committee on Jobs, Agriculture and Rural Development.

Senators Kent and Torres Ray introduced–

S.F. No. 1344: A bill for an act relating to higher education; creating a pilot program at Minnesota State Colleges and Universities to provide some students with intensive mentoring, counseling, and financial advice; appropriating money.

Referred to the Committee on Higher Education and Workforce Development.

Senators Kent and Torres Ray introduced–

S.F. No. 1345: A bill for an act relating to education; establishing a Minnesota Learning Commons Consortium; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124D.

Referred to the Committee on Higher Education and Workforce Development.

Senator Sieben introduced–

S.F. No. 1346: A bill for an act relating to elections; modifying provisions related to election law including provisions related to redistricting, absentee voting, registration, ballots, election day activities, municipal elections, school district elections, voting, campaigns, and hospital district elections; amending Minnesota Statutes 2012, sections 103C.305, subdivision 3; 201.071, subdivision 2; 203B.08, subdivision 3; 203B.081; 204B.22, subdivision 1; 204C.14; 204D.11, subdivision 4; 205.10, subdivision 3; 205A.08, subdivision 1; 206.895; 208.04, subdivision 1; 211B.045; 447.32, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 2.

Referred to the Committee on Rules and Administration.

Senators Hall, Benson, Rosen, Senjem and Saxhaug introduced–

S.F. No. 1347: A bill for an act relating to firearms; regulating the lawful possession, purchase, and transfer of firearms and ammunition; amending the definition of crime of violence; establishing mandatory minimum sentences; creating new criminal offenses; providing procedures for restoring firearms rights; directing the commissioner of human services to report mental health commitment information to the National Instant Criminal Background Check System for the purpose of facilitating firearms background checks; creating a reporting requirement; requiring timely transmittal of civil commitment, law enforcement, and court data to certain state and federal searchable databases; requiring a report; amending Minnesota Statutes 2012, sections 241.301; 245.041; 253B.24; 299C.10, subdivisions 1, 3; 299C.11, subdivision 1; 299C.14; 299C.17; 609.165, subdivision 1b; 609.505, by adding a subdivision; 624.712, subdivision 5, by adding a subdivision; 624.713, subdivisions 1, 2, by adding subdivisions; 624.7141, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapters 299C; 624; repealing Minnesota Statutes 2012, section 624.713, subdivision 4.

Referred to the Committee on Judiciary.

Senators Thompson; Petersen, B.; Miller; Brown and Gazelka introduced–

S.F. No. 1348: A bill for an act relating to firearms; regulating the lawful possession, purchase, and transfer of firearms and ammunition; amending the definition of crime of violence; establishing mandatory minimum sentences; creating new criminal offenses; providing procedures for restoring firearms rights; directing the commissioner of human services to report mental health commitment information to the National Instant Criminal Background Check System for the purpose of facilitating firearms background checks; creating a reporting requirement; requiring timely transmittal of civil commitment, law enforcement, and court data to certain state and federal searchable databases; requiring a report; amending Minnesota Statutes 2012, sections 241.301; 245.041; 253B.24; 299C.10, subdivisions 1, 3; 299C.11, subdivision 1; 299C.14; 299C.17; 609.165, subdivision 1b; 609.505, by adding a subdivision; 624.712, subdivision 5, by adding a subdivision; 624.713, subdivisions 1, 2, by adding subdivisions; 624.7141, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapters 299C; 624; repealing Minnesota Statutes 2012, section 624.713, subdivision 4.

Referred to the Committee on Judiciary.

Senators Bonoff and Dibble introduced–

S.F. No. 1349: A bill for an act relating to energy; renewable energy; allowing geothermal heating and cooling systems to apply to a utility's renewable energy obligation under certain conditions; amending Minnesota Statutes 2012, section 216B.1691, by adding a subdivision.

Referred to the Committee on Environment and Energy.

Senators Sparks, Weber and Stumpf introduced–

S.F. No. 1350: A bill for an act relating to firearms; regulating the lawful possession, purchase, and transfer of firearms and ammunition; amending the definition of crime of violence; establishing mandatory minimum sentences; creating new criminal offenses; providing procedures for restoring firearms rights; directing the commissioner of human services to report mental health commitment information to the National Instant Criminal Background Check System for the purpose of facilitating firearms background checks; creating a reporting requirement; requiring timely transmittal of civil commitment, law enforcement, and court data to certain state and federal searchable databases; requiring a report; amending Minnesota Statutes 2012, sections 241.301; 245.041; 253B.24; 299C.10, subdivisions 1, 3; 299C.11, subdivision 1; 299C.14; 299C.17; 609.165, subdivision 1b; 609.505, by adding a subdivision; 624.712, subdivision 5, by adding a subdivision; 624.713, subdivisions 1, 2, by adding subdivisions; 624.7141, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapters 299C; 624; repealing Minnesota Statutes 2012, section 624.713, subdivision 4.

Referred to the Committee on Judiciary.

Senator Eaton introduced–

S.F. No. 1351: A bill for an act relating to Hennepin County; updating and making technical corrections to county contract provisions; amending Minnesota Statutes 2012, sections 383B.158,

subdivisions 1, 5; 383B.1581, subdivisions 2, 3; 383B.1582; 383B.1584; repealing Minnesota Statutes 2012, section 383B.1585.

Referred to the Committee on State and Local Government.

Senators Reinert and Bakk introduced–

S.F. No. 1352: A bill for an act relating to capital investment; appropriating money for improvements and access to the Duluth NorShor Theatre; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senators Koenen, Tomassoni, Anderson, Hall and Ortman introduced–

S.F. No. 1353: A bill for an act relating to local government; providing for effect of orderly annexation agreement; limiting the annexation by ordinance of certain parcels; amending Minnesota Statutes 2012, sections 414.0325, subdivision 6; 414.033, by adding a subdivision.

Referred to the Committee on State and Local Government.

Senators Clausen, Wiger, Dahle, Torres Ray and Johnson introduced–

S.F. No. 1354: A bill for an act relating to education; requiring the Board of School Administrators to study the development of a Minnesota comprehensive system for principal development; requiring a report.

Referred to the Committee on Education.

Senators Pappas and Marty introduced–

S.F. No. 1355: A bill for an act relating to cultural heritage; appropriating money for civics education.

Referred to the Committee on Finance.

Senators Petersen, B.; Chamberlain and Benson introduced–

S.F. No. 1356: A bill for an act relating to transportation; capital investment; appropriating money for certain projects on U.S. Highway 10; authorizing sale and issuance of state bonds.

Referred to the Committee on Finance.

Senator Petersen, B. introduced–

S.F. No. 1357: A bill for an act relating to public safety; requiring health clubs to notify members of criminal incidents involving child members; proposing coding for new law in Minnesota Statutes, chapter 624.

Referred to the Committee on Judiciary.

Senator Saxhaug introduced–

S.F. No. 1358: A bill for an act relating to energy; modifying the way certain conservation investments are counted toward a utility's conservation savings goal; setting a 2015 expiration date for utility performance-based conservation savings goals; amending Minnesota Statutes 2012, sections 216B.164, subdivision 3; 216B.241, subdivisions 1c, 2c.

Referred to the Committee on Environment and Energy.

Senators Ortman, Eken, Limmer, Koenen and Hann introduced–

S.F. No. 1359: A bill for an act relating to firearms; regulating the lawful possession, purchase, and transfer of firearms and ammunition; amending the definition of crime of violence; establishing mandatory minimum sentences; creating new criminal offenses; providing procedures for restoring firearms rights; directing the commissioner of human services to report mental health commitment information to the National Instant Criminal Background Check System for the purpose of facilitating firearms background checks; creating a reporting requirement; requiring timely transmittal of civil commitment, law enforcement, and court data to certain state and federal searchable databases; requiring a report; amending Minnesota Statutes 2012, sections 241.301; 245.041; 253B.24; 299C.10, subdivisions 1, 3; 299C.11, subdivision 1; 299C.14; 299C.17; 609.165, subdivision 1b; 609.505, by adding a subdivision; 624.712, subdivision 5, by adding a subdivision; 624.713, subdivisions 1, 2, by adding subdivisions; 624.7141, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapters 299C; 624; repealing Minnesota Statutes 2012, section 624.713, subdivision 4.

Referred to the Committee on Judiciary.

Senator Ortman introduced–

S.F. No. 1360: A bill for an act relating to crime; extending the felony of fraudulent or other improper financing statements to include retaliation against a police officer or chief of police for performing official duties; amending Minnesota Statutes 2012, section 609.7475, subdivision 3.

Referred to the Committee on Judiciary.

Senator Marty introduced–

S.F. No. 1361: A bill for an act relating to energy; requiring the Public Utilities Commission to initiate a proceeding culminating in an order establishing standards for utility rates regarding the interconnection of small electric generating facilities; amending Minnesota Statutes 2012, section 216B.1611.

Referred to the Committee on Environment and Energy.

Senators Hoffman and Jensen introduced–

S.F. No. 1362: A bill for an act relating to education finance; increasing the formula allowance; amending Minnesota Statutes 2012, section 126C.10, subdivision 2.

Referred to the Committee on Finance.

Senator Weber introduced–

S.F. No. 1363: A bill for an act relating to higher education; establishing MnSCU reserves project; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 136F.

Referred to the Committee on Higher Education and Workforce Development.

Senator Torres Ray introduced–

S.F. No. 1364: A bill for an act relating to education; clarifying requirements for a special education director's license; amending Minnesota Statutes 2012, section 122A.14, subdivision 1.

Referred to the Committee on Education.

Senator Schmit introduced–

S.F. No. 1365: A bill for an act relating to natural resources; requiring a report on the feasibility of inspecting water-related equipment entering the state.

Referred to the Committee on Environment and Energy.

Senator Schmit introduced–

S.F. No. 1366: A bill for an act relating to natural resources; modifying the definition of decontaminate for purposes of the invasive species chapter; amending Minnesota Statutes 2012, section 84D.01, subdivision 3a.

Referred to the Committee on Environment and Energy.

Senator Cohen introduced–

S.F. No. 1367: A bill for an act relating to the state budget; establishing an alcohol impact fund; establishing an alcohol impact fee; dedicating the alcohol impact fund to pay for alcohol-related medical expenses in the general fund and the health care access fund; proposing coding for new law in Minnesota Statutes, chapters 16A; 256.

Referred to the Committee on Finance.

Senators Carlson and Dahle introduced–

S.F. No. 1368: A bill for an act relating to education; allowing retired teachers to work as behind-the-wheel instructors; amending Minnesota Statutes 2012, section 122A.48, subdivision 3.

Referred to the Committee on Education.

Senators Bakk and Saxhaug introduced–

S.F. No. 1369: A bill for an act relating to game and fish; modifying disability level for veterans receiving licenses without a fee; amending Minnesota Statutes 2012, section 97A.441, subdivisions 5, 6, 6a.

Referred to the Committee on Environment and Energy.

Senators Hayden and Dibble introduced–

S.F. No. 1370: A bill for an act relating to taxation; providing for deposit of certain mortgage registry and deed taxes in an affordable housing fund; amending Minnesota Statutes 2012, sections 287.12; 287.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Taxes.

Senator Dahms introduced–

S.F. No. 1371: A bill for an act relating to natural resources; establishing a honey bee habitat program; allowing honey bee habitat projects on lands under certain conservation easements; amending Minnesota Statutes 2012, section 103F.515, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Environment and Energy.

Senator Sparks introduced–

S.F. No. 1372: A bill for an act relating to capital investment; appropriating money for the Riverland Community College, Albert Lea campus; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senator Sparks introduced–

S.F. No. 1373: A bill for an act relating to agriculture; establishing the Minnesota agricultural water quality program; authorizing rulemaking; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Jobs, Agriculture and Rural Development.

Senator Sieben introduced–

S.F. No. 1374: A bill for an act relating to elections; making various changes to election law provisions including provisions related to voter registration, absentee ballots, election day activities, state general election ballots, municipal elections, school district elections, voting, campaigns, hospital district elections, and redistricting; amending Minnesota Statutes 2012, sections 103C.305, subdivision 3; 201.071, subdivision 2; 203B.081; 203B.227; 204B.04, by adding a subdivision; 204B.18, subdivision 2; 204B.32, subdivision 1; 204B.36, subdivision 1; 204C.14; 204C.19, subdivision 2; 204C.25; 204C.27; 204D.08, subdivision 6; 204D.11, subdivisions 1, 4, 5, 6; 204D.13, subdivision 3; 204D.14, subdivisions 1, 3; 204D.15, subdivision 3; 205.13, subdivision 1a; 205.17, subdivisions 1, 3; 205A.05, subdivision 2; 205A.08, subdivision 1; 206.61, subdivision 4; 206.895; 208.04, subdivision 2; 211B.045; 447.32, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 2012, sections 204B.42; 204D.11, subdivisions 2, 3; 205.17, subdivisions 2, 4; 205A.08, subdivision 4.

Referred to the Committee on Rules and Administration.

Senator Sieben introduced–

S.F. No. 1375: A bill for an act relating to commerce; regulating unclaimed property; enacting and modifying the Uniform Unclaimed Property Act of 1995 adopted and recommended for passage by the National Conference of Commissioners on Uniform State Laws; making conforming changes in state law; amending Minnesota Statutes 2012, sections 16A.45, subdivisions 1, 4; 58.06, subdivision 2; 58.13, subdivision 1; 80C.03; 136G.09, subdivision 10; 198.231; 270B.14, subdivision 17; 276.19, subdivision 4; 308A.711, subdivision 1; 354B.25, subdivision 6; 356.65, subdivision 2; 624.68; proposing coding for new law in Minnesota Statutes, chapter 345; repealing Minnesota Statutes 2012, sections 345.31; 345.32; 345.321; 345.33; 345.34; 345.35; 345.36; 345.37; 345.38; 345.381; 345.39; 345.40; 345.41; 345.42, subdivisions 1, 4; 345.43, subdivisions 2a, 3; 345.44; 345.45; 345.46; 345.47; 345.48, subdivision 1; 345.485; 345.49; 345.50; 345.51; 345.515; 345.52; 345.525; 345.53; 345.54; 345.55; 345.56; 345.57; 345.58; 345.59; 345.60.

Referred to the Committee on Commerce.

Senator Sieben introduced–

S.F. No. 1376: A bill for an act relating to commerce; modifying securities registration and franchise registration provisions; amending Minnesota Statutes 2012, sections 80A.41; 80A.54; 80A.58; 80A.61; 80A.66; 80C.08, by adding a subdivision.

Referred to the Committee on Commerce.

MOTIONS AND RESOLUTIONS

Senator Dziedzic moved that the name of Senator Nelson be added as a co-author to S.F. No. 128. The motion prevailed.

Senator Eaton moved that the name of Senator Dibble be added as a co-author to S.F. No. 666. The motion prevailed.

Senator Sheran moved that her name be stricken as a co-author to S.F. No. 786. The motion prevailed.

Senator Pappas moved that the name of Senator Osmek be added as a co-author to S.F. No. 860. The motion prevailed.

Senator Bakk moved that the name of Senator Reinert be added as a co-author to S.F. No. 942. The motion prevailed.

Senator Sheran moved that the name of Senator Hann be added as a co-author to S.F. No. 1014. The motion prevailed.

Senator Saxhaug moved that the name of Senator Rest be added as a co-author to S.F. No. 1154. The motion prevailed.

Senator Carlson moved that the name of Senator Clausen be added as a co-author to S.F. No. 1169. The motion prevailed.

Senator Kiffmeyer moved that the name of Senator Pederson, J. be added as a co-author to S.F. No. 1195. The motion prevailed.

Senator Westrom moved that the name of Senator Ingebrigtsen be added as a co-author to S.F. No. 1200. The motion prevailed.

Senator Kiffmeyer moved that the name of Senator Limmer be added as a co-author to S.F. No. 1201. The motion prevailed.

Senator Bonoff moved that the name of Senator Dziedzic be added as a co-author to S.F. No. 1236. The motion prevailed.

Senator Sparks moved that the name of Senator Weber be added as a co-author to S.F. No. 1288. The motion prevailed.

Senator Hayden moved that the name of Senator Dziedzic be added as a co-author to S.F. No. 1299. The motion prevailed.

Senator Dahle moved that S.F. No. 841 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Jobs, Agriculture and Rural Development. The motion prevailed.

Senator Eaton moved that S.F. No. 1050 be withdrawn from the Committee on State and Local Government and returned to its author. The motion prevailed.

Senator Scalze moved that S.F. No. 1262 be withdrawn from the Committee on Environment and Energy and re-referred to the Committee on Finance. The motion prevailed.

Senator Eken moved that S.F. No. 605 be withdrawn from the Committee on Health, Human Services and Housing and re-referred to the Committee on Finance. The motion prevailed.

Senator Eken moved that S.F. No. 792 be withdrawn from the Committee on Health, Human Services and Housing and re-referred to the Committee on Finance. The motion prevailed.

Senator Metzen introduced –

Senate Resolution No. 43: A Senate resolution designating August of each year as "Meningitis Awareness Month."

Referred to the Committee on Rules and Administration.

SPECIAL ORDERS

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

H.F. Nos. 582 and 321.

SPECIAL ORDER

H.F. No. 582: A bill for an act relating to health; requiring accreditation of advanced diagnostic imaging services operating in the state; amending Minnesota Statutes 2012, section 144.1225, 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dziedzic	Ingebrigtsen	Nienow	Schmit
Bakk	Eaton	Jensen	Ortman	Senjem
Benson	Eken	Johnson	Osmek	Sheran
Bonoff	Fischbach	Kent	Pappas	Sieben
Brown	Franzen	Kiffmeyer	Pederson, J.	Skoe
Carlson	Gazelka	Koenen	Petersen, B.	Sparks
Chamberlain	Goodwin	Limmer	Pratt	Thompson
Champion	Hall	Lourey	Reinert	Torres Ray
Clausen	Hann	Marty	Rest	Weber
Cohen	Hawj	Metzen	Rosen	Westrom
Dahle	Hayden	Miller	Ruud	Wiger
Dahms	Hoffman	Nelson	Saxhaug	Wiklund
Dibble	Housley	Newman	Scalze	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 321: A bill for an act relating to local government; defining fair market value for purposes of certain development fees; changing the city of Minneapolis and the Minneapolis Park and Recreation Board joint dedication fee; amending Minnesota Statutes 2012, section 462.358, subdivision 2b; Laws 2006, chapter 269, section 2, as amended.

Senator Hall moved to amend H.F. No. 321, as amended pursuant to Rule 45, adopted by the Senate March 4, 2013, as follows:

(The text of the amended House File is identical to S.F. No. 99.)

Page 1, line 17, strike "may" and insert "must"

Page 2, line 8, delete "may" and insert "must"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 40, as follows:

Those who voted in the affirmative were:

Anderson	Gazelka	Limmer	Osmek	Thompson
Benson	Hall	Miller	Pederson, J.	Weber
Brown	Hann	Nelson	Pratt	
Chamberlain	Housley	Newman	Rosen	
Dahms	Ingebrigtsen	Nienow	Ruud	
Fischbach	Kiffmeyer	Ortman	Senjem	

Those who voted in the negative were:

Bakk	Dziedzic	Jensen	Pappas	Sieben
Bonoff	Eaton	Johnson	Petersen, B.	Skoe
Carlson	Eken	Kent	Reinert	Sparks
Champion	Franzen	Koenen	Rest	Stumpf
Clausen	Goodwin	Latz	Saxhaug	Torres Ray
Cohen	Hawj	Lourey	Scalze	Westrom
Dahle	Hayden	Marty	Schmit	Wiger
Dibble	Hoffman	Metzen	Sheran	Wiklund

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

Senator Hall moved to amend H.F. No. 321, as amended pursuant to Rule 45, adopted by the Senate March 4, 2013, as follows:

(The text of the amended House File is identical to S.F. No. 99.)

Page 1, line 18, after the period, insert "The ordinance must exclude from paying the fee or making a dedication of land housing owned or constructed by a business eligible for designation as a veteran-owned small business under Minnesota Statutes, section 16C.16, subdivision 6a."

Page 2, line 9, after the period, insert "The ordinance must exclude from paying the fee or making a dedication of land housing owned or constructed by a business eligible for designation as a veteran-owned small business under Minnesota Statutes, section 16C.16, subdivision 6a."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Kiffmeyer	Ortman	Thompson
Benson	Gazelka	Limmer	Osmek	Weber
Brown	Hall	Miller	Pederson, J.	Westrom
Chamberlain	Hann	Nelson	Pratt	
Clausen	Housley	Newman	Rosen	
Dahms	Ingebrigtsen	Nienow	Ruud	

Those who voted in the negative were:

Bakk	Eaton	Kent	Rest	Stumpf
Bonoff	Eken	Koenen	Saxhaug	Torres Ray
Carlson	Franzen	Lourey	Schmit	Wiger
Champion	Goodwin	Marty	Senjem	Wiklund
Cohen	Hayden	Metzen	Sheran	
Dahle	Hoffman	Pappas	Sieben	
Dibble	Jensen	Petersen, B.	Skoe	
Dziedzic	Johnson	Reinert	Sparks	

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

Senator Hall moved to amend H.F. No. 321, as amended pursuant to Rule 45, adopted by the Senate March 4, 2013, as follows:

(The text of the amended House File is identical to S.F. No. 99.)

Page 1, line 20, after the period, insert "Park land acquired or developed with fees paid under this section must not be within 1,500 feet of the residence of a person designated as a risk level III predatory offender under Minnesota Statutes, section 244.052, subdivision 3."

Page 2, line 11, after the period, insert "Park land acquired or developed with fees paid under this section must not be within 1,500 feet of the residence of a person designated as a risk level III predatory offender under Minnesota Statutes, section 244.052, subdivision 3."

Senator Dibble moved that H.F. No. 321 be laid on the table. The motion prevailed.

RECESS

Senator Bakk 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 Bakk 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 and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

Senator Limmer requested that the report on S.F. No. 925 be divided out.

Senator Bakk moved adoption of the Committee Report on S.F. No. 778. The motion prevailed.

Senator Bakk from the Committee on Rules and Administration, to which was referred under Rule 21, together with the committee report thereon,

S.F. No. 778: A bill for an act relating to collective bargaining; authorizing collective bargaining for family child care providers; authorizing collective bargaining for home and community-based long-term care services; establishing the Self-Directed Service Workforce Council; proposing coding for new law in Minnesota Statutes, chapters 179A; 256B.

Reports the same back with the recommendation that the report from the Committee on Health, Human Services and Housing, shown in the Journal for March 12, 2013, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill be re-referred to the Committee on Judiciary without recommendation". Amendments adopted. Report adopted.

Senator Bakk from the Committee on Rules and Administration, to which was referred under Rule 21, together with the committee report thereon,

S.F. No. 925: A bill for an act relating to marriage; providing for marriage between two persons; providing for exemptions based on religious association; amending Minnesota Statutes 2012, sections 363A.26; 517.01; 517.03, subdivision 1; 517.08, subdivision 1a; 517.09; 518.07; proposing coding for new law in Minnesota Statutes, chapter 517.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for March 12, 2013, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass".

REPORT OF VOTES IN COMMITTEE

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Gazelka motion to postpone S.F. No. 925 indefinitely.

There were yeas 6 and nays 7, as follows:

Those who voted in the affirmative were:

Senators Fischbach, Gazelka, Hann, Limmer, Newman and Stumpf.

Those who voted in the negative were:

Senators Bakk, Cohen, Marty, Metzen, Pappas, Sieben and Skoe.

The motion did not prevail.

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Limmer amendment to S.F. No. 925.

There were yeas 6 and nays 7, as follows:

Those who voted in the affirmative were:

Senators Fischbach, Gazelka, Hann, Limmer, Newman and Stumpf.

Those who voted in the negative were:

Senators Bakk, Cohen, Marty, Metzen, Pappas, Sieben and Skoe.

The amendment was not adopted.

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the motion to adopt the committee report on S.F. No. 925.

There were yeas 7 and nays 6, as follows:

Those who voted in the affirmative were:

Senators Bakk, Cohen, Marty, Metzen, Pappas, Sieben and Skoe.

Those who voted in the negative were:

Senators Fischbach, Gazelka, Hann, Limmer, Newman and Stumpf.

The motion prevailed.

Senator Bakk moved adoption of the Committee Report on S. F. No. 925.

Senator Nienow moved to postpone consideration of the Committee Report on S. F. No. 925 until a fiscal note is received.

CALL OF THE SENATE

Senator Bakk imposed a call of the Senate for the balance of the proceedings on S.F. No. 925. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 30 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Kiffmeyer	Nienow	Ruud
Benson	Gazelka	Koenen	Ortman	Senjem
Brown	Hall	Limmer	Osmek	Stumpf
Chamberlain	Hann	Miller	Pederson, J.	Thompson
Dahms	Housley	Nelson	Pratt	Weber
Eken	Ingebrigtsen	Newman	Rosen	Westrom

Those who voted in the negative were:

Bakk	Dziedzic	Johnson	Reinert	Sparks
Bonoff	Eaton	Kent	Rest	Torres Ray
Carlson	Franzen	Latz	Saxhaug	Wiger
Champion	Goodwin	Lourey	Scalze	Wiklund
Clausen	Hawj	Marty	Schmit	
Cohen	Hayden	Metzen	Sheran	
Dahle	Hoffman	Pappas	Sieben	
Dibble	Jensen	Petersen, B.	Skoe	

The motion did not prevail.

The question was taken on the adoption of the Bakk motion to adopt the Committee Report on S.F. No. 925.

The roll was called, and there were yeas 35 and nays 31, as follows:

Those who voted in the affirmative were:

Bakk	Dibble	Hoffman	Metzen	Schmit
Bonoff	Dziedzic	Jensen	Pappas	Sheran
Carlson	Eaton	Johnson	Petersen, B.	Sieben
Champion	Franzen	Kent	Reinert	Skoe
Clausen	Goodwin	Latz	Rest	Torres Ray
Cohen	Hawj	Lourey	Saxhaug	Wiger
Dahle	Hayden	Marty	Scalze	Wiklund

Those who voted in the negative were:

Anderson	Gazelka	Limmer	Pederson, J.	Thompson
Benson	Hall	Miller	Pratt	Weber
Brown	Hann	Nelson	Rosen	Westrom
Chamberlain	Housley	Newman	Ruud	
Dahms	Ingebrigtsen	Nienow	Senjem	
Eken	Kiffmeyer	Ortman	Sparks	
Fischbach	Koenen	Osmek	Stumpf	

The motion prevailed. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 925 was read the second time.

MEMBERS EXCUSED

Senator Tomassoni was excused from the Session of today. Senator Stumpf was excused from the Session of today from 11:00 to 11:20 a.m. Senator Latz was excused from the Session of today from 11:00 to 11:20 a.m. and from 11:40 to 11:50 a.m.

ADJOURNMENT

Senator Bakk moved that the Senate do now adjourn until 11:00 a.m., Thursday, March 14, 2013. The motion prevailed.

JoAnne M. Zoff, Secretary of the Senate