

THIRTY-FIFTH DAY

St. Paul, Minnesota, Tuesday, April 7, 2015

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

CALL OF THE SENATE

Senator Sieben 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. Dennis Morreim.

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	Jensen	Osmek	Sparks
Bakk	Eken	Johnson	Pappas	Stumpf
Benson	Fischbach	Kent	Petersen, B.	Thompson
Bonoff	Franzen	Kiffmeyer	Pratt	Tomassoni
Carlson	Gazelka	Koenen	Reinert	Torres Ray
Chamberlain	Goodwin	Limmer	Rest	Weber
Champion	Hall	Lourey	Rosen	Wiger
Clausen	Hann	Marty	Saxhaug	Wiklund
Cohen	Hawj	Metzen	Senjem	
Dahle	Hoffman	Miller	Sheran	
Dahms	Housley	Nelson	Sieben	
Dibble	Ingebrigtsen	Newman	Skoe	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 3, 2015

The Honorable Sandra L. Pappas
President of the Senate

Dear Senator Pappas:

The following appointments are hereby respectfully submitted to the Senate for confirmation as required by law:

METROPOLITAN COUNCIL

Deb Barber, 634 Holmes St. S., Shakopee, in the county of Scott, effective March 8, 2015, for a term expiring on January 7, 2019.

Steven Chavez, 1587 Skyline Path, Eagan, in the county of Dakota, effective March 8, 2015, for a term expiring on January 7, 2019.

Jonathan Commers, 2294 Commonwealth Ave., Saint Paul, in the county of Ramsey, effective March 8, 2015, for a term expiring on January 7, 2019.

Gary Cunningham, 3236 Harriet Ave. S., Minneapolis, in the county of Hennepin, effective March 8, 2015, for a term expiring on January 7, 2019.

Gail Dorfman, 4200 Forest Rd., Saint Louis Park, in the county of Hennepin, effective March 8, 2015, for a term expiring on January 7, 2019.

Steven Elkins, 8709 Sandro Rd., Bloomington, in the county of Hennepin, effective March 8, 2015, for a term expiring on January 7, 2019.

Richard Kramer, 1471 Barclay St., Saint Paul, in the county of Ramsey, effective March 8, 2015, for a term expiring on January 7, 2019.

Cara Letofsky, 2741 - 39th Ave. S., Minneapolis, in the county of Hennepin, effective March 8, 2015, for a term expiring on January 7, 2019.

Marie McCarthy, 2855 - 121st Ct. N.E., Blaine, in the county of Anoka, effective March 8, 2015, for a term expiring on January 7, 2019.

Harry Melander, 716 Park Ave., Mahtomedi, in the county of Washington, effective March 8, 2015, for a term expiring on January 7, 2019.

Jennifer Munt, 5261 Beachside Dr., Minnetonka, in the county of Hennepin, effective March 8, 2015, for a term expiring on January 7, 2019.

Edward Reynoso, 3606 - 145th Ave. N.E., Ham Lake, in the county of Anoka, effective March 8, 2015, for a term expiring on January 7, 2019.

Katie Rodriguez, 6308 Niagara Ct. N., Maple Grove, in the county of Hennepin, effective March 8, 2015, for a term expiring on January 7, 2019.

Sandy Rummel, 4011 Lakehill Cir., White Bear Lake, in the county of Ramsey, effective March 8, 2015, for a term expiring on January 7, 2019.

Lona Schreiber, 10001 Zane Ave. N., Brooklyn Park, in the county of Hennepin, effective March 8, 2015, for a term expiring on January 7, 2019.

Wendy Wulff, 17326 Greentree Path, Lakeville, in the county of Dakota, effective March 8, 2015, for a term expiring on January 7, 2019.

(Referred to the Committee on State and Local Government.)

35TH DAY]

TUESDAY, APRIL 7, 2015

1403

March 12, 2015

The Honorable Sandra L. Pappas
President of the Senate

Dear Senator Pappas:

The following appointments are hereby respectfully submitted to the Senate for confirmation as required by law:

MINNESOTA RURAL FINANCE AUTHORITY

Mary Gritzmacher, 628 Park Ave. S.E., Pierz, in the county of Morrison, effective March 17, 2015, for a term expiring on January 7, 2019.

Gary Wertish, 26416 Cty. Rd. 17, Renville, in the county of Renville, effective March 17, 2015, for a term expiring on January 7, 2019.

(Referred to the Committee on Jobs, Agriculture and Rural Development.)

March 12, 2015

The Honorable Sandra L. Pappas
President of the Senate

Dear Senator Pappas:

The following appointments are hereby respectfully submitted to the Senate for confirmation as required by law:

MINNESOTA ENVIRONMENTAL QUALITY BOARD

Katherine Knuth, 276 Xerxes Ave. N., Minneapolis, in the county of Hennepin, effective March 15, 2015, for a term expiring on January 7, 2019.

John Saxhaug, 3940 Harriet Ave., Minneapolis, in the county of Hennepin, effective March 15, 2015, for a term expiring on January 7, 2019.

(Referred to the Committee on Environment and Energy.)

Sincerely,
Mark Dayton, Governor

March 30, 2015

The Honorable Sandra L. Pappas
President of the Senate

Dear Senator Pappas:

The enclosed Notaries Public for 2014 are hereby respectfully submitted to the Senate for confirmation as required by Article V, Section 3 of the Minnesota Constitution.

Sincerely,
Mark Dayton, Governor

Senator Bakk moved that the Notaries Public be laid on the table. The motion prevailed.

March 27, 2015

The Honorable Kurt L. Daudt
Speaker of the House of Representatives

The Honorable Sandra L. Pappas
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2015 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2015	Date Filed 2015
	423	6	3:01 p.m. March 27	March 27

Sincerely,
Steve Simon
Secretary of State

MESSAGES FROM THE HOUSE

Madam President:

I have the honor to inform the Senate that the House of Representatives invites and is ready to meet with the Senate in Joint Convention at 6:45 p.m., on Thursday, April 9, 2015, to receive the message of the Honorable Mark Dayton, Governor of the State of Minnesota, said message to be delivered at 7:00 p.m.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted March 26, 2015

Senator Bakk moved that the Senate accept the invitation of the House of Representatives to meet in Joint Convention in the House Chamber at 6:45 p.m., Thursday, April 9, 2015, to receive the message of the Honorable Mark Dayton, Governor of the State of Minnesota. The motion prevailed.

REPORTS OF COMMITTEES

Senator Bakk moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 1034 and the reports pertaining to appointments. The motion prevailed.

Senator Sparks from the Committee on Jobs, Agriculture and Rural Development, to which was referred

S.F. No. 736: A bill for an act relating to telecommunications; providing for competitive market regulation for certain local exchange carriers; proposing coding for new law in Minnesota Statutes, chapter 237.

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 2014, section 237.01, is amended by adding a subdivision to read:

Subd. 9. **Voice-over-Internet protocol service.** "Voice-over-Internet protocol service" or "VoIP service" means any service that (1) enables real-time two-way voice communications that originate from or terminate to the user's location in Internet protocol or any successor protocol, and (2) permits users generally to receive calls that originate on the public switched telephone network and terminate calls to the public switched telephone network.

Sec. 2. Minnesota Statutes 2014, section 237.01, is amended by adding a subdivision to read:

Subd. 10. **Internet protocol-enabled service.** "Internet protocol-enabled service" or "IP-enabled service" means any service, capability, functionality, or application provided using Internet protocol, or any successor protocol, that enables an end user to send or receive a communication in Internet protocol format or any successor format, regardless of whether that communication is voice, data, or video.

Sec. 3. [237.025] **COMPETITIVE MARKET REGULATION.**

Subdivision 1. **Definitions.** (a) "Competitive service provider" means a provider of local residential voice service who owns a substantial proportion of the last-mile or loop facilities delivering the service in an exchange service area, without regard to the technology used to deliver the service. "Competitive service provider" includes, but is not limited to, a wireless or Voice over Internet Protocol provider who offers service to a majority of households in an exchange service area with the wireless provider's own facilities and the remainder by roaming through another wireless carrier's facilities, but does not include:

- (1) satellite technology;
 - (2) wireless providers who resell voice services purchased at wholesale;
 - (3) competitive local exchange carriers who do not who own a substantial proportion of the last-mile or loop facilities over which they provide local residential voice service; or
 - (4) over-the-top VOIP providers.
- (b) "Exchange service area" has the meaning given in Minnesota Rules, part 7810.0100, subpart 15.
- (c) "Over-the-top VOIP provider" means a VOIP provider that has no business relationship with the provider of the Internet connection used by the VOIP provider to deliver voice service.
- (d) "VOIP" or "Voice over Internet Protocol" means any service that:

(1) enables real-time two-way voice communications that originate from or terminate at the user's location in Internet protocol or any successor protocol; and

(2) permits users to receive calls that originate on the public switched telephone network and terminate calls to the public switched telephone network.

Subd. 2. **Petition.** (a) A local exchange carrier may petition the commission to be regulated under this section in any exchange service area in which the carrier provides local exchange service. The petition must be served on the commission, the department, the Office of the Attorney General, and any other person designated by the commission.

(b) A petition filed under this subdivision must include:

(1) a list of exchange service areas in which the local exchange carrier is seeking to be regulated under this section;

(2) the local services offered by the local exchange carrier in each exchange service area;

(3) a list of alternative providers of local services in each exchange service area;

(4) a description of affiliate relationships the petitioning local exchange carrier has with any other provider of local service in each exchange service area;

(5) documentation demonstrating the loss of local residential voice customers in each local calling area over, at a minimum, the previous five years;

(6) evidence demonstrating that the local exchange carrier satisfies the competitive criteria in subdivision 4 in each exchange service area; and

(7) other information requested by the commission that is relevant to the applicable competitive criteria in subdivision 4.

Subd. 3. **Process; objection; review.** (a) A petition by a local exchange carrier seeking to be regulated under this section shall be reviewed by the commission as provided under this subdivision.

(b) A party objecting to a local exchange carrier's petition must file an objection within 20 days.

(c) If no party objects to a petitioning local exchange carrier's proposed election within 20 days of the filing of the petition, the petition is deemed approved.

(d) If a party raises an objection to a local exchange carrier's petition, the commission must provide interested parties an opportunity to comment on the merits of the petition.

(e) The commission shall make a final determination regarding the petition within 180 days of the date all information required under subdivision 2 was submitted.

(f) In reviewing the petition, the commission may request additional information from the petitioning local exchange carrier and other service providers under the commission's jurisdiction that provide service in the relevant exchange service area.

Subd. 4. **Competitive criteria.** (a) If a petitioning local exchange carrier demonstrates that it serves fewer than 50 percent of the households in an exchange service area, and at least 50 percent of households in the exchange service area can choose voice service from at least one additional competitive service provider, the commission shall approve the petition.

(b) If a petitioning local exchange carrier serves more than 50 percent of the households in an exchange service area, the commission shall approve the petition if the petitioner demonstrates that:

(1) at least 50 percent of households in the exchange service area can choose voice service from at least one additional competitive service provider;

(2) no significant economic, technological, or other barriers to market entry and exit exist; and

(3) no single provider has the ability to maintain prices above competitive levels for a significant period of time or otherwise deter competition.

Subd. 5. **Market regulations.** (a) A local exchange carrier that has received approval from the commission to be regulated under this section in one or more of its exchange service areas shall be subject to regulation as a telecommunications carrier under section 237.035 and as a competitive local exchange carrier in Minnesota Rules, parts 7811.2210 and 7812.2210, as applicable, in the approved exchange service areas. Regulation under this section is effective 30 days after a petition is approved by the commission under subdivision 4.

(b) If a local exchange carrier receives commission approval to be regulated under this section, any existing alternative form of plan, price, or service regulation terminates on the day the regulation under this section becomes effective.

Subd. 6. **Relation to other law.** Nothing in this section affects or modifies:

(1) any entity's obligations or rights, or the commission's authority, under the Federal Communications Act of 1934, United States Code, title 47, sections 251 and 252;

(2) any commission jurisdiction over:

(i) intrastate switched access rates, terms, and conditions, including the implementation of federal law with respect to intercarrier compensation; or

(ii) commission authority to address or affect the resolution of disputes regarding intercarrier compensation; and

(3) the rights of any entity, or the authority of the commission or local government authorities, with respect to the use and regulation of public rights-of-way under sections 237.162 and 237.163.

Subd. 7. **Reexamining applicability of competitive criteria.** The commission may, upon petition or on its own motion, open a proceeding to examine whether the competitive criteria in subdivision 4 continue to be met in an exchange service area in which a local exchange carrier previously received commission approval to be regulated under this section. If the commission determines that the competitive criteria are no longer met, it shall determine the appropriate level of regulation for that provider in that exchange service area.

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

Sec. 4. **[237.037] VOICE-OVER-INTERNET PROTOCOL SERVICE AND INTERNET PROTOCOL-ENABLED SERVICE.**

Subdivision 1. **Regulation prohibited.** Except as provided in this section, no state agency, including the commission and the Department of Commerce, or political subdivision of this state shall, by rule, order, or other means directly or indirectly regulate the entry, rates, terms, quality of service, availability, classification, or any other aspect of VoIP service or IP-enabled service.

Subd. 2. **VoIP regulation.** (a) To the extent permitted by federal law, VoIP service is subject to the requirements of sections 237.49, 237.52, 237.70, and 403.11 with regard to the collection and remittance of the surcharges governed by those sections.

(b) A provider of VoIP service must comply with the requirements of chapter 403, applicable to service providers with respect to providing access to 911 service, except to the extent those requirements conflict with the federal requirements for the provision of 911 service by VoIP providers contained in Code of Federal Regulations, title 47, part 9. A VoIP provider shall also be entitled to the benefit of the limitation of liability provisions of chapter 403. Each VoIP provider must file a plan with the commission describing how it will comply with the requirements of this paragraph. On an annual basis, a VoIP provider must file with the commission either an update of the plan or a statement that the plan and personnel contact information previously filed is still current.

Subd. 3. **Relation to other law.** Nothing in this section restricts, creates, expands, or otherwise affects or modifies:

(1) the commission's authority under the Federal Communications Act of 1934, United States Code, title 47, sections 251 and 252;

(2) any applicable wholesale tariff or any commission authority related to wholesale services;

(3) any commission jurisdiction over (i) intrastate switched access rates, terms, and conditions, including the implementation of federal law with respect to intercarrier compensation, or (ii) existing commission authority to address or affect the resolution of disputes regarding intercarrier compensation; or

(4) the rights of any entity, or the authority of the commission and local government authorities, with respect to the use and regulation of public rights-of-way under sections 237.162 and 237.163.

Sec. 5. Minnesota Statutes 2014, section 237.19, is amended to read:

237.19 MUNICIPAL TELECOMMUNICATIONS SERVICES.

Any municipality shall have the right to own and operate a telephone exchange within its own borders, subject to the provisions of this chapter. It may construct such plant, or purchase an existing plant by agreement with the owner, or where it cannot agree with the owner on price, it may acquire an existing plant by condemnation, ~~as hereinafter provided, but in no case shall a municipality construct or purchase such a plant or proceed to acquire an existing plant by condemnation until such action by it is authorized by a majority of the electors voting upon the proposition at a general election or a special election called for that purpose, and if the proposal is to construct a new exchange where an exchange already exists, it shall not be authorized to do so unless 65 percent of those voting thereon vote in favor of the undertaking.~~ A municipality that owns and operates a telephone exchange may enter into a joint venture as a partner or shareholder with a telecommunications organization to provide telecommunications services within its service area."

Delete the title and insert:

"A bill for an act relating to telecommunications; providing for competitive market regulation for certain local exchange carriers; regulating municipal provision of telecommunication services; clarifying state and local regulatory authority of voice-over-Internet protocol services and Internet

protocol-enabled services; amending Minnesota Statutes 2014, sections 237.01, by adding subdivisions; 237.19; proposing coding for new law in Minnesota Statutes, chapter 237."

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

Senator Sparks from the Committee on Jobs, Agriculture and Rural Development, to which was referred

S.F. No. 1459: A bill for an act relating to agriculture; making policy and technical changes to various agriculture related provisions, including provisions related to loans, pesticides, fertilizer, soil amendment, plant amendment, registrations, agricultural chemicals, seeds, grain storage, and food; modifying fees; repealing agricultural growth, research, and innovation program sunset; amending Minnesota Statutes 2014, sections 17.03, subdivision 11a; 17.117, subdivision 11; 18B.37, subdivisions 2, 3, 4; 18B.38, subdivision 1; 18C.235, subdivision 1; 18C.411, by adding a subdivision; 18D.201, subdivision 6; 21.81, by adding subdivisions; 21.82, subdivisions 2, 4; 21.85, subdivision 2, by adding a subdivision; 21.87; 21.89, subdivision 2; 21.891, subdivisions 2, 5; 34A.11; 232.22, subdivision 5; repealing Minnesota Statutes 2014, sections 18C.235, subdivision 2; 41A.12, subdivision 4.

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 2014, section 17.03, subdivision 11a, is amended to read:

Subd. 11a. **Permitting efficiency goal and report.** (a) It is the goal of the Department of Agriculture that environmental and resource management permits be issued or denied within 150 days of the submission of a completed permit application. The commissioner of agriculture shall establish management systems designed to achieve the goal.

(b) The commissioner shall prepare ~~semiannual~~ an annual permitting efficiency reports report that ~~include~~ includes statistics on meeting the goal in paragraph (a). The reports ~~are~~ report is due February 1 ~~and August 1~~ of each year. For permit applications that have not met the goal, the report must state the reasons for not meeting the goal, steps that will be taken to complete action on the application, and the expected timeline. In stating the reasons for not meeting the goal, the commissioner shall separately identify delays caused by the responsiveness of the proposer, lack of staff, scientific or technical disagreements, or the level of public engagement. The report must specify the number of days from initial submission of the application to the day of determination that the application is complete. The report ~~for the final quarter of the fiscal year~~ must aggregate the data for the year and assess whether program or system changes are necessary to achieve the goal. The report must be posted on the department Web site and submitted to the governor and the chairs of the house of representatives and senate committees having jurisdiction over agriculture policy and finance.

(c) The commissioner shall allow electronic submission of environmental review and permit documents to the department.

Sec. 2. Minnesota Statutes 2014, section 17.117, subdivision 11, is amended to read:

Subd. 11. **Loans issued to borrower.** (a) Local lenders may issue loans only for projects that are approved and certified by the local government unit as meeting priority needs identified in

a comprehensive water management plan or other local planning documents, are in compliance with accepted practices, standards, specifications, or criteria, and are eligible for financing under Environmental Protection Agency or other applicable guidelines.

(b) The local lender may use any additional criteria considered necessary to determine the eligibility of borrowers for loans.

(c) Local lenders shall set the terms and conditions of loans to borrowers, except that:

(1) no loan to a borrower may exceed ~~\$100,000~~ \$200,000;

(2) no loan for a project may exceed ~~\$100,000~~ \$200,000; and

(3) no borrower shall, at any time, have multiple loans from this program with a total outstanding loan balance of more than ~~\$100,000~~ \$200,000.

(d) The maximum term length for projects in this paragraph is ten years.

(e) Fees charged at the time of closing must:

(1) be in compliance with normal and customary practices of the local lender;

(2) be in accordance with published fee schedules issued by the local lender;

(3) not be based on participation program; and

(4) be consistent with fees charged other similar types of loans offered by the local lender.

(f) The interest rate assessed to an outstanding loan balance by the local lender must not exceed three percent per year.

Sec. 3. Minnesota Statutes 2014, section 18B.065, subdivision 2a, is amended to read:

Subd. 2a. **Disposal site requirement.** (a) For agricultural waste pesticides, the commissioner must enter into a contract with a county or group of counties under a joint powers agreement for household hazardous waste disposal or designate a place in each county of the state that is available at least every other year for persons to dispose of unused portions of agricultural pesticides. The commissioner shall consult with the person responsible for solid waste management and disposal in each county not under contract to determine an appropriate location and to advertise each collection event. ~~The commissioner may provide a collection opportunity in a county more frequently.~~ Additional collection events may be provided if the commissioner determines that a collection is additional collections are warranted.

(b) For nonagricultural waste pesticides, the commissioner ~~must provide a disposal opportunity each year in each county or enter into a contract with a county or group of counties under a joint powers agreement or contract for household hazardous waste disposal or designate a place that is available at least every other year for persons to dispose of unused portions of nonagricultural pesticides.~~

(c) As provided under subdivision 7, the commissioner may enter into cooperative agreements with local units of government to provide the collections required under paragraph (a) or (b) and shall provide a local unit of government, as part of the cooperative agreement, with funding for reasonable costs incurred including, but not limited to, related supplies, transportation, advertising, and disposal costs as well as reasonable overhead costs.

(d) A person who collects waste pesticide under this section shall, on a form provided or in a method approved by the commissioner, record ~~information on each~~ the actual or estimated weight of agricultural waste pesticide product products collected including, but not limited to, the quantity collected and either the product name and its active ingredient or ingredients or the United States Environmental Protection Agency registration number. ~~The person must and~~ submit this information to the commissioner at least annually by January 30.

Sec. 4. Minnesota Statutes 2014, section 18B.065, subdivision 7, is amended to read:

Subd. 7. **Cooperative agreements.** (a) The commissioner may enter into cooperative agreements with state agencies and local units of government for administration of the waste pesticide collection program. The commissioner shall ensure that the program ~~is carried out in all counties~~ provides collection opportunities statewide. If the commissioner cannot contract with another party to administer the program in a county, the commissioner shall perform collections according to the provisions of this section.

(b) The commissioner, according to the terms of a cooperative agreement between the commissioner and a local unit of government, may establish limits for unusual types or excessive quantities of waste pesticide offered by pesticide end users to the local unit of government.

Sec. 5. Minnesota Statutes 2014, section 18B.37, subdivision 2, is amended to read:

Subd. 2. **Commercial and noncommercial applicators.** (a) A commercial or noncommercial applicator, or the applicator's authorized agent, must maintain a record of pesticides used on each site. Noncommercial applicators must keep records of restricted use pesticides. The record must include the:

- (1) date of the pesticide use;
- (2) time the pesticide application was completed;
- (3) brand name of the pesticide, the United States Environmental Protection Agency registration number, and ~~dosage~~ rate used;
- (4) number of units treated;
- (5) temperature, wind speed, and wind direction;
- (6) location of the site where the pesticide was applied;
- (7) name and address of the customer;
- (8) name ~~and signature~~ of applicator, name of company, license number of applicator, and address of applicator company; and
- (9) any other information required by the commissioner.

(b) Portions of records not relevant to a specific type of application may be omitted upon approval from the commissioner.

(c) All information for this record requirement must be contained in a ~~single page~~ document for each pesticide application, except a map may be attached to identify treated areas. ~~For the rights-of-way and wood preservative categories, the required record may not exceed five pages.~~ An

invoice containing the required information may constitute the required record. The commissioner shall make sample forms available to meet the requirements of this paragraph.

(d) The record must be completed no later than five days after the application of the pesticide.

~~(d)~~ (e) A commercial applicator must give a copy of the record to the customer.

~~(e)~~ (f) Records must be retained by the applicator, company, or authorized agent for five years after the date of treatment.

Sec. 6. Minnesota Statutes 2014, section 18B.37, subdivision 3, is amended to read:

Subd. 3. **Structural pest control applicators.** (a) A structural pest control applicator must maintain a record of each structural pest control application conducted by that person or by the person's employees. The record must include the:

(1) date of structural pest control application;

(2) target pest;

(3) brand name of the pesticide, United States Environmental Protection Agency registration number, and amount used;

(4) for fumigation, the temperature and exposure time;

(5) time the pesticide application was completed;

(6) name and address of the customer;

(7) name ~~and signature~~ of structural pest control applicator; name of company and address of applicator or company, ~~applicator's signature~~, and license number of applicator; and

(8) any other information required by the commissioner.

(b) All information for this record requirement must be contained in a ~~single-page~~ document for each pesticide application. An invoice containing the required information may constitute the record.

(c) The record must be completed no later than five days after the structural pest control application.

~~(e)~~ (d) Records must be retained for five years after the date of treatment.

~~(d)~~ (e) A copy of the record must be given to a person who ordered the application that is present at the site where the structural pest control application is conducted, placed in a conspicuous location at the site where the structural pest control application is conducted immediately after the application of the pesticides, or delivered to the person who ordered an application or the owner of the site. The commissioner must make sample forms available that meet the requirements of this subdivision.

Sec. 7. Minnesota Statutes 2014, section 18B.37, subdivision 4, is amended to read:

Subd. 4. **Incident response plan.** A pesticide dealer, agricultural pesticide dealer, or a commercial, noncommercial, or structural pest control business company or a person who is required to be permitted to store or produce bulk agricultural chemicals must develop and maintain an incident response plan that describes the actions that will be taken to prevent and respond to

pesticide agricultural chemical incidents. The plan must ~~contain the same information as forms provided by the commissioner~~ include information the commissioner deems necessary to respond to an agricultural chemical emergency incident. The commissioner shall make sample incident response plan forms available. The plan must be kept at a principal business site or location within this state and must be submitted to the commissioner upon request. The plan must be:

- (1) updated every three years, or whenever information on the form becomes out of date, whichever is earlier;
- (2) reviewed with employees at least once per calendar year and include documentation of training events; and
- (3) made available to local first responders and documented accordingly.

Sec. 8. Minnesota Statutes 2014, section 18C.235, subdivision 1, is amended to read:

Subdivision 1. **Plan required.** A person required to be licensed under section 18C.415, or a person who stores fertilizers, soil amendment, or plant amendment products in bulk must develop and maintain a contingency plan that describes the storage, handling, disposal, and incident handling practices: an incident response plan that describes the actions that will be taken to prevent and respond to agricultural chemical incidents. The plan must include information the commissioner deems necessary to respond to an agricultural chemical emergency incident. The commissioner shall make sample incident response plan forms available. The plan must be kept at a principal business site or location within this state and must be submitted to the commissioner upon request. The plan must be:

- (1) updated every three years, or whenever information on the form becomes out of date, whichever is earlier;
- (2) reviewed with employees at least once per calendar year and include documentation of training events; and
- (3) made available to local first responders and documented accordingly.

(b) A person also required to maintain an incident response plan under section 18B.37 is not required to maintain a separate incident response plan under this subdivision.

Sec. 9. Minnesota Statutes 2014, section 18C.411, is amended by adding a subdivision to read:

Subd. 5. **Discontinuance of specialty fertilizer, soil amendment, and plant amendment registration.** To ensure complete withdrawal from distribution or further use of a specialty fertilizer, soil amendment, or plant amendment a person who intends to discontinue a specialty fertilizer, soil amendment, and plant amendment registration must:

- (1) terminate any further distribution of the specialty fertilizer, soil amendment, or plant amendment within the state;
- (2) continue to register the specialty fertilizer, soil amendment, or plant amendment annually for two successive years;
- (3) initiate and complete a total recall of the specialty fertilizer, soil amendment, or plant amendment from all distribution in the state within 60 days from the date of notification to the commissioner of intent to discontinue registration; or

(4) submit to the commissioner evidence adequate to document that no distribution of the registered specialty fertilizer, soil amendment, or plant amendment has occurred in the state.

Sec. 10. Minnesota Statutes 2014, section 21.81, is amended by adding a subdivision to read:

Subd. 1a. **Address.** "Address" means the complete primary mailing address of the labeler or the person or firm selling seed. A complete address includes the street address, post office box, or rural route, and city, state, and zip code or postal code.

Sec. 11. Minnesota Statutes 2014, section 21.81, is amended by adding a subdivision to read:

Subd. 27a. **Total viable.** "Total viable" means the sum of the germination percentage, plus hard seeds, dormant seeds, or both.

Sec. 12. Minnesota Statutes 2014, section 21.82, subdivision 2, is amended to read:

Subd. 2. **Content.** For agricultural, vegetable, flower, or wildflower seeds offered for sale as agricultural seed, except as otherwise provided in subdivisions 4, 5, and 6, the label must contain:

(a) The name of the kind or kind and variety for each seed component in excess of five percent of the whole and the percentage by weight of each in order of its predominance. The commissioner shall by rule designate the kinds that are required to be labeled as to variety. If the variety of those kinds generally labeled as to variety is not stated and it is not required to be stated, the label shall show the name of the kind and the words: "Variety not stated." The heading "pure seed" must be indicated on the seed label in close association with other required label information.

(1) The percentage that is hybrid shall be at least 95 percent of the percentage of pure seed shown unless the percentage of pure seed which is hybrid seed is shown separately. If two or more kinds or varieties are present in excess of five percent and are named on the label, each that is hybrid shall be designated as hybrid on the label. Any one kind or kind and variety that has pure seed which is less than 95 percent but more than 75 percent hybrid seed as a result of incompletely controlled pollination in a cross shall be labeled to show the percentage of pure seed that is hybrid seed or a statement such as "contains from 75 percent to 95 percent hybrid seed." No one kind or variety of seed shall be labeled as hybrid if the pure seed contains less than 75 percent hybrid seed. The word hybrid shall be shown on the label in conjunction with the kind.

(2) Blends shall be listed on the label using the term "blend" in conjunction with the kind.

(3) Mixtures shall be listed on the label using the term "mixture," "mix," or "mixed."

(b) Lot number or other lot identification.

(c) Origin, if known, or that the origin is unknown.

(d) Percentage by weight of all weed seeds present. This percentage may not exceed one percent. The heading "weed seed" must be indicated on the seed label in close association with other required label information.

(e) Name and rate of occurrence per pound of each kind of restricted noxious weed seeds present. They must be listed under the heading "noxious weed seeds" in close association with other required label information.

(f) Percentage by weight of seeds other than those kinds and varieties required to be named on the label. They must be listed under the heading "other crop" in close association with other required label information.

(g) Percentage by weight of inert matter. The heading "inert matter" must be indicated on the seed label in close association with other required label information.

(h) Net weight of contents, to appear on either the container or the label.

(i) For each named kind or variety of seed:

(1) percentage of germination, exclusive of hard or dormant seed or both;

(2) percentage of hard or dormant seed or both, if present; and

(3) the calendar month and year the percentages were determined by test or the statement "sell by (month and year)" which may not be more than 12 months from the date of test, exclusive of the month of test.

The headings for "germination" and "hard seed or dormant seed" percentages must be stated separately on the seed label. A separate percentage derived from combining these percentages may also be stated on the seed label, ~~but the heading for this percentage must be "total germination and hard seed or dormant seed when applicable."~~ They must not be stated as "total live seed," "total germination," or in any other unauthorized manner. as "total viable."

(j) Name and address of the person who labeled the seed or who sells the seed within this state, or a code number which has been registered with the commissioner.

Sec. 13. Minnesota Statutes 2014, section 21.82, subdivision 4, is amended to read:

Subd. 4. **Hybrid seed corn.** For hybrid seed corn purposes a label must contain:

(1) a statement indicating the number of seeds in the container may be listed along with or in lieu of the net weight of contents; and

(2) for each variety of hybrid seed field corn, the day classification as determined by the originator or owner. The day classification must approximate the number of days of growing season necessary from emergence of the corn plant above ground to relative maturity and must ~~conform to the day classification established by the director of~~ be within three days of maturity ratings determined in comparative trials by the Minnesota agricultural experiment station for the appropriate zone.

Sec. 14. Minnesota Statutes 2014, section 21.85, subdivision 2, is amended to read:

Subd. 2. **Seed laboratory.** (a) The commissioner shall establish and maintain a seed laboratory for seed testing, employing necessary agents and assistants to administer and enforce sections 21.80 to 21.92, who shall be governed by chapter 43A.

(b) The laboratory procedures for testing official seed samples are the procedures set forth in the Rules for Testing Seeds that is published annually by the Association of Official Seed Analysts. If a laboratory procedure rule does not exist for a particular type of seed, then laboratory procedures from other recognized seed testing sources may be used, including procedures under the Code of Federal Regulations, title 7, part 201, or the International Rules for Testing Seeds.

Sec. 15. Minnesota Statutes 2014, section 21.85, is amended by adding a subdivision to read:

Subd. 15. **Prohibited and restricted seeds.** The commissioner shall determine species that are considered prohibited weed seeds and restricted noxious weed seeds and the allowable rate of occurrence of restricted noxious weed seeds.

Sec. 16. Minnesota Statutes 2014, section 21.87, is amended to read:

21.87 EXEMPTION.

(a) Sections 21.82 and 21.83 do not apply to:

~~(a) to~~ (1) seed or grain not intended for sowing purposes;

~~(b) to~~ (2) seed in storage in or being transported or consigned to a conditioning establishment for conditioning, provided that the invoice or label accompanying any shipment of the seeds bears the statement "seeds for conditioning," and provided that any labeling or other representation which may be made with respect to the unconditioned seed is subject to the provisions of sections 21.82 and 21.83; or

~~(c) to~~ (3) any carrier with respect to seed transported or delivered for transportation in the ordinary course of its business as a carrier, provided that the carrier is not engaged in producing, conditioning, or marketing seeds subject to sections 21.82 and 21.83; or

(4) interpersonal sharing of seed for home, educational, charitable, or personal noncommercial use.

(b) Notwithstanding paragraph (a), sections 21.82 and 21.83 do apply if a person distributes seed found to:

(1) contain seed of patented, protected, or proprietary varieties used without permission of the patent or certificate holder of the intellectual property associated with the variety;

(2) have been misrepresented as certified seed; or

(3) contain prohibited or restricted weed seeds or seeds from species listed as noxious by the commissioner under chapter 18.

Sec. 17. Minnesota Statutes 2014, section 21.89, subdivision 2, is amended to read:

Subd. 2. Permits; issuance and revocation. The commissioner shall issue a permit to the initial labeler of agricultural, vegetable, flower, and wildflower seeds which are sold for use in Minnesota and which conform to and are labeled under sections 21.80 to 21.92. The categories of permits are as follows:

(1) for initial labelers who sell 50,000 pounds or less of agricultural seed each calendar year, an annual permit issued for a fee established in section 21.891, subdivision 2, paragraph (b);

(2) for initial labelers who sell vegetable, flower, and wildflower seed packed for use in home gardens or household plantings, and initial labelers who sell native grasses and wildflower seed in commercial or agricultural quantities, an annual permit issued for a fee established in section 21.891, subdivision 2, paragraph (c), based upon the gross sales from the previous year; and

(3) for initial labelers who sell more than 50,000 pounds of agricultural seed each calendar year, a permanent permit issued for a fee established in section 21.891, subdivision 2, paragraph (d).

In addition, the person shall furnish to the commissioner an itemized statement of all seeds sold in Minnesota for the periods established by the commissioner. This statement shall be delivered, along with the payment of the fee, based upon the amount and type of seed sold, to the commissioner no later than 30 days after the end of each reporting period. Any person holding a permit shall show as part of the analysis labels or invoices on all agricultural, vegetable, flower, wildflower, tree, or shrub seeds all information the commissioner requires. The commissioner may revoke any permit in the event of failure to comply with applicable laws and rules.

Sec. 18. Minnesota Statutes 2014, section 34A.11, is amended to read:

34A.11 EMBARGO, SEIZURE, AND CONDEMNATION.

Subdivision 1. **Tag, notice, or withdrawal from distribution.** If the commissioner finds probable cause to believe that any food, animal, or consumer commodity is being distributed in violation of this chapter or rules under this chapter, or is adulterated or so misbranded as to be dangerous or fraudulent, the commissioner shall affix to the food, animal, equipment, facility, or consumer commodity a tag, withdrawal from distribution order, or other appropriate marking giving notice that the food, animal, equipment, facility, or consumer commodity is, or is suspected of being, adulterated, misbranded, or distributed in violation of this chapter, and has been detained or embargoed, and warning all persons not to remove or dispose of the food, animal, equipment, facility, or consumer commodity by sale or otherwise until permission for removal or disposal is given by the commissioner or the court. It is unlawful for a person to remove or dispose of a detained or embargoed food, animal, equipment, food stored in a facility, or consumer commodity by sale or otherwise without the commissioner's or a court's permission and each transaction is a separate violation of this subdivision.

Subd. 2. **Seizure.** A carcass; part of a carcass; meat or meat food product of an animal; or dead, dying, disabled, or diseased animal that is being transported in intrastate commerce, or is held for sale in this state after transportation in intrastate commerce, may be proceeded against, seized, and condemned if:

- (1) it is or has been prepared, sold, transported, or otherwise distributed, offered, or received for distribution in violation of this chapter;
- (2) it is usable as human food and is adulterated or misbranded; or
- (3) it is in any other way in violation of this chapter.

The commissioner may act against the article or animal at any time on a complaint in the district court of the judicial district where the article or animal is found.

Subd. 3. **Action for condemnation.** If food ~~or an~~ article, equipment, or animal detained or embargoed under subdivision 1 has been found by the commissioner to be adulterated or misbranded or in violation of this chapter, the commissioner shall petition the district court in the county in which the food, article, equipment, or animal is detained or embargoed for an order and decree for the condemnation of the food, article, equipment, or animal. The commissioner shall release the food, article, equipment, or animal when this chapter and rules adopted under this chapter have been complied with or the food, article, equipment, or animal is found to be not adulterated or misbranded.

Subd. 4. **Remedies.** If the court finds that a detained or embargoed food, article, equipment, or animal is adulterated, misbranded, or in violation of this chapter or rules adopted under this chapter, the following remedies are available:

(1) after entering a decree, the food, article, equipment, or animal may be destroyed at the expense of the claimant under the supervision of the commissioner, and all court costs, fees, storage, and other proper expenses must be assessed against the claimant of the food, article, equipment, or animal or the claimant's agent; and

(2) if adulteration or misbranding can be corrected by proper labeling or processing of the food or animal, or repair of the equipment, the court, after entry of the decree and after costs, fees, and expenses have been paid and a good and sufficient bond, conditioned that the food or animal must be properly labeled or processed or equipment properly repaired, has been executed, may by order direct that the food or animal be delivered to the claimant for proper labeling or processing or repairing of equipment under the supervision of the commissioner. The expense of the supervision must be paid by the claimant. The food or animal, or equipment must be returned to the claimant and the bond must be discharged on the representation to the court by the commissioner that the food or animal, or equipment is no longer in violation and that the expenses for the supervision have been paid.

Subd. 5. **Duties of commissioner.** If the commissioner finds in any room, building, piece of equipment, vehicle of transportation, or other structure any meat, seafood, poultry, vegetable, fruit, or other perishable articles of food that are unsound, or contain any filthy, decomposed, or putrid substance, or that may be poisonous or deleterious to health or otherwise unsafe, the commissioner shall condemn or destroy the item or in any other manner render the item as unsalable as human food, and no one has any cause of action against the commissioner on account of the commissioner's action.

Subd. 6. **Emergency response.** If the governor declares an emergency order under section 12.31 and if the commissioner finds or has probable cause to believe that livestock, food, or a consumer commodity within a specific area is likely to be adulterated because of the emergency or so misbranded as to be dangerous or fraudulent, or is in violation of section 31.131, subdivision 1, the commissioner may embargo a geographic area that is included in the declared emergency. The commissioner shall provide notice to the public and to those with custody of the product in as thorough a manner as is practicable under the emergency circumstances.

Subd. 7. **Emergency powers.** After an emergency declaration issued under chapter 12, chapter 35, or the federal Stafford Act, the commissioner may restrict the movement of food if the commissioner has probable cause to believe that the movement of food may: threaten the agricultural economy; transport a dangerous, infectious, or communicable disease; or threaten the health of animals. The commissioner may provide for the issuance of permits to allow for the continued movement of food upon meeting the disease control measures established by the commissioner.

Sec. 19. Minnesota Statutes 2014, section 177.23, subdivision 7, is amended to read:

Subd. 7. **Employee.** "Employee" means any individual employed by an employer but does not include:

(1) two or five or fewer specified individuals employed at any given time in agriculture on a farming unit or operation who are paid a salary;

(2) any individual employed in agriculture on a farming unit or operation who is paid a salary ~~greater than the individual would be paid if the individual worked 48 hours at the state minimum wage plus 17 hours at 1-1/2 times the state minimum wage per week~~ of at least \$588 per week commencing August 1, 2015. The minimum salary required to be paid must be increased January 1, 2018, and each January 1 thereafter by an amount, rounded to the nearest cent, calculated by multiplying 40 times the dollar amount of the hourly minimum wage increase at the same time for employees of large employers subject to section 177.24, subdivision 1, paragraph (b), clause (1);

(3) an individual under 18 who is employed in agriculture on a farm to perform services other than corn detasseling or hand field work when one or both of that minor hand field worker's parents or physical custodians are also hand field workers;

(4) for purposes of section 177.24, an individual under 18 who is employed as a corn detasseler;

(5) any staff member employed on a seasonal basis by an organization for work in an organized resident or day camp operating under a permit issued under section 144.72;

(6) any individual employed in a bona fide executive, administrative, or professional capacity, or a salesperson who conducts no more than 20 percent of sales on the premises of the employer;

(7) any individual who renders service gratuitously for a nonprofit organization;

(8) any individual who serves as an elected official for a political subdivision or who serves on any governmental board, commission, committee or other similar body, or who renders service gratuitously for a political subdivision;

(9) any individual employed by a political subdivision to provide police or fire protection services or employed by an entity whose principal purpose is to provide police or fire protection services to a political subdivision;

(10) any individual employed by a political subdivision who is ineligible for membership in the Public Employees Retirement Association under section 353.01, subdivision 2b, clause (1), (2), (4), or (9);

(11) any driver employed by an employer engaged in the business of operating taxicabs;

(12) any individual engaged in babysitting as a sole practitioner;

(13) for the purpose of section 177.25, any individual employed on a seasonal basis in a carnival, circus, fair, or ski facility;

(14) any individual under 18 working less than 20 hours per workweek for a municipality as part of a recreational program;

(15) any individual employed by the state as a natural resource manager 1, 2, or 3 (conservation officer);

(16) any individual in a position for which the United States Department of Transportation has power to establish qualifications and maximum hours of service under United States Code, title 49, section 31502;

(17) any individual employed as a seafarer. The term "seafarer" means a master of a vessel or any person subject to the authority, direction, and control of the master who is exempt from federal overtime standards under United States Code, title 29, section 213(b)(6), including but not limited

to pilots, sailors, engineers, radio operators, firefighters, security guards, pursers, surgeons, cooks, and stewards;

(18) any individual employed by a county in a single-family residence owned by a county home school as authorized under section 260B.060 if the residence is an extension facility of that county home school, and if the individual as part of the employment duties resides at the residence for the purpose of supervising children as defined by section 260C.007, subdivision 4; or

(19) nuns, monks, priests, lay brothers, lay sisters, ministers, deacons, and other members of religious orders who serve pursuant to their religious obligations in schools, hospitals, and other nonprofit institutions operated by the church or religious order.

Sec. 20. Minnesota Statutes 2014, section 232.22, subdivision 5, is amended to read:

Subd. 5. **Statement of grain in storage; reports.** (a) All public grain warehouse operators must by February 15 of each year file with the commissioner on a form approved by the commissioner a report showing the annual average liability of all grain outstanding on grain warehouse receipts, open storage, and grain stored for feed processing that occurred during the preceding calendar year. This report shall be used for the purpose of establishing the penal sum of the bond.

(b) Warehouse operators that are at a maximum bond and want to continue at maximum bond do not need to file this report.

(c) It is a violation of this chapter for any public grain warehouse operator to fail to file the report required in paragraph (a).

(d) Every public grain warehouse operator shall keep in a place of safety complete and accurate records and accounts relating to any grain warehouse operated. The records shall reflect each commodity received and shipped daily, the balance remaining in the grain warehouse at the close of each business day, a listing of all unissued grain warehouse receipts in the operator's possession, a record of all grain warehouse receipts issued which remain outstanding and a record of all grain warehouse receipts which have been returned for cancellation. Copies of grain warehouse receipts or other documents evidencing ownership of grain by a depositor, or other liability of the grain warehouse operator, shall be retained as long as the liability exists but must be kept for a minimum of three years.

(e) Every public grain warehouse operator must maintain in the grain warehouse at all times grain of proper grade and sufficient quantity to meet delivery obligations on all outstanding grain warehouse receipts.

Sec. 21. **REPEALER.**

Minnesota Statutes 2014, sections 18C.235, subdivision 2; 18H.02, subdivision 28a; and 41A.12, subdivision 4, are repealed.

Amend the title as follows:

Page 1, line 4, before "seeds" insert "plants,"

Page 1, line 5, delete "fees" and insert "minimum wage requirements for agricultural employment"

Amend the title numbers accordingly

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. 988: A bill for an act relating to human services; exempting providers of durable medical equipment, prosthetics, orthotics, or medical supplies from the Medicare payment limit and the Medicare enrollment requirement; amending Minnesota Statutes 2014, sections 256B.0625, subdivision 31; 256B.767.

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 2014, section 256B.0625, subdivision 31, is amended to read:

Subd. 31. **Medical supplies and equipment.** (a) Medical assistance covers medical supplies and equipment. Separate payment outside of the facility's payment rate shall be made for wheelchairs and wheelchair accessories for recipients who are residents of intermediate care facilities for the developmentally disabled. Reimbursement for wheelchairs and wheelchair accessories for ICF/DD recipients shall be subject to the same conditions and limitations as coverage for recipients who do not reside in institutions. A wheelchair purchased outside of the facility's payment rate is the property of the recipient. ~~The commissioner may set reimbursement rates for specified categories of medical supplies at levels below the Medicare payment rate.~~

(b) Vendors of durable medical equipment, prosthetics, orthotics, or medical supplies must enroll as a Medicare provider.

(c) When necessary to ensure access to durable medical equipment, prosthetics, orthotics, or medical supplies, the commissioner may exempt a vendor from the Medicare enrollment requirement if:

(1) the vendor supplies only one type of durable medical equipment, prosthetic, orthotic, or medical supply;

(2) the vendor serves ten or fewer medical assistance recipients per year;

(3) the commissioner finds that other vendors are not available to provide same or similar durable medical equipment, prosthetics, orthotics, or medical supplies; and

(4) the vendor complies with all screening requirements in this chapter and Code of Federal Regulations, title 42, part 455. The commissioner may also exempt a vendor from the Medicare enrollment requirement if the vendor is accredited by a Centers for Medicare and Medicaid Services approved national accreditation organization as complying with the Medicare program's supplier and quality standards and the vendor serves primarily pediatric patients.

(d) Durable medical equipment means a device or equipment that:

(1) can withstand repeated use;

(2) is generally not useful in the absence of an illness, injury, or disability; and

(3) is provided to correct or accommodate a physiological disorder or physical condition or is generally used primarily for a medical purpose.

(e) Electronic tablets may be considered durable medical equipment if the electronic tablet will be used as an augmentative and alternative communication system as defined under subdivision 31a, paragraph (a). To be covered by medical assistance, the device must be locked in order to prevent use not related to communication.

Sec. 2. Minnesota Statutes 2014, section 256B.766, is amended to read:

256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.

(a) Effective for services provided on or after July 1, 2009, total payments for basic care services, shall be reduced by three percent, except that for the period July 1, 2009, through June 30, 2011, total payments shall be reduced by 4.5 percent for the medical assistance and general assistance medical care programs, prior to third-party liability and spenddown calculation. Effective July 1, 2010, the commissioner shall classify physical therapy services, occupational therapy services, and speech-language pathology and related services as basic care services. The reduction in this paragraph shall apply to physical therapy services, occupational therapy services, and speech-language pathology and related services provided on or after July 1, 2010.

(b) Payments made to managed care plans and county-based purchasing plans shall be reduced for services provided on or after October 1, 2009, to reflect the reduction effective July 1, 2009, and payments made to the plans shall be reduced effective October 1, 2010, to reflect the reduction effective July 1, 2010.

(c) Effective for services provided on or after September 1, 2011, through June 30, 2013, total payments for outpatient hospital facility fees shall be reduced by five percent from the rates in effect on August 31, 2011.

(d) Effective for services provided on or after September 1, 2011, through June 30, 2013, total payments for ambulatory surgery centers facility fees, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics and orthotics, renal dialysis services, laboratory services, public health nursing services, physical therapy services, occupational therapy services, speech therapy services, eyeglasses not subject to a volume purchase contract, hearing aids not subject to a volume purchase contract, and anesthesia services shall be reduced by three percent from the rates in effect on August 31, 2011.

(e) Effective for services provided on or after September 1, 2014, payments for ambulatory surgery centers facility fees, hospice services, renal dialysis services, laboratory services, public health nursing services, eyeglasses not subject to a volume purchase contract, and hearing aids not subject to a volume purchase contract shall be increased by three percent and payments for outpatient hospital facility fees shall be increased by three percent. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

(f) Payments for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2014, through June 30, 2015, shall be decreased by .33 percent. Payments for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2015, shall be increased by three percent from the rates ~~in effect on June 30, 2014~~ as determined under paragraph (h).

(g) This section does not apply to physician and professional services, inpatient hospital services, family planning services, mental health services, dental services, prescription drugs,

medical transportation, federally qualified health centers, rural health centers, Indian health services, and Medicare cost-sharing.

(h) Effective July 1, 2015, the medical assistance payment rate for durable medical equipment, prosthetics, orthotics, and medical supplies shall be restored to the January 1, 2008, medical assistance fee schedule, updated to include subsequent rate increases in the Medicare and medical assistance fee schedules, and including individually priced items for the following categories: enteral nutrition and supplies, customized and other specialized tracheostomy tubes and supplies, electric patient lifts, and durable medical equipment repair and service. This paragraph does not apply to medical supplies and durable medical equipment subject to a volume purchase contract, products subject to the preferred diabetic testing supply program, or items provided to dually eligible recipients when Medicare is the primary payer for the item.

Sec. 3. Minnesota Statutes 2014, section 256B.767, is amended to read:

256B.767 MEDICARE PAYMENT LIMIT.

(a) Effective for services rendered on or after July 1, 2010, fee-for-service payment rates for physician and professional services under section 256B.76, subdivision 1, and basic care services subject to the rate reduction specified in section 256B.766, shall not exceed the Medicare payment rate for the applicable service, as adjusted for any changes in Medicare payment rates after July 1, 2010. The commissioner shall implement this section after any other rate adjustment that is effective July 1, 2010, and shall reduce rates under this section by first reducing or eliminating provider rate add-ons.

(b) This section does not apply to services provided by advanced practice certified nurse midwives licensed under chapter 148 or traditional midwives licensed under chapter 147D. Notwithstanding this exemption, medical assistance fee-for-service payment rates for advanced practice certified nurse midwives and licensed traditional midwives shall equal and shall not exceed the medical assistance payment rate to physicians for the applicable service.

(c) This section does not apply to mental health services or physician services billed by a psychiatrist or an advanced practice registered nurse with a specialty in mental health.

~~(d) Effective for durable medical equipment, prosthetics, orthotics, or supplies provided on or after July 1, 2013, through June 30, 2015, the payment rate for items that are subject to the rates established under Medicare's National Competitive Bidding Program shall be equal to the rate that applies to the same item when not subject to the rate established under Medicare's National Competitive Bidding Program. This paragraph does not apply to mail-order diabetic supplies and does not apply to items provided to dually eligible recipients when Medicare is the primary payer of the item.~~

(d) Effective July 1, 2015, this section shall not apply to durable medical equipment, prosthetics, orthotics, or medical supplies."

Amend the title accordingly

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

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

S.F. No. 1889: A bill for an act relating to human services; establishing a grant program to provide in-home and community services for older adults with vision loss; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256C.

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

Page 1, line 12, after the period, insert "The commissioner shall take steps to ensure eligible organizations serving ethnic communities are made aware of the grant and the request for proposals, and that they are encouraged to apply."

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

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

S.F. No. 866: A bill for an act relating to health; establishing the Smile Healthy Minnesota 2016 grant program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Delete everything after the enacting clause and insert:

"Section 1. [145.9299] SMILE HEALTHY MINNESOTA 2016 GRANT PROGRAM.

(a) The commissioner of health shall establish the Smile Healthy Minnesota 2016 grant program to provide access to dental care for at-risk children, adolescents, adults, and seniors in rural areas of Minnesota. The grant is available to nonprofit organizations that provide mobile dental care through the use of portable dental equipment. To be eligible for a grant, a nonprofit organization must:

(1) encourage early screening and preventative care by providing dental exams for children one year of age;

(2) provide dental services to at-risk children, adolescents, adults, and seniors in a health professional shortage area as defined under Code of Federal Regulations, title 42, part 5, and United States Code, title 42, section 254E, that is located outside the seven-county metropolitan area;

(3) provide preventative dental care, including fluoride treatments, oral screenings, and minor dental procedures, as well as education and information on general dental care; and

(4) develop a sustainable plan.

(b) Grantees must report their dental health outcomes to the commissioner by December 31, 2018.

(c) A grantee is prohibited from billing for preventive screenings provided as part of this grant program until the comprehensive oral health services are completed.

Sec. 2. APPROPRIATION; SMILE HEALTHY MINNESOTA 2016.

\$500,000 in fiscal year 2016 and \$500,000 in fiscal year 2017 are appropriated from the general fund to the commissioner of health for the Smile Healthy Minnesota 2016 grant program in Minnesota Statutes, section 145.9299."

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

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

S.F. No. 679: A bill for an act relating to health; providing patients with specific notices; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Delete everything after the enacting clause and insert:

"Section 1. [144.586] REQUIREMENTS FOR CERTAIN NOTICES AND DISCHARGE PLANNING.

Subdivision 1. **Observation stay notice.** (a) Within 24 hours of placing a patient in observation status, a hospital, as defined under section 144.50, subdivision 2, must provide oral and written notice to the patient that the hospital has done so. The oral and written notices must include:

(1) a statement that the patient is not admitted to the hospital but is in observation status;

(2) a statement that observation status may affect the patient's Medicare coverage for:

(i) hospital services, including medications and pharmaceutical supplies; or

(ii) home or community-based care or care at a skilled nursing facility upon the patient's discharge; and

(3) a recommendation that the patient contact the patient's health insurance provider, the Office of the Ombudsman for Long-Term Care, the Office of the Ombudsman for State Managed Health Care Programs, or the Beneficiary and Family Centered Care Quality Improvement Organization to better understand the implications of placement in observation status.

(b) The hospital shall document the date and time in the patient's record that the notice required in paragraph (a) was provided to the patient, the patient's designated representative such as the patient's health care agent, legal guardian, conservator, or another person acting as the patient's representative.

Subd. 2. **Postacute care discharge planning.** Each hospital, including hospitals designated as critical access hospitals, must comply with the federal hospital requirements for discharge planning that include, but may not be limited to:

(1) conducting a discharge planning evaluation that includes an evaluation of:

(i) the likelihood of the patient needing posthospital services and of the availability of those services; and

(ii) the patient's capacity for self-care or the possibility of the patient being cared for in the environment from which the patient entered the hospital;

(2) timely completion of the discharge planning evaluation under clause (1) by hospital personnel so that appropriate arrangements for posthospital care are made before discharge and unnecessary delays in discharge are avoided;

(3) including the discharge planning evaluation under clause (1) in the patient's medical record for use in establishing an appropriate discharge plan. The hospital must discuss the results of the evaluation with the patient or individual acting on behalf of the patient. The hospital must reassess the patient's discharge plan if the hospital determines that there are factors that may affect continuing care needs or the appropriateness of the discharge plan; and

(4) providing counseling, as needed for the patient and family members or interested person to prepare them for posthospital care. The hospital must provide a list of available Medicare eligible home care agencies or skilled nursing facilities that serve the patient's geographic area, or other area requested by the patient, if such care or placement is indicated and appropriate. Once patients have designated their preferred providers, the hospital will assist patients in securing care covered by their health plan or within their care network. The hospital must not specify or otherwise limit the qualified providers that are available to the patient.

The hospital must document in the patient's record that the list was presented to the patient or to the individual acting on the patient's behalf.

Sec. 2. Minnesota Statutes 2014, section 144D.06, is amended to read:

144D.06 OTHER LAWS.

In addition to registration under this chapter, a housing with services establishment must comply with chapter 504B and shall obtain and maintain all other licenses, permits, registrations, or other governmental approvals required of it in addition to registration under this chapter. A housing with services establishment is subject to the provisions of section 325F.72 and chapter 504B. with the following exceptions:

(1) a housing with services establishment with a special care unit under section 325F.72 is subject to the lodging requirements. By January 15, 2016, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over health and human services regarding any additional regulation related to the physical plant of special care units necessary to protect residents with dementia; and

(2) housing with services establishments and portions of the establishment's building that are not subject to section 325F.72 are, beginning August 1, 2015, not subject to the lodging license requirements under chapter 157 and related rules."

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 Sheran from the Committee on Health, Human Services and Housing, to which was referred

S.F. No. 706: A bill for an act relating to human services; modifying licensing requirements for foster care providers; modifying home and community-based services standards; modifying the disability waiver rate system; amending Minnesota Statutes 2014, sections 245A.155, subdivisions

1, 2; 245A.65, subdivision 2; 245D.02, by adding a subdivision; 245D.04, subdivision 3; 245D.05, subdivisions 1, 2; 245D.06, subdivisions 1, 2, 7; 245D.07, subdivision 2; 245D.071, subdivision 5; 245D.09, subdivisions 3, 5; 245D.22, subdivision 4; 245D.31, subdivisions 3, 4, 5; 256B.4914, subdivision 6.

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

Page 3, line 34, before the period, insert ", as defined in section 645.44, subdivision 5"

Page 4, delete section 5

Page 5, line 35, before "The" insert "Unless directed otherwise in the coordinated service and support plan or the coordinated service and support plan addendum," and reinstate the stricken language

Page 6, line 3, reinstate the stricken language

Page 6, line 4, reinstate the stricken language and delete the new language

Page 6, line 5, delete the new language

Page 12, line 23, after "(c)" insert "The license holder must send the coordinated service and support plan addendum to the person, the person's legal representative, and the case manager by mail within ten working days of the progress review meeting." and strike "progress review meeting" and insert "mailing of the coordinated service and support plan addendum"

Page 13, line 18, reinstate the stricken language and after "instructor" insert "or by an individual who has been previously deemed competent by the trainer or instructor in the area being assessed"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete the second "modifying" and insert "striking language establishing the Monitoring Technology Review Panel in"

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 Sheran from the Committee on Health, Human Services and Housing, to which was referred

S.F. No. 883: A bill for an act relating to health occupations; changing licensing provisions for the Board of Social Work; amending Minnesota Statutes 2014, sections 148E.075; 148E.080, subdivisions 1, 2; 148E.180, subdivisions 2, 5; repealing Minnesota Statutes 2014, section 148E.060, subdivision 12.

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

Page 6, delete section 6 and insert:

"Sec. 6. **REPEALER.**

Minnesota Statutes 2014, sections 148E.060, subdivision 12; and 148E.075, subdivisions 4, 5,

6, and 7, are 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 Sheran from the Committee on Health, Human Services and Housing, to which was referred

S.F. No. 628: A bill for an act relating to human services; establishing an intensive pediatric care category for home care nursing services; increasing payment rate for home care nursing services; requiring additional revenue be spent on patient-specific training; amending Minnesota Statutes 2014, section 256B.0654, subdivision 1, by adding a subdivision.

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

Page 2, line 12, delete "in effect on July 1, 2015"

Page 2, line 18, delete "..." and insert "25"

Page 2, line 19, after "staff" insert "and 75 percent of the additional revenue to pay for nursing staff pay and benefits"

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

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

S.F. No. 1876: A bill for an act relating to children; extending the Task Force on the Protection of Children.

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

Delete everything after the enacting clause and insert:

"Section 1. **LEGISLATIVE TASK FORCE; CHILD PROTECTION.**

(a) A legislative task force is created to:

(1) review the efforts being made to implement the recommendations of the Governor's Task Force on the Protection of Children;

(2) expand the efforts into related areas of the child welfare system; and

(3) identify additional areas within the child welfare system that need to be addressed by the legislature.

(b) The four legislative members of the governor's task force shall be the members of the legislative task force. They may appoint up to eight legislators as ex officio members of the task force.

(c) The task force may provide oversight and monitoring of:

(1) efforts by the Department of Human Services, counties, and tribes to implement laws related to child protection;

(2) efforts by the Department of Human Services, counties, and tribes to implement the recommendations of the Governor's Task Force on the Protection of Children;

(3) efforts by agencies, including but not limited to, the Minnesota Department of Education, the Minnesota Housing Finance Agency, the Minnesota Department of Corrections, and the Minnesota Department of Public Safety, to work with the Department of Human Services to assure safety and well-being for children at risk of harm or children in the child welfare system;

(4) efforts by the Department of Human Services, other agencies, counties, and tribes to implement best practices to ensure every child is protected from maltreatment and neglect and to ensure every child has the opportunity for healthy development.

(d) The task force, in cooperation with the commissioner of human services, shall issue a report to the legislature and governor on February 1, 2016. The report must contain information on the progress toward implementation of changes to the child protection system, recommendations for additional legislative changes, and procedures affecting child protection and child welfare; and funding needs to implement recommended changes.

(e) The task force shall convene upon enactment of this act and shall continue until the last day of the 2016 legislative session."

Amend the title as follows:

Page 1, line 2, delete "extending the Task Force on the Protection of Children" and insert "establishing a legislative task force on child protection"

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. 1272: A bill for an act relating to human services; appropriating money to the Deaf and Hard-of-Hearing Services Division; appropriating money for services for people who are deaf, deafblind, or hard-of-hearing.

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

Delete everything after the enacting clause and insert:

"Section 1. **APPROPRIATION; DEAF AND HARD-OF-HEARING SERVICES DIVISION.**

\$750,000 in fiscal year 2016 and \$750,000 in fiscal year 2017 are appropriated from the general fund to the commissioner of human services for the Deaf and Hard-of-Hearing Services Division under Minnesota Statutes, section 256C.233. This appropriation is added to the base. The funds must be used for the following purposes:

(1) to provide linguistically and culturally appropriate mental health services for persons who are deaf, deafblind, or hard-of-hearing;

(2) to ensure that each regional advisory committee meets at least quarterly;

(3) to increase the number of deafblind Minnesotans receiving services;

(4) in consultation with the Commission of Deaf, Deafblind, and Hard-of-Hearing Minnesotans, to conduct an analysis of how the regional offices and staff are distributed, operated, and funded in order to determine if the current distribution best serves the needs of the deaf, deafblind, and hard-of-hearing community throughout Minnesota;

(5) to report on the analysis in clause (4) and make recommendations by January 15, 2016, to the chairs and ranking minority members of the senate and the house of representatives committees with primary jurisdiction over health and human services;

(6) during fiscal year 2016, to provide direct services and purchase additional technology for the technology labs; and

(7) to conduct an analysis of whether deafblind services are being provided in the best and most efficient way possible, with input from deafblind Minnesotans receiving services.

Sec. 2. APPROPRIATION; SERVICES FOR PEOPLE WHO ARE DEAF, DEAFBLIND, AND HARD-OF-HEARING.

\$250,000 in fiscal year 2016 and \$250,000 in fiscal year 2017 are appropriated from the general fund to the commissioner of human services for deaf and hard-of-hearing grants under Minnesota Statutes, section 256C.261. The funds must be used to increase the number of deafblind Minnesotans receiving services. This appropriation is added to the base."

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

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

S.F. No. 1062: A bill for an act relating to human services; modifying the disability waiver rate system; amending Minnesota Statutes 2014, sections 256B.49, subdivision 26; 256B.4913, subdivisions 4a, 5; 256B.4914, subdivisions 2, 7, 8, 10, 14, 15, 16.

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 2014, section 256B.0916, subdivision 2, is amended to read:

Subd. 2. **Distribution of funds; partnerships.** (a) Beginning with fiscal year 2000, the commissioner shall distribute all funding available for home and community-based waiver services for persons with developmental disabilities to individual counties or to groups of counties that form partnerships to jointly plan, administer, and authorize funding for eligible individuals. The commissioner shall encourage counties to form partnerships that have a sufficient number of recipients and funding to adequately manage the risk and maximize use of available resources.

(b) Counties must submit a request for funds and a plan for administering the program as required by the commissioner. The plan must identify the number of clients to be served, their ages, and their priority listing based on:

(1) requirements in Minnesota Rules, part 9525.1880; and

(2) statewide priorities identified in section 256B.092, subdivision 12.

The plan must also identify changes made to improve services to eligible persons and to improve program management.

(c) In allocating resources to counties, priority must be given to groups of counties that form partnerships to jointly plan, administer, and authorize funding for eligible individuals and to counties determined by the commissioner to have sufficient waiver capacity to maximize resource use.

(d) Within 30 days after receiving the county request for funds and plans, the commissioner shall provide a written response to the plan that includes the level of resources available to serve additional persons.

(e) Counties are eligible to receive medical assistance administrative reimbursement for administrative costs under criteria established by the commissioner.

(f) The commissioner shall manage waiver allocations in such a manner as to fully use available waiver funding.

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

Sec. 2. Minnesota Statutes 2014, section 256B.0916, subdivision 4, is amended to read:

Subd. 4. **Allowed reserve.** Counties or groups of counties participating in partnerships that have submitted a plan under this section may develop an allowed reserve amount to meet crises and other unmet needs of current home and community-based waiver recipients. The amount of the allowed reserve shall be a county specific amount based upon documented past experience and projected need for the coming year described in an allowed reserve plan submitted for approval to the commissioner with the allocation request for the fiscal year. At the end of the fiscal year, any available waiver funding shall be contributed to the reserve account under section 256B.4911.

This section expires June 30, 2015.

Sec. 3. Minnesota Statutes 2014, section 256B.0916, is amended by adding a subdivision to read:

Subd. 7a. **Annual report by commissioner.** Beginning November 1, 2015, and each November 1 thereafter, the commissioner shall issue an annual report on county and state use of available resources for the home and community-based waiver for persons with developmental disabilities under section 256B.092. For each county or county partnership, the report shall include:

(1) the amount of funds allocated but not used;

(2) the percentage of funds allocated but not used;

(3) the capacity for additional enrollment within each lead agency and statewide based on existing funds that are allocated but not used;

(4) the county or county partnership-specific allowed reserve amount approved and used, if applicable, or county or county partnership contributions to and distributions from the home and community-based services waiver reserve account under section 256B.4911;

(5) the number, ages, and living situations of individuals screened and waiting for services;

(6) the urgency of need for services to begin within one, two, or more than two years for each individual;

(7) the services needed;

(8) the number of additional persons served by approval of increased capacity within existing allocations;

(9) a list of counties with approved corrective action plans that are in violation of their corrective action plans, that have had their responsibility to authorize services assumed or reassigned by the commissioner, or that are subject to recoupment;

(10) results of action by the commissioner to streamline administrative requirements and improve county resource management; and

(11) additional action that would decrease the number of those eligible and waiting for waived services.

The commissioner shall specify intended outcomes for the program and the degree to which these specified outcomes are attained.

Sec. 4. Minnesota Statutes 2014, section 256B.0916, subdivision 11, is amended to read:

Subd. 11. **Excess spending.** (a) County and tribal agencies are responsible for spending in excess of the allocation made by the commissioner. In the event a county or tribal agency spends in excess of the allocation made by the commissioner for a given allocation period, they must submit a corrective action plan to the commissioner for approval. The plan must state the actions the agency will take to correct their overspending for the year two years following the period when the overspending occurred. Failure to correct overspending shall result in recoupment of spending in excess of the allocation. When evaluating a corrective action plan, the commissioner must consider whether the plan will likely lead to exiguous spending that violates the requirements of subdivision 12. If an agency fails to abide by its approved corrective action plan, the commissioner may perform one or both of the following actions:

(1) assume or reassign the agency's responsibility to spend part or all of future allocations made by the commissioner; or

(2) recoup spending in excess of the allocations.

(b) The commissioner must not recoup spending in excess of an allocation unless the total statewide aggregate spending on home and community-based waiver services in a fiscal year exceeds the total medical assistance appropriation dedicated to home and community-based waiver services during the same fiscal year.

(c) Nothing in this subdivision shall be construed as reducing the county's responsibility to offer and make available feasible home and community-based options to eligible waiver recipients within the resources allocated to them for that purpose. A reduction of services to an eligible waiver recipient served must only be based on a change in that recipient's need or the recipient's choice.

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

Sec. 5. Minnesota Statutes 2014, section 256B.0916, is amended by adding a subdivision to read:

Subd. 12. **Exiguous spending.** (a) County and tribal agencies are responsible for spending the allocation made by the commissioner. A county or tribal agency that fails to spend 99 percent of the allocation for a given allocation period while maintaining a list of persons waiting for waiver

services, must demonstrate to the commissioner in writing that any resulting underspending resulted directly from the choices or reduced needs of current waiver recipients served by the agency. To the maximum extent feasible, agencies must reallocate to eligible applicants on waiting lists for waiver services money made available as a result of the choices or reduced needs of persons currently served.

(b) In the event a county or tribal agency spends less than 97 percent of its allocation while maintaining a list of persons waiting for waiver services, the county or tribal agency must submit a corrective action plan to the commissioner for approval. The plan must state the actions the agency will take during the two years following the period when the underspending occurred to ensure reasonable and timely access to home and community-based waiver services for persons waiting for services. When evaluating a corrective action plan, the commissioner must consider whether the plan is likely to lead to excessive spending that violates the requirements of subdivision 11. If an agency fails to abide by its approved corrective action plan, the commissioner may assume or reassign the agency's responsibility to authorize part or all of future allocations made by the commissioner.

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

Sec. 6. Minnesota Statutes 2014, section 256B.49, subdivision 26, is amended to read:

Subd. 26. **Excess allocations authorizations.** (a) County and tribal agencies will be responsible for authorizations in excess of the allocation made by the commissioner. In the event a county or tribal agency authorizes in excess of the allocation made by the commissioner for a given allocation period, the county or tribal agency must submit a corrective action plan to the commissioner for approval. The plan must state the actions the agency will take to correct ~~their overspending~~ its excessive authorizations for the year two years following the period when the overspending excessive authorizations occurred. Failure to correct overauthorizations shall result in recoupment of authorizations in excess of the allocation. When evaluating a corrective action plan for approval, the commissioner must consider whether the plan is likely to lead to exiguous authorizations that violate the requirements of subdivision 27. If an agency fails to abide by its approved corrective action plan, the commissioner may perform one or both of the following actions:

(1) assume or reassign the agency's responsibility to authorize part or all of future allocations made by the commissioner; or

(2) recoup authorizations in excess of the allocations.

(b) The commissioner may not recoup authorizations in excess of an allocation unless the total statewide aggregate spending on home and community-based waiver services in a fiscal year exceeds the total medical assistance appropriation dedicated to home and community-based waiver services.

(c) Nothing in this subdivision shall be construed as reducing the county's responsibility to offer and make available feasible home and community-based options to eligible waiver recipients within the resources allocated to them for that purpose. A reduction of services to an eligible waiver recipient served must only be based on a change in that recipient's need or that recipient's choices.

Sec. 7. Minnesota Statutes 2014, section 256B.49, is amended by adding a subdivision to read:

Subd. 27. **Exiguous authorizations.** (a) County and tribal agencies are responsible for authorizing the allocation made by the commissioner. A county or tribal agency that fails to authorize 99 percent of its allocation for a given allocation period must demonstrate to the commissioner in writing that any resulting underauthorization resulted directly from a decrease in the needs or choices of current waiver recipients served by the agency. Agencies must allocate to eligible applicants for services on waiting lists money made available as a result of a decrease in authorizations.

(b) In the event a county or tribal agency authorizes less than 97 percent of its allocation while maintaining a list of persons waiting for waiver services, the county or tribal agency must submit a corrective action plan to the commissioner for approval. The plan must state the actions the agency will take during the next two years following the period when the underauthorization occurred to assure reasonable and timely access to home and community-based waiver services for persons waiting for services. When evaluating a corrective action plan for approval, the commissioner must consider whether the plan is likely to lead to excessive authorizations that violate the requirements of subdivision 26. If an agency fails to abide by its approved corrective action plan, the commissioner may assume or reassign the agency's responsibility to authorize part or all of future allocations made by the commissioner.

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

Sec. 8. Minnesota Statutes 2014, section 256B.49, is amended by adding a subdivision to read:

Subd. 28. **Annual report by commissioner.** Beginning November 1, 2015, and each November 1 thereafter, the commissioner shall issue an annual report on county and state use of available resources for the home and community-based waiver services for persons with disabilities under section 256B.49. For each county or county partnership, the report shall include:

- (1) the amount of funds allocated but not used;
- (2) the percentage of funds allocated but not used;
- (3) the capacity for additional enrollment within each lead agency and statewide based on existing funds that are allocated but not used;
- (4) if applicable, county or county partnership-specific contributions to and distributions from the home and community-based services waiver reserve account under section 256B.4911;
- (5) the number, ages, and living situations of individuals screened and waiting for services;
- (6) the urgency of need for services to begin within one, two, or more than two years for each individual;
- (7) the services needed;
- (8) the number of additional persons served by approval of increased capacity within existing allocations;
- (9) a list of counties with approved corrective action plans that are in violation of their corrective action plans, that have had their responsibility to authorize services assumed or reassigned by the commissioner, or that are subject to recoupment;

(10) results of action by the commissioner to streamline administrative requirements and improve county resource management; and

(11) additional action that would decrease the number of those eligible and waiting for waived services.

The commissioner shall specify intended outcomes for the program and the degree to which these specified outcomes are attained.

Sec. 9. [256B.4911] HOME AND COMMUNITY-BASED WAIVER SERVICES RESERVE ACCOUNT.

Subdivision 1. **Establishment and purpose.** In order to provide county and tribal agencies with the resources required to adequately manage their financial risk when administering disability waiver services and to ensure that all of the medical assistance appropriation dedicated to waiver services is spent, the home and community-based waiver services reserve account is created in the general fund. Funds in the reserve account may be used only in the manner permitted under this section. Funds in the account may not be used to offset other medical assistance spending, nor may they be used to prevent a deficiency in the medical assistance appropriation, except as provided for in this section.

Subd. 2. **Contributions to the account.** (a) In fiscal year 2015, the unexpended appropriation designated for waiver services under sections 256B.092 and 256B.49 shall be deposited in the reserve fund. The commissioner shall determine the unexpended amount by comparing the amount in the enacted budget in 2014 designated for waiver services under sections 256B.092 and 256B.49 to the actual spending for these same services at the close of fiscal year 2015. The amount of the difference must be deposited in the reserve account.

(b) Beginning with the 2016-2017 biennium and each biennium thereafter, the unexpended amount designated for waiver services under sections 256B.092 and 256B.49 shall be deposited in the reserve account. The commissioner shall determine the unexpended amount by comparing the amount in the enacted budget in each odd-numbered year designated for waiver services under sections 256B.092 and 256B.49 to the actual spending on these same services at the end of each biennium.

(c) At the end of each biennium, the commissioner shall determine what proportion of aggregate underspending of the appropriation designated for waiver services is contributed to the account by each county agency, county partnership, or tribal agency. The commissioner will determine this proportion by:

(1) determining what proportion of total aggregate unspent and unauthorized allocations are attributable to each county agency, county partnership, or tribal agency; and

(2) attributing to each county agency, county partnership, and tribal agency a proportion of the statewide unspent appropriation that is equal to their respective proportions determined in clause (1).

(d) Any county or tribal agency that contributes to the account is subject to any applicable corrective action plan provisions under section 256B.0916, subdivision 12, or section 256B.49, subdivision 27.

Subd. 3. **Distributions.** (a) If a county, county partnership, or tribal agency has actual spending in excess of the allocation made by the commissioner for a given allocation period, the commissioner may, at any time, make to the agency a distribution from any available funds in the reserve account. The amount of the distribution may not exceed the amount of the excess spending.

(b) A county or tribal agency may receive a distribution from the home and community-based waiver services reserve account to cover all or part of the cost of the agency's excess spending. In order to be eligible for a distribution from the reserve account, the agency must demonstrate to the commissioner that its excess spending was necessary to meet a crisis or unmet need of a current home and community-based waiver recipient. A distribution from the account does not absolve the agency of its duties and responsibilities under section 256B.0916, subdivision 11, paragraphs (a) and (c); or section 256B.49, subdivision 26, paragraphs (a) and (c).

(c) Any county or tribal agency to which a distribution is made is subject to the applicable corrective action plan provisions under section 256B.0916, subdivision 11, or section 256B.49, subdivision 26.

Subd. 4. **Reporting by county.** By November 1 of each year, the commissioner must provide to the legislature a report of distributions from and contributions to the account by county, county partnership, and tribal agency.

Subd. 5. **Money does not cancel.** Money in the fund does not cancel but remains available for transfers and distributions as permitted under this section.

Subd. 6. **Transfers.** (a) If at the end of any biennium the appropriation designated for waiver services is overspent and the balance in the reserve account exceeds five percent of the appropriation designated for waiver services in the subsequent biennium, a transfer out of the reserve account must be made. Any money transferred out of the reserve account under these circumstances must be used only to offset any statewide aggregate overspending of the appropriation designated for waiver services. The amount of the transfer must not exceed an amount that would result in the remaining balance in the reserve account being less than five percent of the subsequent biennium's appropriation.

(b) If at the end of any biennium the appropriation designated for waiver services is not overspent and the balance in the reserve account exceeds five percent of the appropriation designated for waiver services in the subsequent biennium, a transfer out of the reserve account must be made. Any money transferred out of the reserve account under these circumstances must be added to the subsequent biennium's appropriation designated for waiver services. The amount of the transfer must be equal to the amount that will result in the remaining balance in the reserve account being equal to five percent of the appropriation designated for waiver services plus the transfer.

Sec. 10. Minnesota Statutes 2014, section 256B.4913, subdivision 4a, is amended to read:

Subd. 4a. **Rate stabilization adjustment.** (a) For purposes of this subdivision, "implementation period" means the period beginning January 1, 2014, and ending on the last day of the month in which the rate management system is populated with the data necessary to calculate rates for substantially all individuals receiving home and community-based waiver services under sections 256B.092 and 256B.49. "Banding period" means the time period beginning on January 1, 2014, and ending upon the expiration of the 12-month period defined in paragraph (c), clause (5). "Rate adjustment moratorium period" means the 12-month period beginning immediately after the banding period.

(b) For purposes of this subdivision, the historical rate for all service recipients means the individual reimbursement rate for a recipient in effect on December 1, 2013, except that:

(1) for a day service recipient who was not authorized to receive these waiver services prior to January 1, 2014; added a new service or services on or after January 1, 2014; or changed providers on or after January 1, 2014, the historical rate must be the authorized rate for the provider in the county of service, effective December 1, 2013; or

(2) for a unit-based service with programming or a unit-based service without programming recipient who was not authorized to receive these waiver services prior to January 1, 2014; added a new service or services on or after January 1, 2014; or changed providers on or after January 1, 2014, the historical rate must be the weighted average authorized rate for each provider number in the county of service, effective December 1, 2013; or

(3) for residential service recipients who change providers on or after January 1, 2014, the historical rate must be set by each lead agency within their county aggregate budget using their respective methodology for residential services effective December 1, 2013, for determining the provider rate for a similarly situated recipient being served by that provider.

(c) The commissioner shall adjust individual reimbursement rates determined under this section so that the unit rate is no higher or lower than:

(1) 0.5 percent from the historical rate for the implementation period;

(2) 0.5 percent from the rate in effect in clause (1), for the 12-month period immediately following the time period of clause (1);

(3) ~~1.0~~ 0.5 percent from the rate in effect in clause (2), for the 12-month period immediately following the time period of clause (2);

(4) 1.0 percent from the rate in effect in clause (3), for the 12-month period immediately following the time period of clause (3); ~~and~~

(5) 1.0 percent from the rate in effect in clause (4), for the 12-month period immediately following the time period of clause (4); ~~and~~

(6) no adjustment to the rate in effect in clause (5) for the 12-month rate adjustment moratorium period immediately following the time period of clause (5). During the rate adjustment moratorium period, the commissioner shall not enforce any rate decrease or increase that would otherwise result from the end of the banding period.

(d) The commissioner shall review all changes to rates that were in effect on December 1, 2013, to verify that the rates in effect produce the equivalent level of spending and service unit utilization on an annual basis as those in effect on October 31, 2013.

(e) By December 31, 2014, the commissioner shall complete the review in paragraph (d), adjust rates to provide equivalent annual spending, and make appropriate adjustments.

(f) During the banding period, the Medicaid Management Information System (MMIS) service agreement rate must be adjusted to account for change in an individual's need. The commissioner shall adjust the Medicaid Management Information System (MMIS) service agreement rate by:

(1) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or 9, for the individual with variables reflecting the level of service in effect on December 1, 2013;

(2) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or 9, for the individual with variables reflecting the updated level of service at the time of application; and

(3) adding to or subtracting from the Medicaid Management Information System (MMIS) service agreement rate, the difference between the values in clauses (1) and (2).

(g) This subdivision must not apply to rates for recipients served by providers new to a given county after January 1, 2014. Providers of personal supports services who also acted as fiscal support entities must be treated as new providers as of January 1, 2014.

Sec. 11. Minnesota Statutes 2014, section 256B.4913, subdivision 5, is amended to read:

Subd. 5. **Stakeholder consultation and county training.** (a) The commissioner shall continue consultation on regular intervals with the existing stakeholder group established as part of the rate-setting methodology process and others, to gather input, concerns, and data, to assist in the full implementation of the new rate payment system and to make pertinent information available to the public through the department's Web site.

(b) The commissioner shall train county personnel responsible for administering the rate-setting framework in a manner consistent with this section and section 256B.4914. Trainees shall not set the rates of any waiver recipients until they have demonstrated their proficiency to the satisfaction of the commissioner.

(c) The commissioner shall maintain an interactive online instruction manual explaining the rate-setting framework. The manual shall be consistent with this section and section 256B.4914, and shall be accessible to all stakeholders including recipients, representatives of recipients, counties, tribal agencies, and license holders.

(d) The commissioner shall not defer to the county or tribal agency on matters of technical application of the rate-setting framework, and a county or tribal agency shall not set rates in a manner that conflicts with this section or section 256B.4914.

Sec. 12. Minnesota Statutes 2014, section 256B.4914, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given them, unless the context clearly indicates otherwise.

(b) "Commissioner" means the commissioner of human services.

(c) "Component value" means underlying factors that are part of the cost of providing services that are built into the waiver rates methodology to calculate service rates.

(d) "Customized living tool" means a methodology for setting service rates that delineates and documents the amount of each component service included in a recipient's customized living service plan.

(e) "Disability waiver rates system" means a statewide system that establishes rates that are based on uniform processes and captures the individualized nature of waiver services and recipient needs.

(f) "Individual staffing" means the time spent as a one-to-one interaction specific to an individual recipient by staff brought in solely to provide direct support and assistance with activities

of daily living, instrumental activities of daily living, and training to participants, and is based on the requirements in each individual's coordinated service and support plan under section 245D.02, subdivision 4b; any coordinated service and support plan addendum under section 245D.02, subdivision 4c; an assessment tool; and provider observation of an individual's needs.

(g) "Lead agency" means a county, partnership of counties, or tribal agency charged with administering waived services under sections 256B.092 and 256B.49.

(h) "Median" means the amount that divides distribution into two equal groups, one-half above the median and one-half below the median.

(i) "Payment or rate" means reimbursement to an eligible provider for services provided to a qualified individual based on an approved service authorization.

(j) "Person-centered staffing environments" has the meaning described in subdivision 10, paragraph (i).

~~(j)~~ (k) "Rates management system" means a Web-based software application that uses a framework and component values, as determined by the commissioner, to establish service rates.

~~(k)~~ (l) "Recipient" means a person receiving home and community-based services funded under any of the disability waivers.

~~(l) "Shared staffing" means time spent by employees, not defined under paragraph (f), providing or available to provide more than one individual with direct support and assistance with activities of daily living as defined under section 256B.0659, subdivision 1, paragraph (b); instrumental activities of daily living as defined under section 256B.0659, subdivision 1, paragraph (i); ancillary activities needed to support individual services; and training to participants, and is based on the requirements in each individual's coordinated service and support plan under section 245D.02, subdivision 4b; any coordinated service and support plan addendum under section 245D.02, subdivision 4c; an assessment tool; and provider observation of an individual's service need. Total shared staffing hours are divided proportionally by the number of individuals who receive the shared service provisions.~~

(m) "Staffing ratio" means the number of recipients a service provider employee supports during a unit of service based on a uniform assessment tool, provider observation, case history, and the recipient's services of choice, and not based on the staffing ratios under section 245D.31.

(n) "Unit of service" means the following:

(1) for residential support services under subdivision 6, a unit of service is a day. Any portion of any calendar day, within allowable Medicaid rules, where an individual spends time in a residential setting is billable as a day;

(2) for day services under subdivision 7:

(i) for day training and habilitation services, a unit of service is either:

(A) a day unit of service is defined as six or more hours of time spent providing direct services and transportation; or

(B) a partial day unit of service is defined as fewer than six hours of time spent providing direct services and transportation; and

(C) for new day service recipients after January 1, 2014, 15 minute units of service must be used for fewer than six hours of time spent providing direct services and transportation;

(ii) for adult day and structured day services, a unit of service is a day or 15 minutes. A day unit of service is six or more hours of time spent providing direct services;

(iii) for prevocational services, a unit of service is a day or an hour. A day unit of service is six or more hours of time spent providing direct service;

(3) for unit-based services with programming under subdivision 8:

(i) for supported living services, a unit of service is a day or 15 minutes. When a day rate is authorized, any portion of a calendar day where an individual receives services is billable as a day; and

(ii) for all other services, a unit of service is 15 minutes; and

(4) for unit-based services without programming under subdivision 9:

(i) for respite services, a unit of service is a day or 15 minutes. When a day rate is authorized, any portion of a calendar day when an individual receives services is billable as a day; and

(ii) for all other services, a unit of service is 15 minutes.

Sec. 13. Minnesota Statutes 2014, section 256B.4914, subdivision 7, is amended to read:

Subd. 7. **Payments for day programs.** Payments for services with day programs including adult day care, day treatment and habilitation, prevocational services, and structured day services must be calculated as follows:

(1) determine the number of units of service and staffing ratio to meet a recipient's needs:

(i) the staffing ratios for the units of service provided to a recipient in a typical week must be averaged to determine an individual's staffing ratio; and

(ii) the commissioner, in consultation with service providers, shall develop a uniform staffing ratio worksheet to be used to determine staffing ratios under this subdivision;

(2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics Minnesota-specific rates or rates derived by the commissioner as provided in subdivision 5;

(3) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (2). This is defined as the customized direct-care rate;

(4) multiply the number of day program direct staff hours and nursing hours by the appropriate staff wage in subdivision 5, paragraph (a), or the customized direct-care rate;

(5) multiply the number of day direct staff hours by the product of the supervision span of control ratio in subdivision 5, paragraph (d), clause (1), and the appropriate supervision wage in subdivision 5, paragraph (a), clause (16);

(6) combine the results of clauses (4) and (5), and multiply the result by one plus the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (d), clause (2). This is defined as the direct staffing rate;

(7) for program plan support, multiply the result of clause (6) by one plus the program plan support ratio in subdivision 5, paragraph (d), clause (4);

(8) for employee-related expenses, multiply the result of clause (7) by one plus the employee-related cost ratio in subdivision 5, paragraph (d), clause (3);

(9) for client programming and supports, multiply the result of clause (8) by one plus the client programming and support ratio in subdivision 5, paragraph (d), clause (5);

(10) for program facility costs, add ~~\$19.30~~ \$25.41 per week with consideration of staffing ratios to meet individual needs;

(11) for adult day bath services, add \$7.01 per 15 minute unit;

(12) this is the subtotal rate;

(13) sum the standard general and administrative rate, the program-related expense ratio, and the absence and utilization factor ratio of ten percent for day services;

(14) divide the result of clause (12) by one minus the result of clause (13). This is the total payment amount;

(15) adjust the result of clause (14) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services;

(16) for transportation provided as part of day training and habilitation for an individual who does not require a lift, add:

(i) \$10.50 for a one-way trip between zero and ten miles for a nonshared ride in a vehicle without a lift, \$8.83 for a shared ride in a vehicle without a lift, and \$9.25 for a shared ride in a vehicle with a lift;

(ii) \$15.75 for a one-way trip between 11 and 20 miles for a nonshared ride in a vehicle without a lift, \$10.58 for a shared ride in a vehicle without a lift, and \$11.88 for a shared ride in a vehicle with a lift;

(iii) \$25.75 for a one-way trip between 21 and 50 miles for a nonshared ride in a vehicle without a lift, \$13.92 for a shared ride in a vehicle without a lift, and \$16.88 for a shared ride in a vehicle with a lift; or

(iv) \$33.50 for a one-way trip of 51 miles or more for a nonshared ride in a vehicle without a lift, \$16.50 for a shared ride in a vehicle without a lift, and \$20.75 for a shared ride in a vehicle with a lift;

(17) for transportation provided as part of day training and habilitation for an individual who does require a lift, add:

(i) \$19.05 for a one-way trip between zero and ten miles for a nonshared ride in a vehicle with a lift, and \$15.05 for a shared ride in a vehicle with a lift;

(ii) \$32.16 for a one-way trip between 11 and 20 miles for a nonshared ride in a vehicle with a lift, and \$28.16 for a shared ride in a vehicle with a lift;

(iii) \$58.76 for a one-way trip between 21 and 50 miles for a nonshared ride in a vehicle with a lift, and \$58.76 for a shared ride in a vehicle with a lift; or

(iv) \$80.93 for a one-way trip of 51 miles or more for a nonshared ride in a vehicle with a lift, and \$80.93 for a shared ride in a vehicle with a lift.

Sec. 14. Minnesota Statutes 2014, section 256B.4914, subdivision 8, is amended to read:

Subd. 8. **Payments for unit-based services with programming.** Payments for unit-based ~~with program~~ services with programming, including behavior programming, housing access coordination, in-home family support, independent living skills training, hourly supported living services, and supported employment provided to an individual outside of any day or residential service plan must be calculated as follows, unless the services are authorized separately under subdivision 6 or 7:

- (1) determine the number of units of service to meet a recipient's needs;
- (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics Minnesota-specific rates or rates derived by the commissioner as provided in subdivision 5;
- (3) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (2). This is defined as the customized direct-care rate;
- (4) multiply the number of direct staff hours by the appropriate staff wage in subdivision 5, paragraph (a), or the customized direct-care rate;
- (5) multiply the number of direct staff hours by the product of the supervision span of control ratio in subdivision 5, paragraph (e), clause (1), and the appropriate supervision wage in subdivision 5, paragraph (a), clause (16);
- (6) combine the results of clauses (4) and (5), and multiply the result by one plus the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (e), clause (2). This is defined as the direct staffing rate;
- (7) for program plan support, multiply the result of clause (6) by one plus the program plan supports ratio in subdivision 5, paragraph (e), clause (4);
- (8) for employee-related expenses, multiply the result of clause (7) by one plus the employee-related cost ratio in subdivision 5, paragraph (e), clause (3);
- (9) for client programming and supports, multiply the result of clause (8) by one plus the client programming and supports ratio in subdivision 5, paragraph (e), clause (5);
- (10) divide the number of miles provided to the client during services provided per year by the number of units authorized for the year, and add the result to the result of clause (9);
- ~~(10)~~ (11) this is the subtotal rate;
- ~~(11)~~ (12) sum the standard general and administrative rate, the program-related expense ratio, and the absence and utilization factor ratio;
- ~~(12)~~ (13) divide the result of clause ~~(10)~~ (11) by one minus the result of clause ~~(11)~~ (12). This is the total payment amount;
- ~~(13)~~ (14) for supported employment provided in a shared manner, divide the total payment amount in clause ~~(12)~~ (13) by the number of service recipients, not to exceed three. For independent

living skills training provided in a shared manner, divide the total payment amount in clause ~~(12)~~ (13) by the number of service recipients, not to exceed two; and

~~(14)~~ (15) adjust the result of clause ~~(13)~~ (14) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

Sec. 15. Minnesota Statutes 2014, section 256B.4914, subdivision 10, is amended to read:

Subd. 10. **Updating payment values and additional information.** (a) From January 1, 2014, through December 31, 2017, the commissioner shall develop and implement uniform procedures to refine terms and adjust values used to calculate payment rates in this section.

(b) No later than July 1, 2014, the commissioner shall, within available resources, begin to conduct research and gather data and information from existing state systems or other outside sources on the following items:

(1) differences in the underlying cost to provide services and care across the state; and

(2) mileage, vehicle type, lift requirements, incidents of individual and shared rides, and units of transportation for all day services, which must be collected from providers using the rate management worksheet and entered into the rates management system; and

(3) the distinct underlying costs for services provided by a license holder under sections 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services provided by a license holder certified under section 245D.33.

(c) Using a statistically valid set of rates management system data, the commissioner, in consultation with stakeholders, shall analyze for each service the average difference in the rate on December 31, 2013, and the framework rate at the individual, provider, lead agency, and state levels. The commissioner shall issue semiannual reports to the stakeholders on the difference in rates by service and by county during the banding period under section 256B.4913, subdivision 4a. The commissioner shall issue the first report by October 1, 2014.

(d) No later than July 1, 2014, the commissioner, in consultation with stakeholders, shall begin the review and evaluation of the following values already in subdivisions 6 to 9, or issues that impact all services, including, but not limited to:

(1) values for transportation rates for day services;

(2) values for transportation rates in residential services;

(3) values for services where monitoring technology replaces staff time;

(4) values for indirect services;

(5) values for nursing;

(6) component values for independent living skills;

(7) component values for family foster care that reflect licensing requirements;

(8) adjustments to other components to replace the budget neutrality factor;

(9) remote monitoring technology for nonresidential services;

(10) values for basic and intensive services in residential services;

(11) values for the facility use rate in day services the weightings used in the day service ratios and adjustments to those weightings;

(12) values for workers' compensation as part of employee-related expenses;

(13) values for unemployment insurance as part of employee-related expenses;

(14) a component value to reflect costs for individuals with rates previously adjusted for the inclusion of group residential housing rate 3 costs, only for any individual enrolled as of December 31, 2013; and

(15) any changes in state or federal law with an impact on the underlying cost of providing home and community-based services.

(e) The commissioner shall report to the chairs and the ranking minority members of the legislative committees and divisions with jurisdiction over health and human services policy and finance with the information and data gathered under paragraphs (b) to (d) on the following dates:

(1) January 15, 2015, with preliminary results and data;

(2) January 15, 2016, with a status implementation update, and additional data and summary information;

(3) January 15, 2017, with the full report; and

(4) January 15, 2019, with another full report, and a full report once every four years thereafter.

(f) Based on the commissioner's evaluation of the information and data collected in paragraphs (b) to (d), the commissioner shall make recommendations to the legislature by January 15, 2015, to address any issues identified during the first year of implementation. After January 15, 2015, the commissioner may make recommendations to the legislature to address potential issues.

(g) The commissioner shall implement a regional adjustment factor to all rate calculations in subdivisions 6 to 9, effective no later than January 1, 2015. Prior to implementation, the commissioner shall consult with stakeholders on the methodology to calculate the adjustment.

(h) The commissioner shall provide a public notice via LISTSERV in October of each year beginning October 1, 2014, containing information detailing legislatively approved changes in:

(1) calculation values including derived wage rates and related employee and administrative factors;

(2) service utilization;

(3) county and tribal allocation changes; and

(4) information on adjustments made to calculation values and the timing of those adjustments.

The information in this notice must be effective January 1 of the following year.

(i) By January 1, 2016, the commissioner shall develop, after consulting with stakeholders, person-centered staffing environments that provide staffing ratios sufficient to meet the needs of current residents and provide prospective residents with an understanding of the environments

from which they can choose an adult foster care setting. In developing the staffing environments, the commissioner shall take into consideration individual needs, including but not limited to community integration, nutritional, physical, behavioral, on-site medical, and off-site medical needs. The commissioner must assure environments are adaptable to current and new resident changes in needs and desired outcomes.

Sec. 16. Minnesota Statutes 2014, section 256B.4914, subdivision 14, is amended to read:

Subd. 14. **Exceptions.** (a) Notwithstanding rate stabilization under section 256B.4913, subdivision 4a, the exception request process provided in this section shall be available to all individuals receiving waived services without limitation and without regard to whether the rate in effect at the time of the exception request is banded. In a format prescribed by the commissioner, lead agencies must identify individuals with exceptional needs that cannot be met under the disability waiver rate system. The commissioner shall use that information to evaluate and, if necessary, approve an alternative payment rate for those individuals. Whether granted, denied, or modified, the commissioner shall respond to all exception requests in writing. The commissioner shall include in the written response the basis for the action and provide notification of the right to appeal under paragraph (h).

(b) Lead agencies must act on an exception request within 30 days and notify the initiator of the request of their recommendation in writing. A lead agency shall submit all exception requests along with its recommendation to the state commissioner for review and approval within ten days after the lead agency issues its recommendation. If the lead agency fails or refuses to submit the exception request and its recommendation to the commissioner, then the individual or provider serving the individual may directly submit the request to the commissioner. The commissioner may affirm, reject, or modify the request and the lead agency's recommendation, if any.

(c) An application for a rate exception may be submitted for the following criteria:

(1) an individual has service needs that cannot be met through additional units of service; or

(2) an individual's rate determined under subdivisions 6, 7, 8, and 9 results is so insufficient that it has resulted in an individual being discharged: receiving a notice of discharge from the individual's provider;

(3) an individual whose current rate is subject to banding and for whom, based on current needs, the projected final rate that will apply once banding is lifted will be insufficient to meet the individual's expected needs; or

(4) an individual's service needs, including behavioral changes, require a level of service which necessitates a change in provider or which requires the current provider to propose service changes beyond those currently authorized.

(d) Exception requests must include the following information:

(1) the service needs required by each individual that are not accounted for in subdivisions 6, 7, 8, and 9;

(2) the service rate requested and the difference from the rate determined in subdivisions 6, 7, 8, and 9;

(3) a basis for the underlying costs used for the rate exception and any accompanying documentation;

~~(4) the duration of the rate exception except in cases under paragraph (c), clause (3), the rate exception shall be retroactive to the date of the recipient's service change and shall remain in effect until the recipient no longer requires the excepted rate due to the recipient's change of need; and~~

~~(5) for cases under paragraph (c), clause (3), where the prospective, unbanded rate will not be sufficient to meet the individual's expected service needs, the rate exception shall be effective at the time that banding is lifted for that individual's service from that provider; and~~

~~(5) (6) any contingencies for approval.~~

(e) Approved rate exceptions shall be managed within lead agency allocations under sections 256B.092 and 256B.49.

(f) Individual disability waiver recipients or the license holder that would receive the rate exception increase may request that a lead agency submit an exception request. A lead agency that denies such a request shall notify the individual waiver recipient or the license holder of its decision and the reasons for denying the request in writing no later than 30 days after the individual's request has been made and shall submit its denial to the commissioner in accordance with paragraph (b). The reasons for the denial must be based on the failure to meet the criteria in paragraph (c).

(g) The commissioner shall determine whether to approve or deny an exception request no more than 30 days after receiving the request. If the commissioner denies the request, the commissioner shall notify the lead agency and, the individual disability waiver recipient, and the license holder in writing of the reasons for the denial. If the commissioner fails to act on the exception request within 30 days, the exception is granted as submitted if the lead agency did not respond to the initial request according to the timelines in paragraph (b). If the lead agency recommended a rate increase, but the commissioner fails to act within 30 days, the lead agency's recommendation is deemed granted.

(h) The individual disability waiver recipient or the license holder may appeal any denial of an exception request by either the lead agency or the commissioner, pursuant to sections 256.045 and 256.0451. When the denial of an exception request results in the proposed demission of a waiver recipient from a residential or day habilitation program, the commissioner shall issue a temporary stay of demission, when requested by the disability waiver recipient, consistent with the provisions of section 256.045, subdivisions 4a and 6, paragraph (c). The temporary stay shall remain in effect until the lead agency can provide an informed choice of appropriate, alternative services to the disability waiver, but in no event shall the temporary stay exceed more than 30 days.

(i) Providers may petition lead agencies to update values that were entered incorrectly or erroneously into the rate management system, based on past service level discussions and determination in subdivision 4, without applying for a rate exception.

(j) The commissioner shall track all exception requests received and their dispositions. The commissioner shall issue quarterly public exceptions statistical reports categorized by lead agency, including the number of exception requests received and the numbers granted, denied, and pending. The report shall include the average amount of time required to process exceptions by each lead agency and by the commissioner.

Sec. 17. Minnesota Statutes 2014, section 256B.4914, subdivision 15, is amended to read:

Subd. 15. **County or tribal allocations.** (a) Upon implementation of the disability waiver rates management system on January 1, 2014, the commissioner shall establish a method of tracking and reporting the fiscal impact of the disability waiver rates management system on individual lead agencies.

(b) Beginning January 1, 2014, the commissioner shall make annual adjustments to lead agencies' home and community-based waived service budget allocations to adjust for rate differences and the resulting impact on county allocations upon implementation of the disability waiver rates system.

~~(c) During the first two years of implementation under section 256B.4913, Lead agencies exceeding their allocations under sections 256B.092 and 256B.49 shall only be held liable for spending in excess of their allocations after a reallocation of resources by the commissioner under paragraph (b). The commissioner shall reallocate resources under sections 256B.092, subdivision 12, and 256B.49, subdivision 11a. The commissioner shall notify lead agencies of this process by July 1, 2014 are subject to all the provisions under section 256B.0916, subdivisions 11 and 12, and section 256B.49, subdivisions 26 and 27.~~

Sec. 18. Minnesota Statutes 2014, section 256B.4914, subdivision 16, is amended to read:

Subd. 16. **Budget neutrality adjustments.** (a) The commissioner shall use the following adjustments to the rate generated by the framework to assure budget neutrality until the rate information is available to implement paragraph (b). The rate generated by the framework shall be multiplied by the appropriate factor, as designated below:

- (1) for residential services: 1.003;
- (2) for day services: 1.000;
- (3) for unit-based services with programming: ~~0.941~~ 1.113; and
- (4) for unit-based services without programming: 0.796.

(b) ~~Within 12 months of January 1, 2014~~ Annually during the banding period, the commissioner shall compare estimated spending for all home and community-based waiver services under the new payment rates defined in subdivisions 6 to 9 with estimated spending for the same recipients and services under the rates in effect on July 1, 2013. This comparison must distinguish spending under each of subdivisions 6, 7, 8, and 9. The comparison must be based on actual recipients and services for one or more service months after the new rates have gone into effect. The commissioner shall consult with the commissioner of management and budget on this analysis to ensure budget neutrality. If estimated spending under the new rates for services under one or more subdivisions, notwithstanding adjustments for the rate stabilization provisions of section 256B.4913, subdivision 4a, paragraph (c), clauses (1) to (6), differs in this comparison by 0.3 percent or more, the commissioner shall assure aggregate budget neutrality across all service areas by adjusting the budget neutrality factor in paragraph (a) in each subdivision so that total estimated spending for each subdivision under the new rates matches estimated spending under the rates in effect on July 1, 2013.

EFFECTIVE DATE. The amendment to paragraph (a), clause (3), is effective July 1, 2015."

Amend the title accordingly

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

Senator Skoe from the Committee on Taxes, to which was re-referred

S.F. No. 848: A bill for an act relating to family law; allowing allocation of income tax dependency exemptions in child support matters; amending Minnesota Statutes 2014, section 518A.38, by adding a subdivision.

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

Page 2, lines 15 and 20, delete "reasonable" and before "fees" insert "reasonable attorney"

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

Senator Skoe from the Committee on Taxes, to which was referred

S.F. No. 881: A bill for an act relating to estates; providing apportionment of taxes occasioned by a decedent's death; amending Minnesota Statutes 2014, section 524.3-916.

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

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

S.F. No. 1300: A bill for an act relating to higher education; establishing certain criteria for postsecondary sexual harassment and sexual violence policies; providing data classifications; requiring reports; requiring coordination between local law enforcement and postsecondary institutions; amending Minnesota Statutes 2014, sections 13.322, by adding a subdivision; 135A.15, subdivisions 1, 2, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 626.

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

Page 2, line 21, before "allowing" insert "informing sexual assault victims that they may report a case to law enforcement and" and delete "refer" and insert "report"

Page 3, line 33, delete "forcible"

Page 6, line 16, delete everything after the period

Page 6, delete lines 17 and 18

Page 6, line 20, delete everything after the period

Page 6, delete lines 21 and 22

Page 6, line 25, delete everything after "(2)"

Page 6, line 26, delete everything before the second "the"

Page 6, delete lines 28 and 29

Page 6, line 30, delete everything before "each"

Page 6, delete lines 33 to 35 and insert:

"(f) Reports and data required under this subdivision must be prepared and published as summary data, as defined in section 13.02, subdivision 19, and must be consistent with applicable law governing access to educational data. If an institution or the Office of Higher Education does not include data in a report or publish data because of applicable law, the report or publication must explain why data are not included."

Page 9, after line 12, insert:

"Sec. 12. Minnesota Statutes 2014, section 135A.15, is amended by adding a subdivision to read:

Subd. 10. **Mandatory reporting laws.** This section does not exempt mandatory reporters from the requirements of section 626.556 or 626.557 governing the reporting of maltreatment of minors or vulnerable adults."

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

S.F. No. 782: A bill for an act relating to insurance fraud; establishing an administrative penalty for insurance fraud; providing that certain persons convicted of insurance fraud may not enforce contracts for no-fault benefits; establishing a crime for accident victim solicitation; amending Minnesota Statutes 2014, sections 45.0135, by adding a subdivision; 65B.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 65B; 609.

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

Page 1, line 24, before "value" insert "funds or"

Page 2, line 13, delete "insured" and insert "claimant" and delete "insured" and insert "claimant"

Page 2, line 14, after "settlement" insert "and the claimant separately and specifically acknowledges the disclosure in writing"

Page 2, delete section 4

Renumber the sections in sequence

Amend the title accordingly

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

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

S.F. No. 1039: A bill for an act relating to public safety; motor vehicles; permitting secure electronic storage of certain records; amending Minnesota Statutes 2014, sections 168.33, subdivision 2; 171.061, subdivision 3.

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

Page 3, line 20, before the period, insert ", consistent with the requirements of Minnesota Statutes, section 138.17"

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

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

S.F. No. 1768: A bill for an act relating to public safety; requiring active firefighter deaths to be reported to the state fire marshal; providing continued health insurance coverage to families of noncareer firefighters who die in the line of duty; amending Minnesota Statutes 2014, section 299A.465, subdivision 5, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299F.

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

Page 1, line 14, delete "through the"

Page 1, line 15, delete "applicable municipal group health plan"

Page 2, line 9, after "7" insert ", and includes paid per call"

And when so amended the bill be re-referred to the Committee on Finance without recommendation. Amendments adopted. Report adopted.

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

S.F. No. 1025: A bill for an act relating to civil actions; modifying certain protections related to public participation in government; amending Minnesota Statutes 2014, sections 554.01, subdivision 6; 554.05; proposing coding for new law in Minnesota Statutes, chapter 554; repealing Minnesota Statutes 2014, section 604A.34.

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

Page 1, line 11, delete "apparent" and insert "suspected"

Page 2, line 7, after "claims" insert "pending on or"

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

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

S.F. No. 239: A bill for an act relating to public safety; adding the crime of financial exploitation of a vulnerable adult to definition of designated offense in forfeiture laws; amending Minnesota Statutes 2014, section 609.531, subdivision 1.

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

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

S.F. No. 1556: A bill for an act relating to traffic regulations; establishing a minimum fine for second or subsequent violation of prohibition on use of wireless communications devices while driving; amending Minnesota Statutes 2014, section 169.475, 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 2014, section 169.475, subdivision 2, is amended to read:

Subd. 2. **Prohibition on use.** (a) No person may operate a motor vehicle while using a wireless communications device to compose, read, or send an electronic message, when the vehicle is in motion or a part of traffic.

(b) A person who violates paragraph (a) a second or subsequent time shall be required to pay a fine of \$300."

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 Latz from the Committee on Judiciary, to which was referred

S.F. No. 999: A bill for an act relating to judiciary; excluding filing of Application for Discharge of Judgment from filing fee; amending Minnesota Statutes 2014, section 357.021, subdivision 2.

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

Page 1, line 16, delete "paragraph" and insert "subdivision"

Page 1, line 17, before "An" insert "Section 548.181 applies to"

Page 1, line 18, delete everything before the period

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

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

S.F. No. 986: A bill for an act relating to public safety; enhancing penalties for careless driving resulting in death or great bodily harm; repealing reckless driving; amending Minnesota Statutes 2014, section 169.13, subdivisions 2, 3; repealing Minnesota Statutes 2014, section 169.13, 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 2014, section 169.13, subdivision 1, is amended to read:

Subdivision 1. **Reckless driving.** (a) ~~Any person who drives any vehicle in such a manner as to indicate either a willful or a wanton disregard for the safety of persons or property is guilty of reckless driving and such reckless driving is a misdemeanor~~ A person who drives a motor vehicle while aware of and consciously disregarding a substantial and unjustifiable risk that the driving may result in harm to another or another's property is guilty of reckless driving. The risk must be of such a nature and degree that disregard of it constitutes a significant deviation from the standard of conduct that a reasonable person would observe in the situation.

(b) A person shall not race any vehicle upon any street or highway of this state. Any person who willfully compares or contests relative speeds by operating one or more vehicles is guilty of racing, which constitutes reckless driving, whether or not the speed contested or compared is in excess of the maximum speed prescribed by law.

(c) A person who violates paragraph (a) or (b) is guilty of a misdemeanor. A person who violates paragraph (a) or (b) and causes great bodily harm or death to another is guilty of a gross misdemeanor.

(d) For purposes of this section, "great bodily harm" has the meaning given in section 609.02, subdivision 8.

Sec. 2. Minnesota Statutes 2014, section 169.13, subdivision 3, is amended to read:

Subd. 3. **Application.** (a) The provisions of this section apply, but are not limited in application, to any person who drives any vehicle in the manner prohibited by this section:

(1) upon the ice of any lake, stream, or river, including but not limited to the ice of any boundary water; or

(2) in a parking lot ordinarily used by or available to the public though not as a matter of right, and a driveway connecting the parking lot with a street or highway.

(b) This section does not apply to:

(1) an authorized emergency vehicle, when responding to an emergency call or when in pursuit of an actual or suspected violator;

(2) the emergency operation of any vehicle when avoiding imminent danger; or

(3) any raceway, racing facility, or other public event sanctioned by the appropriate governmental authority.

(c) Nothing in this section or section 609.035 or 609.04 shall limit the power of the state to prosecute or punish a person for conduct that constitutes any other crime under any other law of this state.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective August 1, 2015, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to public safety; revising the definition of reckless driving and enhancing penalties for reckless driving resulting in death or great bodily harm; amending Minnesota Statutes 2014, section 169.13, subdivisions 1, 3."

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

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 1648: A bill for an act relating to transportation; establishing public-private partnership pilot program; requiring report.

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

Page 1, line 16, delete "160.845,"

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

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 1646: A bill for an act relating to transportation; requiring the Metropolitan Council to consult with Transportation Accessibility Advisory Committee on certain procurements; amending Minnesota Statutes 2014, section 473.915.

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. 1647: A bill for an act relating to transportation; directing the commissioner of transportation to adopt policy to lower local share of transportation project costs.

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 2014, section 13.69, subdivision 1, is amended to read:

Subdivision 1. **Classifications.** (a) The following government data of the Department of Public Safety are private data:

(1) medical data on driving instructors, licensed drivers, and applicants for parking certificates and special license plates issued to physically disabled persons;

(2) other data on holders of a disability certificate under section 169.345, except that data that are not medical data may be released to law enforcement agencies, and data necessary for enforcement of sections 169.345 and 169.346 may be released to parking enforcement employees or parking enforcement agents of statutory or home rule charter cities and towns;

(3) Social Security numbers in driver's license and motor vehicle registration records, except that Social Security numbers must be provided to the Department of Revenue for purposes of tax administration, the Department of Labor and Industry for purposes of workers' compensation administration and enforcement, and the Department of Natural Resources for purposes of license application administration; and

(4) data on persons listed as standby or temporary custodians under section 171.07, subdivision 11, except that the data must be released to:

(i) law enforcement agencies for the purpose of verifying that an individual is a designated caregiver; or

(ii) law enforcement agencies who state that the license holder is unable to communicate at that time and that the information is necessary for notifying the designated caregiver of the need to care for a child of the license holder.

The department may release the Social Security number only as provided in clause (3) and must not sell or otherwise provide individual Social Security numbers or lists of Social Security numbers for any other purpose.

(b) The following government data of the Department of Public Safety are confidential data: data concerning an individual's driving ability when that data is received from a member of the individual's family.

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

Sec. 2. Minnesota Statutes 2014, section 13.72, is amended by adding a subdivision to read:

Subd. 20. Construction project schedule data. A construction project schedule or any portion of a construction project schedule created by a vendor, as defined by section 16C.02, subdivision 21, and submitted to or maintained by the Department of Transportation is nonpublic data from the time the construction project is advertised until the project is awarded.

Sec. 3. Minnesota Statutes 2014, section 160.20, subdivision 4, is amended to read:

Subd. 4. **Conditions.** (a) A road authority may accept applications for permits for installation of drain tile along or across the right-of-way under its jurisdiction. The road authority may adopt reasonable rules for the installations and may require a bond before granting a permit. Permits for installation along a highway right-of-way must ensure that the length of the installation is restricted to the minimum necessary to achieve the desired agricultural benefits. A permit must not allow open trenches to be left on the right-of-way after installation of the drain tile is completed. A road authority that grants a permit for tile drain installation is not responsible for damage to that installation resulting from the action of the authority or any other permittee utilizing the right-of-way.

(b) A person who installs drain tile along or across a highway right-of-way without obtaining a permit as provided in this section is guilty of a misdemeanor.

(c) The commissioner shall take no action under this section which will result in the loss of federal aid for highway construction in the state.

(d) For the purpose of this section subdivisions 2 to 4, "highway" means any highway as defined in section 160.02 which is located outside the corporate limits of a home rule charter or statutory city.

Sec. 4. Minnesota Statutes 2014, section 160.232, is amended to read:

160.232 MOWING DITCHES ~~OUTSIDE CITIES.~~

(a) To provide enhanced roadside habitat for nesting birds and other small wildlife, road authorities and persons may not mow, hay, or till the right-of-way of a highway ~~located outside of a home rule charter or statutory city~~ except as allowed in this section and section 160.23.

(b) On any highway, the first eight feet away from the road surface, or shoulder if one exists, may be mowed at any time.

(c) An entire right-of-way may be mowed ~~after July~~ from August 1 to December 31. From ~~August 31~~ January 1 to the following July 31, ~~the entire right-of-way~~ additional areas may only be mowed if necessary for safety reasons, but may not be mowed to a height of less than ~~12~~ eight inches.

(d) A right-of-way may be ~~mowed as necessary to maintain sight distance for safety and may be mowed at other times under rules of the commissioner, or by ordinance of a local road authority not conflicting with the rules of the commissioner~~ spot-mowed or precision-hayed for treatment of

noxious weeds or invasive plant species, incorporating best management practices for long-term control.

(e) Residences and other areas traditionally maintained may be mowed, but landowners are encouraged to delay mowing the right-of-way until after nesting season.

(f) A right-of-way may be mowed, hayed, burned, or tilled to prepare the right-of-way for the establishment of permanent vegetative cover or for prairie vegetation management.

(g) Roadsides adjacent to state wildlife management areas may not be mowed or hayed by persons other than road authorities unless permission to mow or hay the roadside is obtained from the commissioner of natural resources.

(h) Private land owners and public land owners may request that roadsides on their property not be mowed for the purpose of providing roadside habitat for wildlife or pollinators. The request must be made in writing to the appropriate road authority and shall include the legal description of the property.

(i) Local road authorities with roadside jurisdiction may create more restrictive mowing, haying, or tilling ordinances on roads under their jurisdiction.

(j) When feasible, road authorities are encouraged to utilize low maintenance, native vegetation that reduces the need to mow, provides wildlife habitat, and maintains public safety.

(k) The commissioner of natural resources shall cooperate coordinate with the commissioner of transportation and local road authorities to provide enhanced roadside habitat for nesting birds, native pollinators, and other small wildlife.

(l) Licensed peace officers may enforce this section. The penalty for a violation of this section is a petty misdemeanor and a civil penalty equal to the value of the vegetation taken as determined by the road authority. Penalties collected under this section must be deposited in an account maintained by the road authority with jurisdiction over the roadside impacted by the violation.

Sec. 5. Minnesota Statutes 2014, section 160.266, subdivision 2, is amended to read:

Subd. 2. **Creation.** The commissioner, in cooperation with road and trail authorities including the commissioner of natural resources, shall identify a bikeway that originates at Itasca State Park in Clearwater, Beltrami, and Hubbard Counties, then generally parallels the Mississippi River through the cities of Bemidji in Beltrami County, Grand Rapids in Itasca County, Brainerd in Crow Wing County, Little Falls in Morrison County, Sauk Rapids in Benton County, St. Cloud in Stearns County, Minneapolis in Hennepin County, St. Paul in Ramsey County, Hastings in Dakota County, Red Wing in Goodhue County, Wabasha in Wabasha County, Winona in Winona County, and La Crescent in Houston County to Minnesota's boundary with Iowa and there terminates. Where opportunities exist, the bikeway may be designated on both sides of the Mississippi River state bikeways.

Sec. 6. Minnesota Statutes 2014, section 160.266, subdivision 3, is amended to read:

Subd. 3. **Connections with other bikeways.** (a) The commissioner, in cooperation with road and trail authorities including the commissioner of natural resources, shall:

(1) identify existing bikeways of regional significance that are in reasonable proximity but not connected to the bikeway bikeways established in under this section; including but not limited to the Lake Wobegon Trail in the counties of Stearns and Todd; and

(2) support development of linkages between bikeways identified under clause (1) and the bikeway established in under this section.

(b) The requirements of this subdivision are a secondary priority for use of funds available under this section following establishment and enhancement of the ~~bikeway~~ bikeways under ~~subdivision~~ † this section.

Sec. 7. Minnesota Statutes 2014, section 160.266, is amended by adding a subdivision to read:

Subd. 6. **Mississippi River Trail.** The Mississippi River Trail bikeway shall originate at Itasca State Park in Clearwater, Beltrami, and Hubbard Counties, then generally parallel the Mississippi River through the cities of Bemidji in Beltrami County, Grand Rapids in Itasca County, Brainerd in Crow Wing County, Little Falls in Morrison County, Sauk Rapids in Benton County, St. Cloud in Stearns County, Minneapolis in Hennepin County, St. Paul in Ramsey County, Hastings in Dakota County, Red Wing in Goodhue County, Wabasha in Wabasha County, Winona in Winona County, and La Crescent in Houston County to Minnesota's boundary with Iowa and there terminate. Where opportunities exist, the bikeway may be designated on both sides of the Mississippi River.

Sec. 8. Minnesota Statutes 2014, section 160.266, is amended by adding a subdivision to read:

Subd. 7. **James L. Oberstar Memorial Bikeway.** The James L. Oberstar Memorial Bikeway shall originate in the city of St. Paul in Ramsey County, then proceed north through the cities of North Branch in Chisago County, Hinckley in Pine County, Carlton in Carlton County, Duluth in St. Louis County, Two Harbors in Lake County, and Grand Marais in Cook County to Minnesota's boundary with Canada and there terminate.

Sec. 9. Minnesota Statutes 2014, section 161.321, subdivision 2a, is amended to read:

Subd. 2a. **Small targeted group business; subcontracting goals.** (a) The commissioner, as a condition of awarding a construction contract, may set goals that require the for targeted group business participation in contracts. As a condition of award, the prime contractor is required to subcontract portions of the contract to small targeted group businesses. Prime contractors must demonstrate good faith efforts to meet the project goals. The commissioner shall establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses are not reasonably available either meet the goal or demonstrate good faith efforts to meet the goal. The commissioner must establish a procedure for evaluating the good faith efforts of contractors that do not meet the goal. The commissioner may establish (1) financial incentives for prime contractors who exceed the goals set for the use of subcontractors under this subdivision; and (2) sanctions for prime contractors who fail to make good faith efforts to meet the goals set under this subdivision.

(b) The small targeted group business subcontracting requirements of this subdivision do not apply to prime contractors who are small targeted group businesses.

Sec. 10. Minnesota Statutes 2014, section 161.321, subdivision 2c, is amended to read:

Subd. 2c. **Veteran-owned small business; subcontracting goals.** (a) The commissioner, as a condition of awarding a construction contract, may set goals that require the prime contractor to subcontract portions of the contract to veteran-owned small businesses for veteran-owned small business participation in contracts, except when prohibited by federal law or rule as a condition of receiving federal funds. As a condition of award, the prime contractors contractor must either

meet the goal or demonstrate good faith efforts to meet the project goals. The commissioner shall must establish a procedure for ~~granting waivers from the subcontracting requirement when qualified veteran-owned small businesses are not reasonably available~~ evaluating the good faith efforts of contractors that do not meet the goal. The commissioner may establish (1) financial incentives for prime contractors who exceed the goals set for the use of subcontractors under this subdivision; and (2) sanctions for prime contractors who ~~have not been granted a waiver and~~ fail to make good faith efforts to meet goals set under this subdivision.

(b) The subcontracting requirements of this subdivision do not apply to prime contractors who are veteran-owned small businesses.

Sec. 11. Minnesota Statutes 2014, section 161.321, subdivision 4, is amended to read:

Subd. 4. **Contract awards, limitations.** ~~Contracts awarded pursuant to this section are subject to all limitations contained in rules adopted by~~ The commissioner may elect to subject contracts awarded under this section to limitations contained in rules adopted by the commissioner of administration.

Sec. 12. Minnesota Statutes 2014, section 168.33, subdivision 2, is amended to read:

Subd. 2. **Deputy registrars.** (a) The commissioner may appoint, and for cause discontinue, a deputy registrar for any statutory or home rule charter city as the public interest and convenience may require, without regard to whether the county auditor of the county in which the city is situated has been appointed as the deputy registrar for the county or has been discontinued as the deputy registrar for the county, and without regard to whether the county in which the city is situated has established a county license bureau that issues motor vehicle licenses as provided in section 373.32.

(b) The commissioner may appoint, and for cause discontinue, a deputy registrar for any statutory or home rule charter city as the public interest and convenience may require, if the auditor for the county in which the city is situated chooses not to accept appointment as the deputy registrar for the county or is discontinued as a deputy registrar, or if the county in which the city is situated has not established a county license bureau that issues motor vehicle licenses as provided in section 373.32.

(c) The commissioner may appoint, and for cause discontinue, the county auditor of each county as a deputy registrar.

(d) Despite any other provision, a person other than a county auditor or a director of a county license bureau, who was appointed by the registrar before August 1, 1976, as a deputy registrar for any statutory or home rule charter city, may continue to serve as deputy registrar and may be discontinued for cause only by the commissioner. The county auditor who appointed the deputy registrars is responsible for the acts of deputy registrars appointed by the auditor.

(e) Each deputy, before entering upon the discharge of duties, shall take and subscribe an oath to faithfully discharge the duties and to uphold the laws of the state.

(f) If a deputy registrar appointed under this subdivision is not an officer or employee of a county or statutory or home rule charter city, the deputy shall in addition give bond to the state in the sum of \$10,000, or a larger sum as may be required by the commissioner, conditioned upon the faithful discharge of duties as deputy registrar.

(g) A corporation governed by chapter 302A or 317A may be appointed a deputy registrar. Upon application by an individual serving as a deputy registrar and the giving of the requisite bond as

provided in this subdivision, personally assured by the individual or another individual approved by the commissioner, a corporation named in an application then becomes the duly appointed and qualified successor to the deputy registrar.

(h) Each deputy registrar appointed under this subdivision shall keep and maintain office locations approved by the commissioner for the registration of vehicles and the collection of taxes and fees on vehicles.

(i) The deputy registrar shall keep records and make reports to the commissioner as the commissioner requires. The records must be maintained at the offices of the deputy registrar. As an alternative to paper copy storage, a deputy registrar may retain records and documents in a secure electronic medium, provided 60 days have elapsed since the transaction and subject to standards established by the commissioner. The deputy registrar is responsible for all costs associated with the conversion to electronic records and maintenance of the electronic storage medium, including the destruction of existing paper records after conversion to the electronic format. The records and offices of the deputy registrar must at all times be open to the inspection of the commissioner or the commissioner's agents. The deputy registrar shall report to the commissioner by the next working day following receipt all registrations made and taxes and fees collected by the deputy registrar.

(j) The filing fee imposed under subdivision 7 must be deposited in the treasury of the place for which appointed or, if not a public official, a deputy shall retain the filing fee, but the registration tax and any additional fees for delayed registration the deputy registrar has collected the deputy registrar shall deposit by the next working day following receipt in an approved state depository to the credit of the state through the commissioner of management and budget. The place for which the deputy registrar is appointed through its governing body must provide the deputy registrar with facilities and personnel to carry out the duties imposed by this subdivision if the deputy is a public official. In all other cases, the deputy shall maintain a suitable facility for serving the public.

Sec. 13. Minnesota Statutes 2014, section 169.06, subdivision 4a, is amended to read:

Subd. 4a. **Obedience to work zone flagger; violation, penalty.** (a) ~~A flagger in a work zone may stop vehicles and hold vehicles in place until it is safe for the vehicles to proceed. A person operating a motor vehicle that has been stopped by a flagger in a work zone may proceed after stopping only on instruction by the flagger or a police officer and direct them to proceed when it is safe. A driver who does not comply with the instruction of an official traffic control device, flagger, or peace officer in a work zone is guilty of a petty misdemeanor, and shall pay a fine of \$300, in addition to the surcharge under section 357.021, subdivision 6.~~

(b) A person convicted of operating a motor vehicle in violation of a speed limit in a work zone, or any other provision of this section while in a work zone, shall be required to pay a fine of \$300. This fine is in addition to the surcharge under section 357.021, subdivision 6.

(c) If a motor vehicle is operated in violation of paragraph (a), the owner of the vehicle, or for a leased motor vehicle the lessee of the vehicle, is guilty of a petty misdemeanor and is subject to a fine as provided in paragraph (b). The owner or lessee may not be fined under this paragraph if (1) another person is convicted for that violation, or (2) the motor vehicle was stolen at the time of the violation. This paragraph does not apply to a lessor of a motor vehicle if the lessor keeps a record of the name and address of the lessee.

(d) Paragraph (c) does not prohibit or limit the prosecution of a motor vehicle operator for violating paragraph (a).

(e) A violation under paragraph (c) does not constitute grounds for revocation or suspension of a driver's license.

(f) A peace officer may stop and issue a citation to the driver of a motor vehicle if the peace officer has probable cause to believe the driver has, within the last four hours, operated the vehicle in a manner that violates paragraph (a).

EFFECTIVE DATE. This section is effective August 1, 2015, and applies to violations committed on or after that date.

Sec. 14. Minnesota Statutes 2014, section 169.18, subdivision 12, is amended to read:

Subd. 12. **Passing certain parked vehicles.** (a) When approaching and before passing a freeway service patrol vehicle, road maintenance vehicle, utility company vehicle, or construction vehicle with its warning lights activated that is parked or otherwise stopped on or next to a street or highway having two lanes in the same direction, the driver of a vehicle shall safely move the vehicle to the lane farthest away from the parked or stopped vehicle, if it is possible to do so.

(b) When approaching and before passing a freeway service patrol vehicle, road maintenance vehicle, utility company vehicle, or construction vehicle with its warning lights activated that is parked or otherwise stopped on or next to a street or highway having more than two lanes in the same direction, the driver of a vehicle shall safely move the vehicle so as to leave a full lane vacant between the driver and any lane in which the vehicle is completely or partially parked or otherwise stopped, if it is possible to do so.

Sec. 15. Minnesota Statutes 2014, section 169.49, is amended to read:

169.49 HEADLAMPS.

(a) Every motor vehicle, other than a motorcycle, ~~shall~~ must be equipped with at least two headlamps, ~~with~~ including at least one on each side of the front of the motor vehicle, ~~which.~~ Headlamps shall must comply with the requirements and limitations set forth in sections 169.47 to ~~169.79~~ 169.66.

(b) Every motorcycle ~~shall~~ must be equipped with at least one and not more than ~~two~~ four headlamps, which ~~shall~~ must comply with the requirements and limitations of sections 169.47 to ~~169.79~~ 169.66.

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

Sec. 16. Minnesota Statutes 2014, section 169.782, subdivision 1, is amended to read:

Subdivision 1. **Driver; daily inspection, report.** (a) The driver of a commercial motor vehicle shall ~~report in writing~~ inspect at the completion of each day's work ~~on~~ each commercial motor vehicle the driver has operated. A person who owns one or more commercial motor vehicles and who employs drivers for those commercial motor vehicles must require each driver to submit a written report as required by this section. The driver of a commercial motor vehicle subject to this section is not required to prepare and submit a written report if no defect or deficiency is discovered by or reported to the driver, except that the driver of a passenger-carrying commercial motor vehicle shall prepare and submit a written report regardless of whether any defect or deficiency is discovered by or reported to the driver.

(b) The inspection and report must cover the following parts and accessories: service brakes, including trailer and semitrailer brake connections; parking (hand) brake; steering mechanism; lighting devices and reflectors; tires; horn; windshield wiper or wipers; rear vision mirror or mirrors; coupling devices; wheels and rims; and emergency equipment.

(b) (c) The report must identify the vehicle and list any defect or deficiency discovered by or reported to the driver that would affect the safe operation of the vehicle or result in its mechanical breakdown. If no defect or deficiency is discovered by or reported to the driver, the report must so indicate. The driver must sign the report after completing it. In the case of a commercial motor vehicle operated by two drivers, the signature of one of the drivers satisfies the requirements of this subdivision if both drivers agree concerning the defects or deficiencies. If a driver operates more than one commercial motor vehicle during a day's work, a report must be prepared for each vehicle operated.

(c) (d) Before operating or allowing the operation of a commercial motor vehicle on which a report has been prepared under this subdivision, the owner of the vehicle or the owner's agent must repair defects or deficiencies listed on the report that would likely affect the safe operation of the vehicle. Before allowing the commercial motor vehicle to be operated again, the owner or the owner's agent must certify, on the report listing the defect or deficiency, that the defect or deficiency has been corrected or that correction is unnecessary. A motor carrier must keep the original vehicle inspection report for at least three months after the date of inspection. The report must be available for inspection by an authorized federal, state, or local official at any time during this period.

(d) (e) A copy of the vehicle inspection report, including a certification of corrections resulting from the report, must be carried in the commercial motor vehicle, or in the power unit of a commercial motor vehicle combination, at all times when the vehicle or power unit is operated until the next inspection report is completed under this subdivision. The copy must be made available on demand to (1) a peace officer, (2) a person authorized under section 221.221, and (3) a person described in section 299D.06.

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

Sec. 17. Minnesota Statutes 2014, section 169.782, subdivision 2, is amended to read:

Subd. 2. **Driver; pretrip inspection.** ~~(a) Before driving~~ Prior to the first operation of a commercial motor vehicle following completion of a daily inspection report under subdivision 1, a driver must:

- (1) review the most recent vehicle inspection report on the vehicle;
- (2) determine that the vehicle is in safe operating condition; and
- (3) sign the inspection report in the vehicle.

The driver shall sign the report only if all defects and deficiencies listed in the report have been certified as having been corrected or as not requiring correction.

~~(b) If the commercial motor vehicle does not contain the previous day's inspection report, the driver must make the inspection and complete the report required under subdivision 1.~~

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

Sec. 18. Minnesota Statutes 2014, section 169.782, subdivision 4, is amended to read:

Subd. 4. **Exceptions.** (a) ~~With the exception of subdivision 2, paragraph (a), clause (2),~~ This section does not apply to a commercial motor vehicle that is a farm truck that may be operated by a person not holding a commercial driver's license, provided that before driving the vehicle, a driver must determine that the vehicle is in safe operating condition.

(b) This section does not apply to a commercial motor vehicle held for resale by a motor vehicle dealer licensed under section 168.27.

(c) This section does not apply to a covered farm vehicle as defined in Code of Federal Regulations, title 49, section 390.5, that is not carrying hazardous materials of a type or quantity that requires the vehicle to be placarded in accordance with Code of Federal Regulations, title 49, section 172.504.

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

Sec. 19. Minnesota Statutes 2014, section 169.791, subdivision 1, is amended to read:

Subdivision 1. **Terms defined.** (a) For purposes of this section and sections 169.792 to 169.798, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of public safety.

(c) "District court administrator" or "court administrator" means the district court administrator or a deputy district court administrator of the district court that has jurisdiction of a violation of this section.

(d) "Insurance identification card" means a card, including in an electronic format as provided in section 65B.482, subdivision 1, issued by an obligor to an insured stating that security as required by section 65B.48 has been provided for the insured's vehicle.

(e) "Law enforcement agency" means the law enforcement agency that employed the peace officer who demanded proof of insurance under this section or section 169.792.

(f) "Peace officer" or "officer" means an employee of a political subdivision or state law enforcement agency, including the Minnesota State Patrol, who is licensed by the Minnesota Board of Peace Officer Standards and Training and is authorized to make arrests for violations of traffic laws.

(g) "Proof of insurance" means an insurance identification card, written statement, or insurance policy as defined by section 65B.14, subdivision 2.

(h) "Vehicle" means a motor vehicle as defined in section 65B.43, subdivision 2, or a motorcycle as defined in section 65B.43, subdivision 13.

(i) "Written statement" means a written statement by a licensed insurance agent stating the name and address of the insured, the vehicle identification number of the insured's vehicle, that a plan of reparation security as required by section 65B.48 has been provided for the insured's vehicle, and the dates of the coverage.

(j) The definitions in section 65B.43 apply to sections 169.792 to 169.798.

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

Sec. 20. Minnesota Statutes 2014, section 169.791, subdivision 2, is amended to read:

Subd. 2. **Requirement for driver, whether or not owner.** (a) Every driver shall have in possession at all times when operating a vehicle and shall produce on demand of a peace officer proof of insurance in force at the time of the demand covering the vehicle being operated. If the driver does not produce the required proof of insurance upon the demand of a peace officer, the driver is guilty of a misdemeanor. A person is guilty of a gross misdemeanor who violates this section within ten years of the first of two prior convictions under this section, section 169.797, or a statute or ordinance in conformity with one of those sections. The same prosecuting authority who is responsible for prosecuting misdemeanor violations of this section is responsible for prosecuting gross misdemeanor violations of this section. A driver who is not the owner of the vehicle may not be convicted under this section unless the driver knew or had reason to know that the owner did not have proof of insurance required by this section, provided that the driver provides the officer with the name and address of the owner at the time of the demand or complies with subdivision 3.

(b) The use of an electronic device to display proof of insurance does not constitute consent for a peace officer to access other contents of the electronic device.

(c) If a policyholder provides an electronic device for proof of insurance, the policyholder assumes all liability for any damage to the electronic device while in the possession of the law enforcement officer.

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

Sec. 21. Minnesota Statutes 2014, section 169.81, is amended by adding a subdivision to read:

Subd. 3f. **Length limits exclusion; aerodynamic device.** An aerodynamic device that meets the requirements under Code of Federal Regulations, title 23, section 658.16 (b)(4), is excluded from each calculation of length under subdivision 2, 3, or 3c, including (1) total vehicle length; and (2) length of a semitrailer or trailer, whether in a vehicle combination or not.

Sec. 22. Minnesota Statutes 2014, section 171.061, subdivision 3, is amended to read:

Subd. 3. **Application.** An applicant may file an application with an agent. The agent shall receive and accept applications in accordance with the laws and rules of the Department of Public Safety for a driver's license, restricted license, duplicate license, instruction permit, Minnesota identification card, or motorized bicycle operator's permit. As an alternative to paper copy storage, an agent may retain records and documents in a secure electronic medium, provided 60 days have elapsed since the transaction and subject to standards established by the commissioner. The agent is responsible for all costs associated with the conversion to electronic records and maintenance of the electronic storage medium, including the destruction of existing paper records after conversion to the electronic format.

Sec. 23. Minnesota Statutes 2014, section 174.40, is amended by adding a subdivision to read:

Subd. 4a. **Eligibility.** A statutory or home rule charter city, county, or town in which infrastructure expansion or development is in process is eligible to receive infrastructure funding on or after June 1, 2016, under this section only if it has adopted subdivision regulations that require a developer to include safe routes to school infrastructure in new developments.

Sec. 24. **[219.752] MINIMUM CREW SIZE.**

No Class I or Class II railroad shall allow the operation of a railroad train or locomotive in this state, used in connection with the movement of freight or passengers, without a crew composed of

a minimum of two individuals, except hostling and helper operations, remote control locomotives in yards, and as otherwise provided by Code of Federal Regulations, title 49, part 218, subpart B. A railroad that violates this section is guilty of a misdemeanor and, in addition to any other sanctions authorized in law, shall be ordered to pay a fine of at least \$250 for a first-time violation of this section, and \$1,000 for a second or subsequent violation.

EFFECTIVE DATE. This section is effective August 1, 2015, and applies to crimes committed on or after that date.

Sec. 25. Minnesota Statutes 2014, section 219.76, is amended to read:

219.76 FIRE DAMAGE CAUSED BY ENGINE TRAIN OR CONTENTS; INSURABLE INTEREST.

A railroad corporation owning or operating a railroad in this state is responsible in damages to every person who is injured and corporation public or private entity or person whose property is injured, damaged, or destroyed by fire communicated spread directly or indirectly by the locomotive engines or rolling stock in use upon its railroad line, or contents of the rolling stock, or caused directly or indirectly by spill, tear, discharge, or combustion of train contents. Each railroad corporation shall have an insurable interest in the property upon the route of its railroad line and may procure insurance in its own behalf for its protection against the damages.

Sec. 26. Minnesota Statutes 2014, section 219.761, is amended to read:

219.761 EXTINGUISHING LOCOMOTIVE RESPONSE TO TRAIN-RELATED FIRE OR OTHER EMERGENCY; REIMBURSEMENT.

Subdivision 1. **Reimbursement.** (a) A railroad operating in Minnesota is liable for all reasonable expenses of extinguishment when a fire or fire hazard other emergency that is proximately caused by a railroad locomotive, rolling stock or its contents, or employees on a railroad right-of-way or, operating property, or other property. If the fire department of a local government or nonprofit firefighting corporation extinguishes an emergency responder, local government entity, or nonprofit firefighting corporation responds to a fire arising from one occurrence or responds to another emergency and deems that it is entitled to reimbursement for its expenses, it shall, within 60 days after the first full day after extinguishment the emergency response, give the railroad, by mail, written notice stating the circumstances of the fire or other emergency as then known. The notice may be given to the railroad at any address at which the owner has an office, agent, or other place of business in this state. The date of the mailing is the date of service of the notice. For purposes of this paragraph, reasonable response expenses include all expenses incurred by a fire department or other emergency responder in supplying mutual aid assistance, regardless of whether the fire department or emergency responder is entitled to reimbursement from the entity requesting assistance.

(b) If after notice and claim for reimbursement, the railroad working the right-of-way refuses to reimburse the local government, or nonprofit firefighting corporation, or other emergency responders for expenses incurred, the claimant may recover by civil action reasonable expenses, costs, disbursements, and attorney's fees.

Subd. 2. **Information in claim.** All claims must set forth the basis of the claim including the time, date, place, and circumstances of the claim. A claim must also include an itemization of costs incurred to extinguish the fire or respond to the emergency. The state Fire Marshal, in consultation

with fire department chiefs and, representatives of the interested railroads, representatives of local government entities, nonprofit firefighting corporations, and other emergency responders, may recommend that additional information be included in a claim.

Subd. 3. **Other costs, remedies.** (a) If the railroads are required to pay property taxes pursuant to chapter 272 or any other law, they shall also pay the fees and assessments required of property owners situated within the same political subdivision for firefighting and protection expenses.

(b) Neither the enactment of this section nor its subsequent repeal or termination alters the statutory or common law rights, duties, or obligations of railroad companies with regard to fires and other emergencies caused directly or indirectly by a railroad locomotive, rolling stock, contents, or railroad employees on a railroad right-of-way or, operating property, or other property, or caused directly or indirectly by spill, tear, discharge, or combustion of train contents.

Sec. 27. Minnesota Statutes 2014, section 221.031, is amended by adding a subdivision to read:

Subd. 9a. **Federal out-of-service order; operation prohibited.** No intrastate carrier, private carrier engaged in intrastate commerce, or person providing intrastate transportation service described in section 221.025 shall operate a commercial motor vehicle in Minnesota while a motor carrier out-of-service order issued by the Federal Motor Carrier Safety Administration under Code of Federal Regulations, title 49, part 385 or 386, is in effect.

Sec. 28. Minnesota Statutes 2014, section 221.605, is amended by adding a subdivision to read:

Subd. 4. **Federal out-of-service order; operation prohibited.** No interstate carrier or private carrier engaged in interstate commerce shall operate a commercial motor vehicle in Minnesota while a motor carrier out-of-service order issued by the Federal Motor Carrier Safety Administration under Code of Federal Regulations, title 49, part 385 or 386, is in effect.

Sec. 29. **[237.045] RAILROAD RIGHTS-OF-WAY; CROSSING OR PARALLELING BY UTILITIES.**

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

(b) "Crossing" means the construction, operation, repair, or maintenance of a utility facility over, under, or across a railroad right-of-way. The term includes longitudinal occupancy of railroad right-of-way.

(c) "Facility" means any item of personal property placed over, across, or underground for use in connection with the storage or conveyance of:

- (1) water;
- (2) sewage;
- (3) electronic, telephone, or telegraphic communications;
- (4) fiber optics;
- (5) cablevision;
- (6) electric energy;
- (7) oil;

(8) gas;

(9) hazardous liquids; or

(10) other facilities including pipes, sewers, conduits, cables, valves, lines, wires, manholes, or attachments.

(d) "Parallel" or "paralleling" means that the relevant utility facilities run adjacent to and alongside the lines of a railroad for no more than one mile, or another distance agreed to by the parties, before the utility facilities cross the railroad lines, terminate, or exit the railroad right-of-way.

(e) "Railroad" means any association, corporation, or other entity engaged in operating a common carrier by rail, or any other entity responsible for the management of crossings or collection of crossing fees for the railroad.

(f) "Utility" means cooperative electric association, electric utility, public utility, transmission company, gas utility, municipal utility, municipal power agency, joint action agency, pipeline company, rural water system, or telephone, telegraph, telecommunications, cable, or fiber optic carrier.

Subd. 2. **Application.** This section applies to:

(1) any crossing in existence before the effective date of this section if an agreement concerning the crossing has expired or has been terminated. In such instance, if the collective amount of \$750 has been paid to the railroad during the existence of the crossing, no additional fee is required; and

(2) any crossing commenced on or after the effective date of this section.

Subd. 3. **Right-of-way crossing; application for permission.** (a) Any utility that intends to place a facility across or upon a railroad right-of-way shall request prior permission from the railroad.

(b) The request shall be in the form of a completed crossing application, including a drawing showing the location of the proposed crossing and the railroad's property, tracks, and wires that the utility will cross. The utility shall submit the crossing application on a form provided or approved by the railroad, if available.

(c) The crossing application shall be sent to the railroad by certified mail, with return receipt requested.

(d) The application shall be accompanied by the crossing fee as set forth in subdivision 5, and a certificate of insurance as required by subdivision 6.

Subd. 4. **Right-of-way crossing; construction.** Beginning 30 days after the receipt by the railroad of a completed crossing application, crossing fee, and certificate of insurance, the utility may commence the construction of the crossing unless the railroad notifies the utility in writing that the proposed crossing or paralleling is a serious threat to the safe operations of the railroad or to the current use of the railroad right-of-way.

Subd. 5. **Standard crossing fee.** (a) Unless otherwise agreed by the parties or determined under section 237.04, a utility that crosses a railroad right-of-way, other than a crossing within a public right-of-way, shall pay the railroad a onetime standard crossing fee of \$750 for each crossing. The

standard crossing fee is in lieu of any license, permit, application, processing fee, or any other fee or charge to reimburse the railroad for direct expenses incurred by the railroad as a result of the crossing.

(b) In addition to the standard crossing fee, the utility shall also reimburse the railroad for any reasonable flagging expense associated with a crossing.

(c) No crossing fee is required if the crossing is located within a public right-of-way.

(d) The placement of a single conduit and its content shall be considered a single facility. No additional fees are payable based on the individual fibers, wires, lines, or other items contained within the conduit.

Subd. 6. **Certificate of insurance; coverage.** (a) The certificate of insurance or coverage submitted by a municipality shall include commercial general liability insurance or an equivalent form with a limit of not less than \$1,000,000 for each occurrence and an aggregate of not less than \$2,000,000.

(b) The certificate of insurance submitted by any other utility, except a gas or hazardous materials pipeline utility, shall include commercial general liability insurance with a combined single limit of a minimum of \$2,000,000 for each occurrence and an aggregate limit of at least \$4,000,000.

(c) The certificate of insurance submitted by a gas or hazardous materials pipeline utility shall include commercial general liability insurance with a combined single limit of a minimum of \$5,000,000 for each occurrence and an aggregate limit of at least \$10,000,000.

(d) The certificate of insurance shall be from an insurer of the utility's choosing.

Subd. 7. **Objection to crossing; petition to Public Utilities Commission.** (a) If a railroad objects to the proposed crossing or paralleling due to the proposal being a serious threat to the safe operations of the railroad or to the current use of the railroad right-of-way, the railroad shall provide to the utility notice of the objection and the specific basis for the objection. The railroad shall send the notice of objection to the utility by certified mail, with return receipt requested.

(b) If the parties are unable to resolve the objection, either party may petition the Public Utilities Commission for their assistance via mediation or arbitration of the disputed crossing application. The petition must be filed within 60 days of receipt of the objection. Before filing a petition, the parties shall make good faith efforts to resolve the objection.

(c) If a petition is filed, the Public Utilities Commission must issue an order within 120 days of filing of the petition. The order may be appealed under chapter 14 and section 216B.27. The Public Utilities Commission shall assess the costs associated with a petition equitably among the parties.

Subd. 8. **Additional requirements; objection and petition to Public Utilities Commission.** (a) If a railroad imposes additional requirements on a utility for crossing its lines, other than the proposed crossing being a serious threat to the safe operations of the railroad or to the current use of the railroad right-of-way, the utility may object to one or more of the requirements. If it objects, the utility shall provide notice of the objection and the specific basis for the objection to the railroad by certified mail, with return receipt requested.

(b) If the parties are unable to resolve the objection, either party may petition the Public Utilities Commission for resolution or modification of the additional requirements. The petition must be filed

within 60 days of receipt of the objection. Before filing a petition, the parties shall make good faith efforts to resolve the objection.

(c) If a petition is filed, the Public Utilities Commission shall determine, after notice and opportunity for hearing, whether special circumstances exist that necessitate additional requirements for the placement of the crossing. The Public Utilities Commission must issue an order within 120 days of filing of the petition. The order may be appealed under chapter 14 and section 216B.27. The Public Utilities Commission shall assess the costs associated with a petition equitably among the parties.

Subd. 9. **Existing agreements.** Nothing in this section prevents a railroad and a utility from continuing under an existing agreement, or from otherwise negotiating the terms and conditions applicable to a crossing or the resolution of any disputes relating to the crossing. The use of this section or section 237.04 is optional. Nothing in this section impairs the authority of a utility to secure crossing rights by easement through exercise of the power of eminent domain.

Sec. 30. Minnesota Statutes 2014, section 299D.085, subdivision 2, is amended to read:

Subd. 2. **Certificate.** No person may operate as an overdimensional load escort driver in this state without a certificate issued by the commissioner, or by a state with which the commissioner has entered into a reciprocal agreement. The commissioner shall assess a fee for each certificate applicant, calculated to cover the commissioner's cost of establishing and administering the program. No other certification is required to escort an overdimensional load.

Sec. 31. **[383B.83] LIMITS ON RAILROAD CONDEMNATION POWERS OVER CERTAIN GOVERNMENTAL PROPERTY INTERESTS.**

Notwithstanding anything to the contrary in chapter 117, sections 222.26, 222.27, 222.36, or any other law, the powers of a foreign or domestic railroad corporation or a railroad company or a railroad interest acting as a public service corporation or a common carrier do not include the power to exercise eminent domain over a property interest of Hennepin County, the Hennepin County Housing and Redevelopment Authority, or the Hennepin County Regional Railroad Authority if the governmental power, by resolution of its governing board, determines based on specific findings that the public safety or access of first responders would be substantially and adversely affected by the exercise.

EFFECTIVE DATE. This section is effective retroactively from March 2, 2015, and applies to any eminent domain action to acquire any property interest of any of the named entities.

Sec. 32. Minnesota Statutes 2014, section 473.146, subdivision 4, is amended to read:

Subd. 4. **Transportation planning.** (a) The Metropolitan Council is the designated planning agency for any long-range comprehensive transportation planning required by section 134 of the Federal Highway Act of 1962, Section 4 of Urban Mass Transportation Act of 1964 and Section 112 of Federal Aid Highway Act of 1973 and other federal transportation laws. The council shall assure administration and coordination of transportation planning with appropriate state, regional and other agencies, counties, and municipalities.

(b) The council shall establish an advisory body consisting of citizens and representatives of municipalities, counties, and state agencies in fulfillment of the planning responsibilities of the council. The membership of the advisory body must consist of:

- (1) the commissioner of transportation or the commissioner's designee;
- (2) the commissioner of the Pollution Control Agency or the commissioner's designee;
- (3) one member of the Metropolitan Airports Commission appointed by the commission;
- (4) one person appointed by the council to represent nonmotorized transportation;
- (5) one person appointed by the commissioner of transportation to represent the freight transportation industry;
- (6) two persons appointed by the council to represent public transit;
- (7) ten elected officials of cities within the metropolitan area, including one representative from each first-class city, appointed by the Association of Metropolitan Municipalities;
- (8) one member of the county board of each county in the seven-county metropolitan area, appointed by the respective county boards;
- (9) eight citizens appointed by the council, one from each council precinct; ~~and~~
- (10) one elected official from a city participating in the replacement service program under section 473.388, appointed by the Suburban Transit Association; and
- (11) one member of the council, appointed by the council.

(c) The council shall appoint a chair from among the members of the advisory body.

EFFECTIVE DATE. This section is effective the day following final enactment, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 33. **ENGINE BRAKES; REGULATION BY ST. PAUL.**

Notwithstanding any other law or charter provision, the governing body of the city of St. Paul may by ordinance restrict or prohibit the use of an engine brake on motor vehicles along Legislative Route No. 392, also known as marked Interstate Highway 94, between Johnson Parkway and marked Trunk Highway 52. Upon notification by the city of St. Paul to the commissioner of transportation of the city's adoption of the ordinance, the commissioner of transportation shall erect the appropriate signs, with the cost of the signs to be paid by the city. For purposes of this section, "engine brake" means any device that uses the engine and transmission to impede the forward motion of the motor vehicle by compression of the engine.

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

Sec. 34. **LEGISLATIVE ROUTE NO. 275 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 206, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Lac qui Parle County to transfer jurisdiction of Legislative Route No. 275 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 35. ALTERNATIVE DAMAGES APPRAISAL; OFFICE OF ADMINISTRATIVE HEARINGS.

(a) In lieu of a commissioners' hearing for award of damages under Minnesota Statutes, section 117.075, the commissioner of transportation is authorized to petition the court for a referral to the Office of Administrative Hearings. The court may refer the matter to the Office of Administrative Hearing only if all parties in the project, including condemnees, consent to the referral. Upon referral to the Office of Administrative Hearings by the court, an administrative law judge shall conduct a hearing for the purpose of determining and awarding damages. The hearing must be conducted in a manner consistent with the contested case procedures under Minnesota Statutes, chapter 14. Minnesota Statutes, section 117.145, applies to an appeal of the administrative law judge's determination and award of damages.

(b) The commissioner of transportation may petition for a referral under paragraph (a) for up to five transportation projects.

(c) This section expires June 30, 2017.

Sec. 36. REPORT BY COMMISSIONER OF TRANSPORTATION ON TOLLING.

On or before January 2, 2016, the commissioner of transportation shall report to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over transportation policy and finance concerning expanding the use of tolling in Minnesota in order to reduce congestion and raise revenue. The report must be prepared with existing appropriations. At a minimum, the report must:

- (1) summarize current state and federal laws that affect the use of tolling in this state;
- (2) identify any federal pilot projects for which this state is eligible to participate;
- (3) discuss the feasibility and cost of expanding use of tolling, the possibility of private investment in toll roads, and projected costs and cost recovery in establishing, operating, and maintaining toll roads;
- (4) review tolling models and technology options;
- (5) summarize the experience of other states that have widely implemented tolling;
- (6) identify and evaluate specific corridors for feasibility of toll implementation;
- (7) project the likely range of revenues that could be generated by wider implementation of tolling and identify the percentage of revenues that are projected to be paid by nonresidents of the state;
- (8) discuss options for use of tolling revenue and measures to ensure compliance with laws concerning operation of toll roads and use of revenues;
- (9) recommend and discuss possible ways to reduce cost to Minnesotans, such as tax deductions or credits, or types of discounts; and
- (10) provide recommendations for needed statutory or rule changes that would facilitate wider implementation of tolling and achieve maximum revenues for the state and equity for its residents.

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

Sec. 37. COST SHARE POLICY.

The commissioner of transportation, in consultation with representatives of local units of government, shall create and adopt a policy concerning cost participation for cooperative construction projects and maintenance responsibilities between the Department of Transportation and local units of government. The policy must minimize the share of cooperative project costs to be funded by the local units of government, while complying in all respects with the state constitutional requirements concerning allowable uses of the trunk highway fund. The policy must be completed and adopted by the commissioner no later than September 1, 2015.

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

Sec. 38. ELECTRONIC STORAGE STANDARDS.

On or before August 1, 2015, the commissioner of public safety shall establish standards for the conversion by deputy registrars and driver's license agents to secure electronic storage of certain records under Minnesota Statutes, sections 168.33, subdivision 2, and 171.061, subdivision 3. The standards must specify minimum system security requirements, as well as any procedural requirements for the destruction of existing and new paper-based records, consistent with the requirements of Minnesota Statutes, section 138.17.

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

Delete the title and insert:

"A bill for an act relating to transportation; amending various provisions related to transportation and public safety policies, including data practices and storage; motor carriers; traffic regulation modifications; vehicle equipment; railroad liability, powers, and crossing by utilities; minimum train crew size; drive away in-transit licenses; road design; engine compression regulation by city of St. Paul; turnbacks; bikeways; subcontracting goals; and alternative damages appraisal for transportation projects; amending Minnesota Statutes 2014, sections 13.69, subdivision 1; 13.72, by adding a subdivision; 160.20, subdivision 4; 160.232; 160.266, subdivisions 2, 3, by adding subdivisions; 161.321, subdivisions 2a, 2c, 4; 168.33, subdivision 2; 169.06, subdivision 4a; 169.18, subdivision 12; 169.49; 169.782, subdivisions 1, 2, 4; 169.791, subdivisions 1, 2; 169.81, by adding a subdivision; 171.061, subdivision 3; 174.40, by adding a subdivision; 219.76; 219.761; 221.031, by adding a subdivision; 221.605, by adding a subdivision; 299D.085, subdivision 2; 473.146, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 219; 237; 383B."

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. 1034: A bill for an act relating to natural resources; dedicating unclaimed lottery prize money for acquisition of certain school trust lands; providing for condemnation of school trust lands to be acquired; appropriating money; amending Minnesota Statutes 2014, sections 94.165, subdivision 2; 349A.08, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 92.

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Marty from the Committee on Environment and Energy, to which was re-referred

S.F. No. 674: A bill for an act relating to environment; prohibiting sale of certain personal care products containing synthetic plastic microbeads; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

Delete everything after the enacting clause and insert:

"Section 1. [325E.382] CERTAIN PRODUCTS CONTAINING MICROBEADS PROHIBITED.

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

(b) "Over-the-counter drug" means a drug that is a personal care product that contains a label that identifies the product as a drug as required by Code of Federal Regulations, title 21, section 201.66. An "over-the-counter drug" label includes:

(1) a drug facts panel; or

(2) a statement of the active ingredients with a list of those ingredients contained in the compound, substance, or preparation.

(c) "Personal care product" means any article intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for cleansing, beautifying, promoting attractiveness, or altering the appearance, and any article intended for use as a component of any such article. "Personal care product" does not include prescription drugs.

(d) "Plastic" means a synthetic material made from linking monomers through a chemical reaction to create an organic polymer chain that can be molded or extruded at high heat into various solid forms retaining their defined shapes during life cycle and after disposal.

(e) "Synthetic plastic microbead" means any intentionally added plastic particle measured less than five millimeters in size.

Subd. 2. Prohibitions. (a) Effective December 31, 2017, no person shall manufacture for sale a personal care product, except for an over-the-counter drug, that contains synthetic plastic microbeads.

(b) Effective December 31, 2018, no person shall accept for sale a personal care product, except for an over-the-counter drug, that contains synthetic plastic microbeads.

(c) Effective December 31, 2018, no person shall manufacture for sale an over-the-counter drug that contains synthetic plastic microbeads.

(d) Effective December 31, 2019, no person shall accept for sale an over-the-counter drug that contains synthetic plastic microbeads.

Subd. 3. Exemptions. A person may petition the commissioner of the Pollution Control Agency for an exemption from the prohibitions in this section. The commissioner may grant an exemption

only if the person seeking the exemption provides clear and convincing evidence that the synthetic plastic microbeads contained in a personal care product or over-the-counter drug completely break down within two weeks in a natural aquatic environment in Minnesota.

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

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. 1948: A bill for an act relating to electric and compressed natural gas vehicles; requiring certain public utilities to file plans with the Public Utilities Commission promoting electric and compressed natural gas vehicles and to recover costs of such promotion; providing rebates and incentives to electric and compressed natural gas vehicle purchasers and salespersons; appropriating money; amending Minnesota Statutes 2014, section 216B.16, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

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 2014, section 216B.16, is amended by adding a subdivision to read:

Subd. 6e. **Incentive plan for electric vehicles.** (a) Each public utility that is required to develop an electric vehicle promotion program under section 216B.1615 shall develop and submit for commission approval, by February 1, 2016, incentive plans that describe the method of recovery and accounting for utility expenditures related to the promotion of electric vehicles that result from the purchase of electric vehicles by its customers. In developing the incentive plans, public utilities shall ensure the effective involvement of interested parties.

(b) In approving incentive plans, the commission shall consider:

(1) the number of electric vehicles used by its customers;

(2) whether the plan is compatible with the interests of utility ratepayers and other interested parties; and

(3) whether the plan conflicts with other provisions of this chapter.

(c) A public utility may propose and the commission may approve rates to encourage effective implementation of a utility's electric vehicle promotion program under section 216B.1615.

Sec. 2. Minnesota Statutes 2014, section 216B.1614, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of ~~this section~~ sections 216B.1614 to 216B.1616, the terms defined ~~in this subdivision~~ have the meanings given them.

(b) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

(c) "Public utility" has the meaning given in section 216B.02, subdivision 4.

(d) "Renewable energy" has the meaning given in section 216B.169, subdivision 2, paragraph (d).

Sec. 3. [216B.1615] ELECTRIC VEHICLE PROMOTION PROGRAM.

Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216B.1616, the terms defined in this subdivision have the meanings given them.

(b) "Electric vehicle charging station" means a public or private parking space that is served by battery charging station equipment that has as its primary purpose the transfer of electric energy by conductive or inductive means to a battery or other energy storage device in an electric vehicle.

(c) "Electric vehicle infrastructure" means structures, machinery, and equipment necessary and integral to support an electric vehicle, including electric vehicle charging stations and battery exchange stations.

(d) "Public utility" has the meaning given in section 216B.02, subdivision 4.

(e) "Vehicle-to-grid technology" means technology that allows electricity to flow from electric vehicle batteries to the electrical grid, and to be aggregated and dispatched in order to assist the balancing of electricity supply and demand.

Subd. 2. **Program.** (a) By February 1, 2016, each public utility serving a city of the first class must file with the commission a program to promote the purchase of electric vehicles by their customers and the construction of electric vehicle infrastructure.

(b) The program may include, but is not limited to, the following elements:

(1) educational resources for individuals, electric vehicle dealers, multifamily housing developers and property management companies, and vehicle fleet managers;

(2) rebates for electric vehicle purchase or leasing;

(3) rebates for installing electric vehicle charging stations at residences or workplaces; and

(4) a pilot program for implementing vehicle-to-grid technology.

Subd. 3. **Commission review.** The commission shall review and may approve, modify, or reject the plans submitted under this section for their effectiveness in promoting electric vehicle purchases among utility customers. If the commission rejects a utility's plan, the utility must submit a new plan for commission review within 75 days of the notice of rejection.

Subd. 4. **Implementation.** Within 90 days of commission approval of a utility's plan filed under this section, the utility shall implement the plan.

Subd. 5. **Cost recovery.** Notwithstanding section 216B.16, subdivision 8, clause (3), the commission may approve the portion of any rate which makes a direct or indirect allowance for expenses incurred by a public utility to provide a public advertisement as part of a promotion program approved by the commission under this section.

Subd. 6. **Reporting.** Beginning one year after implementing a program approved by the commission, each public utility implementing a plan under this section shall report annually to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over energy policy on its activities to promote electric vehicle usage and the outcomes of those efforts.

Sec. 4. **[216B.1616] ELECTRIC VEHICLE REBATES AND INCENTIVES.**

Subdivision 1. **Definition.** For the purposes of this section, "dealer" has the meaning given in section 80E.03, subdivision 3.

Subd. 2. **Eligibility.** The purchaser of an electric vehicle is eligible for a \$3,000 rebate if:

(1) the electric vehicle:

(i) has not been previously owned;

(ii) has not been modified from the original manufacturer's specifications; and

(iii) is purchased after the effective date of this act for use by the purchaser and not for resale;

(2) the purchaser:

(i) is a resident of Minnesota, as defined in section 290.01, subdivision 7, paragraph (a), when the electric vehicle is purchased;

(ii) is a business that has a valid address in Minnesota from which business is conducted;

(iii) is a nonprofit corporation incorporated under chapter 317A; or

(iv) is a political subdivision of the state; and

(3) the purchaser:

(i) has not received a rebate or tax credit for the purchase of an electric vehicle from Minnesota or another state; and

(ii) registers the electric vehicle in Minnesota.

Subd. 3. **Program administration.** (a) Applications for a rebate under this section shall be filed with the commissioner on a form developed by the commissioner.

(b) The commissioner shall develop administrative procedures governing the application and rebate award process. Applications will be reviewed and rebates awarded by the commissioner on a first-come, first-served basis.

(c) A dealer must certify to the commissioner, in a manner specified by the commissioner, that an electric vehicle and its purchaser meet the eligibility requirements in subdivision 2.

Sec. 5. **EXPIRATION.**

This act expires June 30, 2020.

Sec. 6. **APPROPRIATION.**

\$..... in fiscal year 2016 and \$..... in fiscal year 2017 are appropriated from the general fund to the commissioner of commerce to pay rebates to eligible electric vehicle purchasers under section 4, and to pay the reasonable costs of the department to administer section 4."

Delete the title and insert:

"A bill for an act relating to electric vehicles; requiring certain public utilities to file plans with the Public Utilities Commission promoting electric vehicles and to recover costs of promotion;

providing rebates to electric purchasers; appropriating money; amending Minnesota Statutes 2014, sections 216B.16, by adding a subdivision; 216B.1614, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 216B."

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

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 1035: A bill for an act relating to natural resources; providing for condemnation of certain school trust lands; authorizing issuance and sale of state bonds; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 92.

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

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 1726: A bill for an act relating to water; modifying the Metropolitan Area Water Supply Advisory Committee and specifying its duties; requiring a report; delaying implementation of a groundwater management area plan; amending Minnesota Statutes 2014, section 473.1565.

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 2014, section 103G.291, subdivision 3, is amended to read:

Subd. 3. **Water supply plans; demand reduction.** (a) Every public water supplier serving more than 1,000 people must submit a water supply plan to the commissioner for approval by January 1, 1996. In accordance with guidelines developed by the commissioner, the plan must address projected demands, adequacy of the water supply system and planned improvements, existing and future water sources, natural resource impacts or limitations, emergency preparedness, water conservation, supply and demand reduction measures, and allocation priorities that are consistent with section 103G.261. Public water suppliers must update their plan and, upon notification, submit it to the commissioner for approval every ten years.

(b) The water supply plan in paragraph (a) is required for all communities in the metropolitan area, as defined in section 473.121, with a municipal water supply system and is a required element of the local comprehensive plan required under section 473.859. ~~Water supply plans or updates submitted after December 31, 2008, must be consistent with the metropolitan area master water supply plan required under section 473.1565, subdivision 1, paragraph (a), clause (2).~~

(c) Public water suppliers serving more than 1,000 people must encourage water conservation by employing water use demand reduction measures, as defined in subdivision 4, paragraph (a), before requesting approval from the commissioner of health under section 144.383, paragraph (a), to construct a public water supply well or requesting an increase in the authorized volume of appropriation. The commissioner of natural resources and the water supplier shall use a collaborative process to achieve demand reduction measures as a part of a water supply plan review process.

(d) Public water suppliers serving more than 1,000 people must submit records that indicate the number of connections and amount of use by customer category and volume of water unaccounted for with the annual report of water use required under section 103G.281, subdivision 3.

(e) For the purposes of this section, "public water supplier" means an entity that owns, manages, or operates a public water supply, as defined in section 144.382, subdivision 4.

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

Sec. 2. Minnesota Statutes 2014, section 473.1565, is amended to read:

**473.1565 METROPOLITAN AREA WATER SUPPLY PLANNING ACTIVITIES;
ADVISORY ~~COMMITTEE~~ COMMITTEES.**

Subdivision 1. **Planning activities.** (a) The Metropolitan Council must carry out planning activities addressing the water supply needs of the metropolitan area as defined in section 473.121, subdivision 2. The planning activities must include, at a minimum:

(1) development and maintenance of a base of technical information needed for sound water supply decisions including surface and groundwater availability analyses, water demand projections, water withdrawal and use impact analyses, modeling, and similar studies;

(2) development and periodic update of a metropolitan area master water supply plan, prepared in cooperation with and subject to the approval of the ~~commissioner of natural resources~~ policy advisory committee established in this section, that:

(i) provides guidance for local water supply systems and future regional investments;

(ii) emphasizes conservation, interjurisdictional cooperation, and long-term sustainability; and

(iii) addresses the reliability, security, and cost-effectiveness of the metropolitan area water supply system and its local and subregional components;

(3) recommendations for clarifying the appropriate roles and responsibilities of local, regional, and state government in metropolitan area water supply;

(4) recommendations for streamlining and consolidating metropolitan area water supply decision-making and approval processes; and

(5) recommendations for the ongoing and long-term funding of metropolitan area water supply planning activities and capital investments.

(b) The council must carry out the planning activities in this subdivision in consultation with the Metropolitan Area Water Supply Policy and Technical Advisory Committee Committees established in ~~subdivision 2~~ this section.

Subd. 2. **Policy advisory committee.** (a) A Metropolitan Area Water Supply Policy Advisory Committee is established to assist the council in its planning activities in subdivision 1 and to provide advice to the Legislative Water Commission. The policy advisory committee has the following membership:

(1) the commissioner of agriculture or the commissioner's designee;

(2) the commissioner of health or the commissioner's designee;

- (3) the commissioner of natural resources or the commissioner's designee;
- (4) the commissioner of the Pollution Control Agency or the commissioner's designee;
- (5) two officials of counties that are located in the metropolitan area, appointed by the governor, in consultation with the Association of Minnesota Counties;
- (6) five officials of noncounty local governmental units that are located in the metropolitan area, appointed by the governor, in consultation with the Association of Metropolitan Municipalities;
- (7) the chair of the Metropolitan Council or the chair's designee, who is chair of the advisory committee; ~~and~~
- (8) one official each from the counties of Chisago, Isanti, Sherburne, and Wright, appointed by the governor, in consultation with the Association of Minnesota Counties and the League of Minnesota Cities; and
- (9) a member of the Board of Water Commissioners of the Saint Paul Regional Water Services, appointed by and serving at the pleasure of the Board of Water Commissioners, and a representative of the Minneapolis Water Department, appointed by and serving at the pleasure of the mayor of the city of Minneapolis.

A local government unit in each of the seven counties in the metropolitan area and Chisago, Isanti, Sherburne, and Wright Counties must be represented in the 11 appointments made under clauses (5), (6), and (8).

(b) Members of the advisory committee appointed by the governor serve at the pleasure of the governor. Members of the advisory committee serve without compensation but may be reimbursed for their reasonable expenses as determined by the Metropolitan Council. ~~The advisory committee expires December 31, 2016.~~

(c) The council must consider the work and recommendations of the policy advisory committee when the council is preparing its regional development framework.

Subd. 2a. Technical advisory committee. A Metropolitan Area Water Supply Technical Advisory Committee is established to inform the policy advisory committee's work by providing scientific and engineering expertise necessary to provide the region an adequate and sustainable water supply. The technical advisory committee consists of 11 members appointed by the policy advisory committee as follows:

- (1) six members to represent operators of single-city and multicity public water supply systems in the metropolitan area;
- (2) a hydrologist with expertise in groundwater analysis and modeling;
- (3) a hydrologist with expertise in surface water analysis and modeling;
- (4) an engineer with expertise in the design and construction of water supply systems;
- (5) a person with expertise in population and demographic forecasting and modeling; and
- (6) a person with expertise in water demand forecasting.

Members of the technical advisory committee serve at the pleasure of the policy advisory committee, without compensation, but may be reimbursed for their reasonable expenses as determined by the council.

Subd. 3. **Reports to legislature.** (a) The council must submit reports to the legislature regarding its findings, recommendations, and continuing planning activities under subdivision 1. These reports shall be included in the "Minnesota Water Plan" required in section 103B.151, and five-year interim reports may be provided as necessary.

(b) By February 15, 2017, and at least every five years thereafter, the policy advisory committee shall report to the council, the Legislative Water Commission, and the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources with the information required under this section. The policy advisory committee's report and recommendations must include information provided by the technical advisory committee.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 3. NORTH AND EAST METRO GROUNDWATER MANAGEMENT AREA PLAN SUSPENSION.

Until the date the first report is required to be submitted under Minnesota Statutes, section 473.1565, subdivision 3, paragraph (b), the commissioner of natural resources shall not:

(1) implement groundwater appropriation permit changes as proposed in the North and East Metro Groundwater Management Area Plan Draft, prepared February 2, 2015; or

(2) require communities to connect to a regional surface water source.

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

Sec. 4. APPROPRIATION.

\$...... is appropriated for the biennium beginning July 1, 2015, from the general fund to the Metropolitan Council for the council's and the policy and technical advisory committees' work under Minnesota Statutes, section 473.1565."

Delete the title and insert:

"A bill for an act relating to water; modifying Metropolitan Area Water Supply Advisory Committee and specifying duties; modifying water supply plan requirements; requiring a report; delaying implementation of groundwater management area plan; appropriating money; amending Minnesota Statutes 2014, sections 103G.291, subdivision 3; 473.1565."

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 Marty from the Committee on Environment and Energy, to which was re-referred

S.F. No. 1439: A bill for an act relating to local government; adding to the definition of "energy conservation measure" in the Uniform Municipal Contracting Law; amending Minnesota Statutes 2014, section 471.345, subdivision 13.

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

Page 2, line 3, after "accuracy" insert "of water measurement and reduce energy use"

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. 1516: A bill for an act relating to motor vehicles; providing rebates for natural gas vehicles and fueling stations; establishing a rebate program with the Department of Commerce; appropriating money.

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

Page 2, line 1, delete "privately owned" and insert "governmental unit fleet service"

Page 2, line 4, delete "6,000" and insert "14,000"

Page 2, line 6, delete "6,001" and insert "14,001"

Page 2, line 9, after "residents" insert ", governmental units," and after "including" insert "but not limited to"

Page 2, line 10, delete "cities" and insert "municipalities"

Page 2, line 29, after the semicolon, insert "and"

Page 2, line 30, delete the semicolon and insert a period

Page 2, delete lines 31 to 33

Page 3, line 3, after "entity" insert "or governmental unit"

Page 3, line 5, after "entity" insert "or governmental unit"

Page 3, line 6, delete "home" and insert "governmental unit"

Page 3, line 7, delete "\$6,000,000" and insert "\$5,000,000"

Page 3, line 11, after the semicolon, insert "and"

Page 3, line 12, delete "; and" and insert a period

Page 3, delete line 13

Page 3, line 15, delete "subdivisions" and insert "subdivision"

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

Senator Marty from the Committee on Environment and Energy, to which was re-referred

S.F. No. 517: A bill for an act relating to agriculture; creating an advanced biofuel production incentive program; establishing a renewable chemical production incentive program; establishing a biomass production incentive program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 41A.

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

Page 2, line 14, delete "additional"

Page 2, line 15, after the comma, insert "or retrofitting existing capacity,"

Page 2, line 17, delete "95,000" and insert "30,000"

Page 2, line 24, delete everything after the period and insert "Cellulosic biofuel facilities utilizing crop residues, other than cellulosic biofuel using corn kernel fiber, or biogas, shall derive at least ten percent of total energy production from perennial crops or biomass from cover crops in the first year of receiving production incentives, and in the third year, at least 30 percent of total energy production shall be derived from perennial crops or biomass from cover crops, and in the fifth year, at least 50 percent of total energy production shall be derived from perennial crops or biomass from cover crops and maintain at least 50 percent for the remainder of the production incentive payment period."

Page 2, delete lines 25 and 26

Page 2, line 27, delete everything before "All"

Page 3, line 2, delete "to the" and insert "for approval by the"

Page 3, line 3, after the period, insert "The commissioner shall make the plan publicly available."

Page 3, line 12, delete "and"

Page 3, line 13, delete the period and insert a semicolon

Page 3, after line 13, insert:

"(5) require agronomic practices that result in a positive NRCS Soil Conditioning Index score for acres from which biomass from corn stover will be harvested; and

(6) include biennial soil sampling to verify maintained or increased levels of soil organic matter."

Page 3, line 19, delete "is authorized to"

Page 3, line 20, delete "that" and insert "whether" and delete "not" and after "plan" insert "and meeting the criteria in paragraph (c)"

Page 4, line 20, delete "additional" and after the comma, insert "or retrofitting existing capacity,"

Page 6, line 24, delete "additional" and after the comma, insert "or retrofitting existing capacity,"

Page 8, after line 25, insert:

"Sec. 6. [103F.519] WORKING LANDS WATERSHED RESTORATION PROGRAM.

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

(b) "Advanced biofuel" has the meaning given in section 239.051, subdivision 1a.

(c) "Agricultural use" has the meaning given in section 17.81, subdivision 4.

(d) "Board" means the Board of Water and Soil Resources.

(e) "Perennial crops" means agriculturally produced plants that are known to be noninvasive and not listed as a noxious weed in Minnesota and that have a life cycle of at least three years at the location where the plants are being cultivated. Biomass from alfalfa produced in a two-year rotation shall be considered a perennial crop.

Subd. 2. **Establishment.** The board shall administer a perennial feedstock program to incentivize the establishment and maintenance of perennial agricultural crops. The board shall contract with landowners and give priority to contracts that implement water protection actions as identified in a completed watershed restoration and protection strategy developed under section 114D.26.

Subd. 3. **Eligible land.** Land eligible under this section must:

(1) have been in agricultural use or have been set aside, enrolled, or diverted under another federal or state government program for at least two of the last five years before the date of application; and

(2) not be currently set aside, enrolled, or diverted under another federal or state government program.

Subd. 4. **Contract terms.** (a) The board shall offer a contract rate of no more than 90 percent of the most recent federal conservation reserve program payment for the county in which the land is located. The board may make additional payments to assist with the establishment of perennial crops.

(b) Contracts must be at least ten years in duration.

(c) Perennial crops grown on lands enrolled under this section may be used for advanced biofuel feedstock or livestock feed. Perennial plants may be processed in a manner that utilizes a portion of the plant for livestock. Mechanical harvest is not allowed before July 1 in any year.

(d) The board shall prioritize lands with the highest potential to leverage federal funding.

(e) The board may establish additional contract terms.

Subd. 5. **Pilot watershed selection.** The board may select up to two watersheds in which to conduct an initial pilot program of up to 100,000 total acres. Project watersheds must have, as determined by the board:

(1) a completed watershed restoration and protection strategy developed under section 114D.26, or a hydrological simulation program model approved by the Pollution Control Agency;

(2) multiple water quality impairments resulting primarily from agricultural practices;

(3) a viable proposed advanced biofuel production facility located within 50 miles of the perennial feedstock grown under this section; and

(4) sufficient additional acres of cropland available for perennial crop production to adequately supply the proposed advanced biofuel production facility.

Sec. 7. **WORKING LANDS WATERSHED RESTORATION IMPLEMENTATION PLAN.**

(a) The board shall develop a detailed plan to implement Minnesota Statutes, section 103F.519, that includes the following:

(1) selection of pilot watersheds that are expected to best demonstrate water quality improvements and exhibit readiness to participate in the program;

(2) an assessment of the quantity of agricultural lands that are expected to be eligible for the program in each watershed;

(3) an assessment of landowner interest in participating in the program;

(4) an assessment of the contract terms and any recommendations for changes to the terms;

(5) an assessment of opportunity to leverage federal funds through the program and recommendations on how to maximize the use of federal funds in the future;

(6) an estimate of water quality improvements resulting from implementation;

(7) an assessment of potential groundwater quantity use of the proposed advanced biofuel production facilities;

(8) an assessment of how to best integrate implementation with existing conservation requirements and practices;

(9) a timeline for implementation, coordinated to the extent possible with the proposed advanced biofuel production facilities; and

(10) a projection of funding sources needed to complete implementation.

The board shall coordinate development of the plan with the commissioners of natural resources, agriculture, and the Pollution Control Agency. The implementation plan shall be submitted by October 1, 2016, to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture, natural resources, and environment policy and finance and to the Clean Water Council.

Sec. 8. APPROPRIATION; WORKING LANDS WATERSHED RESTORATION.

\$750,000 in fiscal year 2016 is appropriated from the general fund to the Board of Water and Soil Resources for purposes of Minnesota Statutes, section 103F.519. This appropriation is onetime and is available until June 30, 2017."

Page 8, line 26, after "APPROPRIATION" insert "; BIOFUEL INCENTIVES"

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 Latz from the Committee on Judiciary, to which was referred

S.F. No. 1293: A bill for an act relating to public safety; expanding the offense of fifth degree criminal sexual conduct; creating the crime of adulteration by bodily fluid; amending Minnesota Statutes 2014, sections 243.166, subdivision 1b; 609.3451, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Page 1, delete section 1

Page 3, line 21, before "terms" insert "following"

Page 3, line 23, delete "Adulteration" and insert "Adulterates"

Page 3, line 24, delete "saliva,"

Page 3, line 29, delete "felony and may be" and insert "gross misdemeanor."

Page 3, delete lines 30 to 34

Page 4, delete lines 1 to 3

Renumber the sections in sequence

Amend the title numbers accordingly

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. 1679: A bill for an act relating to auto insurance; providing transportation network financial responsibility; amending Minnesota Statutes 2014, section 65B.64, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 65B.

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

Page 1, delete section 1 and insert:

"Section 1. [65B.472] TRANSPORTATION NETWORK FINANCIAL RESPONSIBILITY.

Subdivision 1. **Definitions.** (a) Unless a different meaning is expressly made applicable, the terms defined in paragraphs (b) through (g) have the meanings given them for the purposes of this chapter.

(b) A "digital network" means any online-enabled application, software, Web site, or system offered or utilized by a transportation network company that enables the prearrangement of rides with transportation network company drivers.

(c) A "personal vehicle" means a vehicle that is used by a transportation network company driver in connection with providing a prearranged ride and is:

(1) owned, leased, or otherwise authorized for use by the transportation network company driver; and

(2) not a taxicab, limousine, or for-hire vehicle.

(d) A "prearranged ride" means the provision of transportation by a driver to a rider, beginning when a driver accepts a ride requested by a rider through a digital network controlled by a transportation network company, continuing while the driver transports a requesting rider, and ending when the last requesting rider departs from the personal vehicle. A prearranged ride does not include transportation provided using a taxicab, limousine, or other for-hire vehicle.

(e) A "transportation network company" means a corporation, partnership, sole proprietorship, or other entity that is operating in Minnesota that uses a digital network to connect transportation network company riders to transportation network company drivers who provide prearranged rides.

(f) A "transportation network company driver" or "driver" means an individual who:

(1) receives connections to potential riders and related services from a transportation network company in exchange for payment of a fee to the transportation network company; and

(2) uses a personal vehicle to provide a prearranged ride to riders upon connection through a digital network controlled by a transportation network company in return for compensation or payment of a fee.

(g) A "transportation network company rider" or "rider" means an individual or persons who use a transportation network company's digital network to connect with a transportation network driver who provides prearranged rides to the rider in the driver's personal vehicle between points chosen by the rider.

Subd. 2. **Maintenance of transportation network financial responsibility.** (a) A transportation network company driver or transportation network company on the driver's behalf shall maintain primary automobile insurance that recognizes that the driver is a transportation network company driver or otherwise uses a vehicle to transport passengers for compensation and covers the driver:

(1) while the driver is logged on to the transportation network company's digital network; or

(2) while the driver is engaged in a prearranged ride.

(b) The following automobile insurance requirements apply while a participating transportation network company driver is logged on to the transportation network company's digital network and is available to receive transportation requests but is not engaged in a prearranged ride:

(1) primary coverage insuring against loss resulting from liability imposed by law for injury and property damage, including the requirements of section 65B.49, subdivision 3, in the amount of not less than \$50,000 because of death or bodily injury to one person in any accident, \$100,000 because of death or bodily injury to two or more persons in any accident, and \$30,000 for injury to or destruction of property of others in any one accident;

(2) security for the payment of basic economic loss benefits where required by section 65B.44 pursuant to the priority requirements of section 65B.47. A transportation network company and a transportation network company driver, during the period set forth in this paragraph, are deemed to be in the business of transporting persons for purposes of section 65B.47, subdivision 1, and the insurance required under this subdivision shall be deemed to cover the vehicle during the period set forth in this paragraph;

(3) primary uninsured motorist coverage and primary underinsured motorist coverage where required by section 65B.49, subdivisions 3a and 4a; and

(4) the coverage requirements of this subdivision may be satisfied by any of the following:

(i) automobile insurance maintained by the transportation network company driver;

(ii) automobile insurance maintained by the transportation network company; or

(iii) any combination of items (i) and (ii).

(c) The following automobile insurance requirements apply while a transportation network company driver is engaged in a prearranged ride:

(1) primary coverage insuring against loss resulting from liability imposed by law for injury and property damage, including the requirements of section 65B.49, in the amount of not less than \$1,500,000 for death, injury, or destruction of property of others;

(2) security for the payment of basic economic loss benefits where required by section 65B.44 pursuant to the priority requirements of section 65B.47. A transportation network company and a transportation network company driver, during the period set forth in this paragraph, are deemed to be in the business of transporting persons for purposes of section 65B.47, subdivision 1, and the insurance required under this subdivision shall be deemed to cover the vehicle during the period set forth in this paragraph;

(3) primary uninsured motorist coverage and primary underinsured motorist coverage where required by section 65B.49, subdivisions 3a and 4a; and

(4) the coverage requirements of this subdivision may be satisfied by any of the following:

(i) automobile insurance maintained by the transportation network company driver;

(ii) automobile insurance maintained by the transportation network company; or

(iii) any combination of items (i) and (ii).

(d) If insurance maintained by the driver in paragraph (b) or (c) has lapsed or does not provide the required coverage, insurance maintained by a transportation network company shall provide the coverage required by this subdivision beginning with the first dollar of a claim and have the duty to defend the claim.

(e) Coverage under an automobile insurance policy maintained by the transportation network company shall not be dependent on a personal automobile insurer first denying a claim nor shall a personal automobile insurance policy be required to first deny a claim.

(f) Insurance required by this subdivision must satisfy the requirements of chapter 60A.

(g) Insurance satisfying the requirements of this subdivision shall be deemed to satisfy the financial responsibility requirements under the Minnesota No-Fault Automobile Insurance Act, sections 65B.41 to 65B.71.

(h) A transportation network company driver shall carry proof of coverage satisfying paragraphs (b) and (c) at all times during the driver's use of a vehicle in connection with a transportation network company's digital network. In the event of an accident, a transportation network company driver shall provide this insurance coverage information to the directly interested parties, automobile insurers, and investigating police officers upon request pursuant to section 65B.482, subdivision 1. Upon such request, a transportation network company driver shall also disclose to directly interested parties, automobile insurers, and investigating police officers whether the driver was logged on to the transportation network company's digital network or on a prearranged ride at the time of an accident.

Subd. 3. **Disclosure to transportation network company drivers.** The transportation network company shall disclose in writing to transportation network company drivers the following before

they are allowed to accept a request for a prearranged ride on the transportation network company's digital network:

(1) the insurance coverage, including the types of coverage and the limits for each coverage, that the transportation network company provides while the transportation network company driver uses a personal vehicle in connection with a transportation network company's digital network;

(2) that the transportation network company driver's own automobile insurance policy might not provide any coverage while the driver is logged on to the transportation network company's digital network and is available to receive transportation requests or is engaged in a prearranged ride depending on its terms; and

(3) that using a vehicle with a lien against the vehicle to provide transportation network services may violate the transportation network driver's contract with the lienholder.

Subd. 4. **Automobile insurance provisions.** (a) Insurers that write automobile insurance in Minnesota may exclude any and all coverage afforded under the owner's insurance policy for any loss or injury that occurs while a driver is logged on to a transportation network company's digital network or while a driver provides a prearranged ride. This right to exclude all coverage may apply to any coverage included in an automobile insurance policy including, but not limited to:

- (1) liability coverage for bodily injury and property damage;
- (2) uninsured and underinsured motorist coverage;
- (3) basic economic loss benefits as defined under section 65B.44;
- (4) medical payments coverage;
- (5) comprehensive physical damage coverage; and
- (6) collision physical damage coverage.

These exclusions apply notwithstanding any requirement under the Minnesota No-Fault Automobile Insurance Act, sections 65B.41 to 65B.71. Nothing in this section implies or requires that a personal automobile insurance policy provide coverage while the driver is logged on to the transportation network company's digital network, while the driver is engaged in a prearranged ride, or while the driver otherwise uses a vehicle to transport passengers for compensation.

Nothing in this section shall be deemed to preclude an insurer from providing coverage for the transportation network company driver's vehicle, if it so chooses to do so by contract or endorsement.

(b) Automobile insurers that exclude coverage as permitted in paragraph (a) shall have no duty to defend or indemnify any claim expressly excluded thereunder. Nothing in this section shall be deemed to invalidate or limit an exclusion contained in a policy, including any policy in use or approved for use in Minnesota prior to the enactment of this section that excludes coverage for vehicles used to carry persons or property for a charge or available for hire by the public.

(c) An automobile insurer that defends or indemnifies a claim against a driver that is excluded under the terms of its policy as permitted in paragraph (a) shall have a right of contribution against other insurers that provide automobile insurance to the same driver in satisfaction of the coverage requirements of subdivision 2 at the time of loss.

(d) In a claims coverage investigation, transportation network companies and any insurer potentially providing coverage under subdivision 2 shall cooperate to facilitate the exchange of relevant information with directly involved parties and any insurer of the transportation network company driver if applicable, including the precise times that a transportation network company driver logged on and off of the transportation network company's digital network in the 12-hour period immediately preceding and in the 12-hour period immediately following the accident and disclose to one another a clear description of the coverage, exclusions, and limits provided under any automobile insurance maintained under subdivision 2."

Page 6, after line 20, insert:

"Sec. 3. **EFFECTIVE DATE.**

This act is effective July 1, 2015."

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

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

S.F. No. 1137: A bill for an act relating to public safety; expanding criminal sexual conduct offenses for persons in current or recent positions of authority over juveniles; amending Minnesota Statutes 2014, sections 609.341, subdivision 10; 609.342, subdivision 1; 609.343, subdivision 1; 609.344, subdivision 1; 609.345, subdivision 1.

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

Page 1, line 13, delete "365" and insert "120"

Page 5, line 35, reinstate the stricken language

Page 6, line 4, reinstate the stricken language and delete the new language

Page 6, delete lines 5 to 14

Page 8, line 11, reinstate the stricken language

Page 8, line 15, reinstate the stricken language and delete the new language

Page 8, delete lines 16 to 25

Amend the title numbers accordingly

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

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

S.F. No. 1244: A bill for an act relating to public safety; corrections; requiring persons placed on intensive supervised release from prison to be placed on electronic monitoring immediately upon release; amending Minnesota Statutes 2014, section 244.15, subdivision 6.

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

Delete everything after the enacting clause and insert:

"Section 1. **TITLE.**

This act shall be known as "Colton's Law."

Sec. 2. Minnesota Statutes 2014, section 244.05, is amended by adding a subdivision to read:

Subd. 1d. **Electronic surveillance.** (a) If the commissioner orders electronic surveillance of an inmate placed on supervised release, the commissioner may require that the inmate be kept in custody, or that the inmate's probation agent, or the agent's designee, directly supervise the offender until electronic surveillance is activated.

(b) It is the responsibility of the inmate placed on electronic surveillance to ensure that the inmate's residence is properly equipped and the inmate's telecommunications system is properly configured to support electronic surveillance prior to being released from custody or the direct supervision of a probation agent. An inmate who fails to comply with this paragraph may be found in violation of the inmate's conditions of release at a revocation hearing.

Sec. 3. Minnesota Statutes 2014, section 244.15, subdivision 6, is amended to read:

Subd. 6. **Electronic surveillance.** (a) During any phase, the offender may be placed on electronic surveillance if the intensive supervision agent so directs. If electronic surveillance is directed during phase I, the commissioner must require that the inmate be kept in custody, or that the inmate's intensive supervised release agent, or the agent's designee, directly supervise the offender until electronic surveillance is activated.

(b) It is the responsibility of the inmate placed on electronic surveillance to ensure that the inmate's residence is properly equipped and the inmate's telecommunications system is properly configured to support electronic surveillance prior to being released from custody or the direct supervision of an intensive supervised release agent. Failure to comply with this paragraph is a violation of the inmate's conditions of release. An inmate who fails to comply with this paragraph may be found in violation of the inmate's conditions of release at a revocation hearing.

Sec. 4. Minnesota Statutes 2014, section 260B.198, is amended by adding a subdivision to read:

Subd. 13. **Electronic surveillance.** (a) If a court orders a juvenile adjudicated delinquent to serve any portion of the juvenile's disposition on electronic surveillance, the court may require that the juvenile be kept in custody, or that the juvenile's probation agent directly supervise the juvenile until electronic surveillance is activated.

(b) It is the responsibility of the parent or guardian of the juvenile placed on electronic surveillance to ensure that the juvenile's residence is properly equipped and the residence's telecommunications system is properly configured to support electronic surveillance prior to being released from custody or the direct supervision of a probation agent.

Sec. 5. Minnesota Statutes 2014, section 631.461, is amended to read:

631.461 IMPRISONMENT; COUNTY JAIL; ALTERNATIVES.

(a) When a sentence for an offense includes imprisonment in a county jail, the court may sentence the offender to imprisonment in a workhouse or correctional or work farm if there is one in the county where the offender is tried or where the offense was committed. If not, the court may sentence the offender to imprisonment in a workhouse or correctional or work farm in any county in this state. However, the county board of the county where the offender is tried shall have some agreement for the receipt, maintenance, and confinement of inmates with the county where the offender has been sentenced to imprisonment. The place of imprisonment must be specified in the sentence. Inmates may be removed from one place of confinement to another as provided by statute.

(b) If a court orders or a sheriff permits an offender to serve any portion of the offender's sentence on electronic surveillance, the court or sheriff may require that the offender be kept in custody, or that the offender's probation agent directly supervise the offender until electronic surveillance is activated.

(c) It is the responsibility of the offender placed on electronic surveillance to ensure that the offender's residence is properly equipped and the offender's telecommunications system is properly configured to support electronic surveillance prior to being released from custody or the direct supervision of a probation agent. An inmate who fails to comply with this paragraph may be found in violation of the inmate's conditions of release at a revocation hearing."

Amend the title numbers accordingly

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

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

S.F. No. 1270: A bill for an act relating to public safety; amending provisions on data privacy, predatory offender registration, evidence, crime victim protections, and criminal defenses relating to sex trafficking; creating new criminal penalties; amending Minnesota Statutes 2014, sections 13.82, subdivision 17; 243.166, subdivision 1b; 609.1095, subdivision 1; 609.324, subdivision 1; 609.325, subdivision 4, by adding a subdivision; 609.3471; 611A.26, subdivisions 1, 6; 617.242, subdivision 6; 628.26.

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

Page 2, after line 17, insert:

"**EFFECTIVE DATE.** This section is effective August 1, 2015, and applies to violations committed on or after that date."

Page 2, delete section 2

Page 4, delete section 3

Renumber the sections in sequence

Amend the title accordingly

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

Senator Sparks from the Committee on Jobs, Agriculture and Rural Development, to which was referred the following appointment:

DEPARTMENT OF AGRICULTURE
COMMISSIONER
David J. Frederickson

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

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

Senator Sparks from the Committee on Jobs, Agriculture and Rural Development, to which was referred the following appointment:

IRON RANGE RESOURCES AND REHABILITATION
COMMISSIONER
Mark Phillips

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

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1459, 1876, 848, 881, 1039, 1025, 239, 986, 1648, 1646, 1647, 674, 1439, 1293, 1679, 1137, 1244 and 1270 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Rosen and Koenen introduced—

S.F. No. 2012: A bill for an act relating to motor vehicles; providing rebates for propane vehicles and fueling stations; establishing a rebate program with the Department of Commerce; appropriating money.

Referred to the Committee on Environment and Energy.

Senators Hoffman, Sparks, Hawj and Tomassoni introduced—

S.F. No. 2013: A bill for an act relating to employment; establishing a grant program to help low-income, low-skilled individuals enter the workforce; appropriating money.

Referred to the Committee on Jobs, Agriculture and Rural Development.

Senators Goodwin and Marty introduced—

S.F. No. 2014: A bill for an act relating to the environment; requiring the Minnesota Sports Facilities Authority to make the stadium bird safe; amending Minnesota Statutes 2014, section 473J.11, subdivision 3.

Referred to the Committee on State and Local Government.

Senator Pederson, J. introduced—

S.F. No. 2015: A bill for an act relating to liquor; authorizing an intoxicating liquor license for a municipal athletic complex in St. Cloud.

Referred to the Committee on Commerce.

Senator Pederson, J. introduced—

S.F. No. 2016: A bill for an act relating to transportation; appropriating money for certain postsecondary student transportation.

Referred to the Committee on Finance.

Senator Pederson, J. introduced—

S.F. No. 2017: A bill for an act relating to capital investment; appropriating money for elevator code compliance in historic buildings.

Referred to the Committee on Capital Investment.

Senator Pederson, J. introduced—

S.F. No. 2018: A bill for an act relating to crime prevention; providing for a youth development and crime prevention program; appropriating money.

Referred to the Committee on Finance.

Senator Goodwin introduced—

S.F. No. 2019: A bill for an act relating to family law; requiring the commissioner of human services to review the parenting expense adjustment; appropriating money.

Referred to the Committee on Finance.

Senator Koenen introduced—

S.F. No. 2020: A bill for an act relating to taxation; property; modifying refunds for overpayment; allowing the county auditor to issue certificates for refunds for overpayment to apply to future taxes payable; amending Minnesota Statutes 2014, section 278.12.

Referred to the Committee on Taxes.

Senator Dibble introduced—

S.F. No. 2021: A bill for an act relating to taxation; sales and use; repealing the exemption for Super Bowl admissions tickets; repealing Minnesota Statutes 2014, section 297A.68, subdivision 9.

Referred to the Committee on Taxes.

Senator Stumpf introduced—

S.F. No. 2022: A bill for an act relating to education finance; appropriating money for technology at the Perpich Center for Arts Education.

Referred to the Committee on Finance.

Senator Saxhaug introduced—

S.F. No. 2023: A bill for an act relating to transportation; requiring a study on the proposed Paul Bunyan Expressway; appropriating money.

Referred to the Committee on Finance.

Senators Saxhaug and Carlson introduced—

S.F. No. 2024: A bill for an act relating to state government; canceling money from Department of Education; appropriating money to Department of Veterans Affairs.

Referred to the Committee on Finance.

Senator Koenen introduced—

S.F. No. 2025: A bill for an act relating to taxation; tobacco; changing the tax rate for nicotine solution used in electronic cigarettes; amending Minnesota Statutes 2014, sections 297F.01, subdivision 19, by adding subdivisions; 297F.05, subdivision 3, by adding subdivisions; 297F.06, subdivisions 1, 4; 325F.77, subdivision 4.

Referred to the Committee on Taxes.

Senator Eken introduced—

S.F. No. 2026: A bill for an act relating to state government finance; governing taxation and safety of railroads and pipelines; amending property taxes on railroads; eliminating sunset on assessment of railroads and pipeline companies; appropriating funds for certain railroad crossing improvements; amending Minnesota Statutes 2014, sections 270.80, subdivisions 1, 2, 3, 4, by adding subdivisions; 270.81, subdivisions 1, 3, by adding a subdivision; 270.82; 270.83, subdivisions 1, 2; 270.84; 270.86; 270.87; 272.02, subdivision 9; 275.025, subdivisions 1, 4; 299A.55, subdivision 4; repealing Minnesota Statutes 2014, sections 270.81, subdivision 4; 270.83, subdivision 3; Minnesota Rules, parts 8106.0100, subparts 1, 2, 3, 4, 5, 6, 7, 8, 10, 12, 13, 14, 17, 17a, 18, 19, 20, 21; 8106.0300, subparts 1, 3; 8106.0400; 8106.0500; 8106.0600; 8106.0700; 8106.0800; 8106.9900.

Referred to the Committee on Finance.

Senators Saxhaug and Skoe introduced—

S.F. No. 2027: A bill for an act relating to education finance; establishing an American Indian education aid program; eliminating the equalization cap for Bureau of Indian Education schools; amending Minnesota Statutes 2014, sections 124D.81; 124D.83, subdivision 2.

Referred to the Committee on Finance.

MOTIONS AND RESOLUTIONS

Senator Petersen, B. moved that the name of Senator Pederson, J. be added as a co-author to S.F. No. 522. The motion prevailed.

Senator Petersen, B. moved that the name of Senator Kiffmeyer be added as a co-author to S.F. No. 684. The motion prevailed.

Senator Wiger moved that the name of Senator Lourey be added as a co-author to S.F. No. 990. The motion prevailed.

Senator Stumpf moved that the names of Senators Dahle, Pratt and Bonoff be added as co-authors to S.F. No. 1124. The motion prevailed.

Senator Benson moved that the name of Senator Limmer be added as a co-author to S.F. No. 1300. The motion prevailed.

Senator Senjem moved that his name be stricken as a co-author to S.F. No. 1442. The motion prevailed.

Senator Senjem moved that his name be stricken as a co-author to S.F. No. 1480. The motion prevailed.

Senator Kiffmeyer moved that the name of Senator Schmit be added as a co-author to S.F. No. 1955. The motion prevailed.

Senator Kent moved that S.F. No. 1108, No. 44 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Senators Champion, Hayden and Metzen introduced –

Senate Resolution No. 128: A Senate resolution honoring Stevie Wonder for his contributions to music and his charitable works.

Referred to the Committee on Rules and Administration.

Senators Bakk and Hann introduced –

Senate Resolution No. 129: A Senate resolution adopting Permanent Rules of the Senate.

Senator Bakk moved that Senate Resolution No. 129 be laid on the table. The motion prevailed.

MEMBERS EXCUSED

Senators Brown; Dziejcz; Hayden; Latz; Nienow; Ortman; Pederson, J.; Ruud; Scalze; Schmit and Westrom were excused from the Session of today.

ADJOURNMENT

Senator Bakk moved that the Senate do now adjourn until 11:00 a.m., Thursday, April 9, 2015. The motion prevailed.

JoAnne M. Zoff, Secretary of the Senate

