

THIRTIETH DAY

St. Paul, Minnesota, Monday, April 1, 2019

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

CALL OF THE SENATE

Senator Gazelka 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. Pat Williamson.

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:

Abeler	Draheim	Howe	Little	Senjem
Anderson, B.	Dziedzic	Ingebrigtsen	Marty	Simonson
Anderson, P.	Eaton	Isaacson	Mathews	Sparks
Bakk	Eichorn	Jasinski	Miller	Tomassoni
Benson	Eken	Jensen	Nelson	Torres Ray
Bigham	Franzen	Johnson	Newman	Utke
Carlson	Frentz	Kent	Newton	Weber
Chamberlain	Gazelka	Kiffmeyer	Osmek	Westrom
Champion	Goggin	Klein	Pappas	Wiger
Clausen	Hall	Koran	Pratt	Wiklund
Cohen	Hawj	Laine	Rarick	
Cwodzinski	Hayden	Lang	Relph	
Dahms	Hoffman	Latz	Rosen	
Dibble	Housley	Limmer	Ruud	

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has appointed a committee of five members of the House to act with a similar committee on the part of the Senate to escort the Governor to the Joint Convention to be held in the House Chamber on Wednesday, April 3, 2019, said Joint Convention to be convened at 6:45 p.m., and said message of the Governor to be delivered at 7:00 p.m.

Koegel, Kotyza-Witthuhn, Vang, Boe and Munson have been appointed as such committee on the part of the House.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted March 28, 2019

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1743, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1743: A bill for an act relating to education; modifying the calculation of days and hours of instruction for students affected by snow days during the 2018-2019 school year; requiring affected school districts to report to the commissioner.

Senate File No. 1743 is herewith returned to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned March 28, 2019

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 307.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned March 28, 2019

REPORTS OF COMMITTEES

Senator Gazelka moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 2626, 2685, 2701, 2012, 1609, 1367, 2686, and 4. The motion prevailed.

Senator Kiffmeyer from the Committee on State Government Finance and Policy and Elections, to which was referred

S.F. No. 2626: A bill for an act relating to human services; establishing Family Child Care Task Force; providing appointments; requiring a report; appropriating money.

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

Delete everything after the enacting clause and insert:

"Section 1. FAMILY CHILD CARE TASK FORCE.

Subdivision 1. **Membership.** (a) The Family Child Care Task Force shall consist of 18 members, appointed as follows:

(1) two members representing family child care providers from greater Minnesota, including one appointed by the speaker of the house of representatives and one appointed by the senate majority leader;

(2) two members representing family care providers from the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, including one appointed by the speaker of the house of representatives and one appointed by the senate majority leader;

(3) two members appointed by the Minnesota Association of Child Care Professionals;

(4) two members appointed by the Minnesota Child Care Provider Information Network;

(5) two members from the house of representatives, including one appointed by the speaker of the house of representatives and one appointed by the minority leader;

(6) two members from the senate, including one appointed by the senate majority leader and one appointed by the senate minority leader;

(7) two members representing Department of Human Services-recognized family child care associations from greater Minnesota, including one appointed by the senate majority leader and one appointed by the senate minority leader;

(8) two members appointed by the Association of Minnesota Child Care Licensors, including one from greater Minnesota and one from the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2;

(9) one member appointed by the Greater Minnesota Partnership; and

(10) one member appointed by the Minnesota Chamber of Commerce.

(b) Appointments to the task force must be made by June 15, 2019.

Subd. 2. **Compensation.** Public members of the task force may be compensated as provided by Minnesota Statutes, section 15.059, subdivision 3.

Subd. 3. **Duties.** Facilitated by the mediator, the task force must:

(1) identify difficulties that providers face regarding licensing and inspection, including licensing requirements that have led to the closure of family child care programs; propose regulatory reforms to improve licensing efficiency, including a variance structure and updated child ratios; and recommend business development and technical assistance resources to promote provider recruitment and retention;

(2) identify alternative family child care business models, including permitting multiple family child care providers to operate in a building other than the providers' residences; and

(3) review Parent Aware program participation and identify obstacles and suggested improvements.

Subd. 4. **Officers; meetings.** (a) The task force must elect a chair and vice-chair from among its members and may elect other officers as necessary.

(b) The task force must meet at least three times. The commissioner of human services must convene the first meeting by August 1, 2019, at which the task force must at least make introductions, identify concerns of the members and issues related to the duties under subdivision 3, and assign tasks for each member to complete before the second meeting. The chair must convene the second meeting by November 1, 2019, at which the task force must at least review members' work on the tasks from the first meeting and develop a plan for members to create proposals relating to the duties of the task force under subdivision 3. The chair must convene the third meeting by February 1, 2020, at which the task force must at least discuss which of the members' proposals to include in its final report.

(c) In accordance with paragraph (b), the agenda for each meeting must be determined by the chair and vice-chair.

(d) Meetings of the task force are subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 5. **Administrative support.** The division of child care licensing in the Department of Human Services must provide administrative support and meeting space to support the task force as needed.

Subd. 6. **Report required.** By March 1, 2020, the task force must submit a written report to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over child care. The report must include:

(1) a description of the difficulties that providers face regarding licensing and inspection, and recommendations for addressing those difficulties;

(2) a description of alternative family child care business models, and recommendations for facilitating the delivery of child care through those alternative models;

(3) a description of obstacles to participation in the Parent Aware program and recommendations for increasing participation; and

(4) any draft legislation necessary to implement the recommendations.

Subd. 7. **Expiration.** The task force expires upon submission of the report in subdivision 6 or March 1, 2020, whichever is later.

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

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Kiffmeyer from the Committee on State Government Finance and Policy and Elections, to which was re-referred

H.F. No. 281: A bill for an act relating to Open Meeting Law; modifying requirements for attendance by interactive television; amending Minnesota Statutes 2018, section 13D.02, subdivisions 1, 2, by adding a subdivision.

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

Page 1, delete lines 18 to 22 and insert:

"(b) A meeting satisfies the requirements of paragraph (a), although a member of the public body participates from a location that is not open or accessible to the public if:

(1) the member is serving in the military and is at a required drill, deployed, or on active duty;
and

(2) the member has not participated more than three times in a calendar year from a location that is not open or accessible to the public."

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

Senator Kiffmeyer from the Committee on State Government Finance and Policy and Elections, to which was referred

S.F. No. 2685: A bill for an act relating to health; establishing an assisted living license and license requirements; establishing fees and fines; modifying the health care bill of rights and the home care bill of rights; modifying home care licensing provisions; modifying the powers and duties of the director of the Office of Health Facility Complaints; modifying consumer protection for vulnerable adults; modifying the Vulnerable Adults Act; establishing task forces; requiring reports; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2018, sections 144.051, subdivisions 4, 5, 6; 144.057, subdivision 1; 144.122; 144.1503; 144A.04, subdivision 5; 144A.10, subdivision 1; 144A.20, subdivision 1; 144A.24; 144A.26; 144A.43, subdivision 6; 144A.44, subdivision 1; 144A.441; 144A.442; 144A.45, subdivisions 1, 2; 144A.471, subdivisions 7, 9; 144A.472, subdivision 7; 144A.474, subdivisions 8, 9, 11; 144A.475, subdivisions 3b, 5; 144A.476, subdivision 1; 144A.4791, subdivision 10; 144A.4799; 144A.53, subdivision 1, by adding subdivisions; 256I.03, subdivision 15; 256I.04, subdivision 2a; 611A.033; 626.557, subdivisions 4, 9c, 12b; 626.5572, subdivisions 6, 21; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; 144G; 630; repealing Minnesota Statutes 2018, sections 144A.472, subdivision 4; 144D.01; 144D.015; 144D.02; 144D.025; 144D.03; 144D.04; 144D.045; 144D.05; 144D.06; 144D.065; 144D.066; 144D.07; 144D.08; 144D.09; 144D.10; 144D.11; 144G.01; 144G.02; 144G.03; 144G.04; 144G.05; 144G.06; 325F.72; Minnesota Rules, part 6400.6970.

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

Page 15, line 28, delete everything after "rulemaking"

Page 15, line 29, delete everything before the period

Page 16, after line 26, insert:

"(e) The commissioner of health may adopt permanent rules under this section by June 30, 2022. If the commissioner of health does not adopt rules by June 30, 2022, rulemaking authority under this section is repealed. Rulemaking authority under this section is not continuing authority to amend or repeal rules. Notwithstanding section 14.125, any additional action on rules after adoption must be under specific statutory authority to take the additional action."

Page 32, line 23, after "license" insert "under section 144G.21 or 144G.22"

Page 32, line 27, after the second "hearing" insert "under section 144G.27"

Page 33, line 4, delete "this section" and insert "sections 144G.21, 144G.22, and 144G.24"

Page 33, line 17, after "license" insert "under section 144G.23"

Page 107, delete section 5 and insert:

Sec. 5. [144G.991] RESIDENT QUALITY OF CARE AND OUTCOMES IMPROVEMENT COUNCIL.

Subdivision 1. **Membership.** (a) The Resident Quality of Care and Outcomes Improvement Council has 17 members, appointed by the commissioner, as follows:

(1) two members who are members of Minnesota-based organizations, exempt from taxation under section 501(c)(3) of the Internal Revenue Code, that are dedicated to patient safety or innovation in health care safety and quality;

(2) two members who are state employees working in the Department of Health who have expertise in safety and adverse health events;

(3) two members who are members of consumer organizations;

(4) two members who are direct-care providers or their representatives;

(5) two members who are members of organizations representing long-term care providers in Minnesota;

(6) two members who are members of organizations representing home care providers in Minnesota;

(7) two members who are demonstrated experts in patient safety;

(8) two members who are demonstrated experts in the fields of safety and quality improvement; and

(9) one member from the Office of Ombudsman for Long-Term Care or a designee.

(b) Of the members listed in clauses (1), (3), (5), and (6), the commissioner must include at least one public member who is or has been a resident in an assisted living setting and one public member who has or has had a family member living in an assisted living facility.

Subd. 2. **No compensation; expense reimbursement.** Members serve without compensation, but may be reimbursed for expenses as provided in section 15.059, subdivision 3.

Subd. 3. **Chair.** The council must elect a chair or cochairs from among its members and may elect additional officers as needed to facilitate its work.

Subd. 4. **Terms; removal.** Section 15.059, subdivision 2, applies to the terms of the members. Members may be removed only as provided in section 15.059, subdivision 4.

Subd. 5. **Duties.** The council shall report at least twice per year to the commissioner and to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over long-term care providers and settings. The report must recommend how to apply proven safety and quality improvement practices and infrastructure to settings and providers that provide long-term services and support, and must describe changes needed to promote safety and quality improvement practices in long-term care settings and with long-term care providers. If the recommendations require a change in rule or law, the report must include draft legislation to make the change.

Subd. 6. **Meetings.** The council must meet at least four times per year. Meetings are [or are not] subject to chapter 13D.

Subd. 7. **Administrative support.** The commissioner of health shall provide administrative support and meeting space to the council, on request.

Subd. 8. **Expiration.** This section expires January 1, 2029."

Page 108, line 9, delete "2021" and insert "2022"

Page 108, line 10, after "process" insert "authorized in Minnesota Statutes, section 144G.12"

Page 108, after line 20, insert:

"Section 1. **RESIDENT QUALITY OF CARE AND OUTCOMES IMPROVEMENT COUNCIL; FIRST APPOINTMENTS; FIRST MEETING.**

(a) The commissioner of health must make appointments to the Resident Quality of Care and Outcomes Improvement Council under Minnesota Statutes, section 144G.991, by July 1, 2020.

(b) The commissioner of health or a designee must convene the first meeting of the Resident Quality of Care and Outcomes Improvement Council under Minnesota Statutes, section 144G.991, by August 15, 2020."

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.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Kiffmeyer from the Committee on State Government Finance and Policy and Elections, to which was referred

S.F. No. 2701: A bill for an act relating to state government; establishing a division of inspector general within the Office of the State Auditor; transferring responsibilities of the Office of Inspector General to the state auditor; proposing coding for new law in Minnesota Statutes, chapter 6.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

OFFICE OF INSPECTOR GENERAL TO STATE AUDITOR

Section 1. **[6.463] TRANSFER OF OFFICE OF INSPECTOR GENERAL TO STATE AUDITOR.**

(a) All responsibilities, as defined in section 15.039, of the Office of the Inspector General under the Department of Human Services are transferred to, vested in, and imposed upon the state auditor. Section 15.039 applies to this transfer.

(b) The state auditor shall establish a division of inspector general, having a director appointed by and serving at the pleasure of the state auditor.

EFFECTIVE DATE. This section is effective July 1, 2020.

Sec. 2. **REVISOR INSTRUCTION.**

The revisor of statutes is instructed to replace all occurrences in law of "Office of the Inspector General" with "Division of Inspector General in the Office of the State Auditor" and to make any other conforming changes to law required as a result of the transfer in Minnesota Statutes, section 6.463.

ARTICLE 2

CHILD CARE ASSISTANCE PROGRAM FRAUD INVESTIGATION UNIT

Section 1. Minnesota Statutes 2018, section 245E.01, subdivision 4, is amended to read:

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of ~~human services~~ public safety, unless otherwise indicated.

Sec. 2. Minnesota Statutes 2018, section 245E.01, subdivision 7, is amended to read:

Subd. 7. **Department.** "Department" means the Department of ~~Human Services~~ Public Safety, unless otherwise indicated.

Sec. 3. Minnesota Statutes 2018, section 245E.02, subdivision 4, is amended to read:

Subd. 4. **Actions or administrative sanctions.** (a) After completing the determination under subdivision 3, the department may take one or more of the actions or sanctions specified in this subdivision.

(b) The department may take the following actions:

(1) refer the investigation to law enforcement or a county attorney for possible criminal prosecution;

(2) refer relevant information to the ~~department's~~ Department of Human Services licensing division, the child care assistance program, the Department of Education, the federal Child and Adult Care Food Program, or appropriate child or adult protection agency; or

~~(3) enter into a settlement agreement with a provider, license holder, controlling individual, or recipient; or~~

~~(4) refer the matter for review by a prosecutorial agency with appropriate jurisdiction for possible civil action under the Minnesota False Claims Act, chapter 15C.~~

(c) In addition to section 256.98, the Department of Human Services may enter into a settlement agreement with a provider, license holder, controlling individual, or recipient, or impose sanctions by:

(1) pursuing administrative disqualification through hearings or waivers;

(2) establishing and seeking monetary recovery or recoupment;

(3) issuing an order of corrective action that states the practices that are violations of child care assistance program policies, laws, or regulations, and that they must be corrected; or

(4) suspending, denying, or terminating payments to a provider.

(d) Upon a finding by the commissioner of human services that any child care provider, center owner, director, manager, license holder, or other controlling individual of a child care center has employed, used, or acted as a recruiter offering conditional employment for a child care center that has received child care assistance program funding, the commissioner of human services shall:

(1) immediately suspend all program payments to all child care centers in which the person employing, using, or acting as a recruiter offering conditional employment is an owner, director, manager, license holder, or other controlling individual. The commissioner of human services shall suspend program payments under this clause even if services have already been provided; and

(2) immediately and permanently revoke the licenses of all child care centers of which the person employing, using, or acting as a recruiter offering conditional employment is an owner, director, manager, license holder, or other controlling individual.

Sec. 4. Minnesota Statutes 2018, section 245E.03, subdivision 3, is amended to read:

Subd. 3. **Notice of denial or termination.** When the commissioner of human services receives notice that a provider fails to provide access, a 15-day notice of denial or termination must be issued to the provider, which prohibits the provider from participating in the child care assistance program. Notice must be sent to recipients whose children are under the provider's care pursuant to Minnesota Rules, part 3400.0185.

Sec. 5. Minnesota Statutes 2018, section 245E.03, subdivision 4, is amended to read:

Subd. 4. **Continued or repeated failure to provide access.** If the commissioner of human services receives notice that the provider continues to fail to provide access at the expiration of the 15-day notice period, child care assistance program payments to the provider must be denied beginning the 16th day following notice of the initial failure or refusal to provide access. The department may rescind the denial based upon good cause if the provider submits in writing a good cause basis for having failed or refused to provide access. The writing must be postmarked no later than the 15th day following the provider's notice of initial failure to provide access. Additionally, the provider, license holder, or controlling individual must immediately provide complete, ongoing access to the department. Repeated failures to provide access must, after the initial failure or for any subsequent failure, result in termination from participation in the child care assistance program.

Sec. 6. Minnesota Statutes 2018, section 245E.06, subdivision 1, is amended to read:

Subdivision 1. **Factors regarding imposition of administrative sanctions.** (a) The Department of Human Services shall consider the following factors in determining the administrative sanctions to be imposed:

- (1) nature and extent of financial misconduct;
 - (2) history of financial misconduct;
 - (3) actions taken or recommended by other state agencies, other divisions of the Department of Human Services, and court and administrative decisions;
 - (4) prior imposition of sanctions;
 - (5) size and type of provider;
 - (6) information obtained through an investigation from any source;
 - (7) convictions or pending criminal charges; and
 - (8) any other information relevant to the acts or omissions related to the financial misconduct.
- (b) Any single factor under paragraph (a) may be determinative of the ~~department's~~ decision of whether and what sanctions ~~are~~ shall be imposed.

Sec. 7. Minnesota Statutes 2018, section 245E.06, subdivision 2, is amended to read:

Subd. 2. **Written notice of department sanction; sanction effective date; informal meeting.**

(a) The Department of Human Services shall give notice in writing to a person of an administrative sanction that is to be imposed. The notice shall be sent by mail as defined in section 245E.01, subdivision 11.

(b) The notice shall state:

- (1) the factual basis for the ~~department's~~ determination;
- (2) the sanction the Department of Human Services intends to take;
- (3) the dollar amount of the monetary recovery or recoupment, if any;
- (4) how the dollar amount was computed;
- (5) the right to dispute the ~~department's~~ determination and to provide evidence;
- (6) the right to appeal the ~~department's~~ proposed sanction; and

(7) the option to meet informally with Department of Human Services staff, and to bring additional documentation or information, to resolve the issues.

(c) In cases of determinations resulting in denial or termination of payments, in addition to the requirements of paragraph (b), the notice must state:

- (1) the length of the denial or termination;
- (2) the requirements and procedures for reinstatement; and

(3) the provider's right to submit documents and written arguments against the denial or termination of payments for review ~~by the department~~ before the effective date of denial or termination.

(d) The submission of documents and written argument for review ~~by the department~~ under paragraph (b), clause (5) or (7), or paragraph (c), clause (3), does not stay the deadline for filing an appeal.

(e) Notwithstanding section 245E.03, subdivision 4, the effective date of the proposed sanction shall be 30 days after the license holder's, provider's, controlling individual's, or recipient's receipt of the notice, unless timely appealed. If a timely appeal is made, the proposed sanction shall be delayed pending the final outcome of the appeal. Implementation of a proposed sanction following the resolution of a timely appeal may be postponed if, in the opinion of the Department of Human Services, the delay of sanction is necessary to protect the health or safety of children in care. The Department of Human Services may consider the economic hardship of a person in implementing the proposed sanction, but economic hardship shall not be a determinative factor in implementing the proposed sanction.

(f) Requests for an informal meeting to attempt to resolve issues and requests for appeals must be sent or delivered to the department's Office of Inspector General, Financial Fraud and Abuse Division.

Sec. 8. Minnesota Statutes 2018, section 245E.06, subdivision 3, is amended to read:

Subd. 3. **Appeal of department sanction.** (a) If the department does not pursue a criminal action against a provider, license holder, controlling individual, or recipient for financial misconduct, but the Department of Human Services imposes an administrative sanction under section 245E.02, subdivision 4, paragraph (c), any individual or entity against whom the sanction was imposed may appeal the department's administrative sanction under this section pursuant to section 119B.16 or 256.045 with the additional requirements in clauses (1) to (4). An appeal must specify:

(1) each disputed item, the reason for the dispute, and an estimate of the dollar amount involved for each disputed item, if appropriate;

(2) the computation that is believed to be correct, if appropriate;

(3) the authority in the statute or rule relied upon for each disputed item; and

(4) the name, address, and phone number of the person at the provider's place of business with whom contact may be made regarding the appeal.

(b) Notwithstanding section 245E.03, subdivision 4, an appeal is considered timely only if postmarked or received by the department's Department of Human Services Appeals Division within 30 days after receiving a notice of department sanction.

(c) Before the appeal hearing, the Department of Human Services may deny or terminate authorizations or payment to the entity or individual if the department determines that the action is necessary to protect the public welfare or the interests of the child care assistance program.

Sec. 9. Minnesota Statutes 2018, section 245E.06, subdivision 5, is amended to read:

Subd. 5. **Effect of department's administrative determination or sanction.** Unless a timely and proper appeal is received by the department, the department's administrative determination or sanction shall be considered a final department determination.

Sec. 10. Minnesota Statutes 2018, section 245E.07, is amended to read:

245E.07 MONETARY RECOVERY.

Subdivision 1. **Grounds for and methods of monetary recovery.** (a) The Department of Human Services may obtain monetary recovery from a provider who has been improperly paid by the child care assistance program, regardless of whether the error was intentional or county error. The Department of Human Services does not need to establish a pattern as a precondition of monetary recovery of erroneous or false billing claims, duplicate billing claims, or billing claims based on false statements or financial misconduct.

(b) ~~The department shall obtain~~ Monetary recovery shall be obtained from providers by the following means:

(1) permitting voluntary repayment of money, either in lump-sum payment or installment payments;

- (2) using any legal collection process;
- (3) deducting or withholding program payments; or
- (4) utilizing the means set forth in chapter 16D.

Subd. 2. **Monetary recovery; random sample extrapolation.** The Department of Human Services is authorized to calculate the amount of monetary recovery from a provider, license holder, or controlling individual based upon extrapolation from a statistical random sample of claims submitted by the provider, license holder, or controlling individual and paid by the child care assistance program. The ~~department's~~ random sample extrapolation shall constitute a rebuttable presumption of the accuracy of the calculation of monetary recovery. If the presumption is not rebutted by the provider, license holder, or controlling individual in the appeal process, the Department of Human Services shall use the extrapolation as the monetary recovery figure. The Department of Human Services may use sampling and extrapolation to calculate the amount of monetary recovery if the claims to be reviewed represent services to 50 or more children in care.

Sec. 11. DIRECTION TO COMMISSIONER; OFFICE OF INSPECTOR GENERAL TRANSFER.

By July 1, 2020, the commissioner of human services shall, in coordination with the commissioner of public safety and pursuant to Minnesota Statutes, section 15.039, transfer the Office of the Inspector General from the Department of Human Services to the Bureau of Criminal Apprehension within the Department of Public Safety. The transfer shall include all employees, books, accounts, documents, data of any classification, and property that the child care investigations unit needs to carry out the duties in Minnesota Statutes, chapter 245E.

Sec. 12. REVISOR INSTRUCTION.

The revisor of statutes, in consultation with House Research Department; House Fiscal Analysis; Office of Senate Counsel, Research and Fiscal Analysis; Department of Human Services; and Department of Public Safety, shall prepare legislation for introduction in the 2020 legislative session proposing the statutory changes needed to implement the transfers of duties required by this act.

Sec. 13. EFFECTIVE DATE.

Sections 1 to 10 are effective July 1, 2020. Sections 11 and 12 are effective July 1, 2019.

ARTICLE 3

OFFICE OF INSPECTOR GENERAL

Section 1. [245I.01] OFFICE OF INSPECTOR GENERAL.

Subdivision 1. Creation. A state Office of Inspector General is created.

Subd. 2. Director. (a) The office shall be under the direction of an inspector general who shall be appointed by the governor, with the advice and consent of the senate, for a term ending on June 30 of the sixth calendar year after appointment. Senate confirmation of the inspector general shall

be as provided by section 15.066. The inspector general shall appoint deputies to serve in the office as necessary to fulfill the duties of the office. The inspector general may delegate to a subordinate employee the exercise of a specified statutory power or duty, subject to the control of the inspector general. Every delegation must be by written order filed with the secretary of state.

(b) The inspector general shall be in the unclassified service, but may be removed only for cause.

Subd. 3. **Duties.** The inspector general shall, in coordination with counties where applicable:

(1) develop and maintain the licensing and regulatory functions related to hospitals, boarding care homes, outpatient surgical centers, birthing centers, nursing homes, home care agencies, supplemental nursing services agencies, hospice providers, housing with services establishments, assisted living facilities, prescribed pediatric extended care centers, and board and lodging establishments with special services consistent with chapters 144A, 144D, 144G, and 144H, and sections 144.50 to 144.58, 144.615, and 157.17;

(2) notwithstanding the requirement under section 144A.52, subdivision 1, that the director of the Office of Health Facility Complaints be appointed by the commissioner of health, assume the role of director of the Office of Health Facility Complaints;

(3) develop and maintain the licensing and regulatory functions related to adult day care, child care and early education, children's residential facilities, foster care, home and community-based services, independent living assistance for youth, outpatient mental health clinics or centers, residential mental health treatment for adults, and substance use disorder treatment consistent with chapters 245, 245A, 245D, 245F, 245G, 245H, 252, and 256;

(4) conduct background studies according to sections 144.058, 144A.476, 144A.62, 144A.754, and 157.17 and chapter 245C. For the purpose of completing background studies, the inspector general shall have authority to access maltreatment data maintained by local welfare agencies or agencies responsible for assessing or investigating reports under section 626.556, and names of substantiated perpetrators related to maltreatment of vulnerable adults maintained by the commissioner of human services under section 626.557;

(5) develop and maintain the background study requirements consistent with chapter 245C;

(6) be responsible for ensuring the detection, prevention, investigation, and resolution of fraudulent activities or behavior by applicants, recipients, providers, and other participants in the human services programs administered by the Department of Human Services;

(7) require county agencies to identify overpayments, establish claims, and utilize all available and cost-beneficial methodologies to collect and recover these overpayments in the human services programs administered by the Department of Human Services; and

(8) develop, maintain, and administer the common entry point established on July 1, 2015, under section 626.557, subdivision 9.

EFFECTIVE DATE. This section is effective July 1, 2020.

Sec. 2. **[245I.05] TRANSFER OF DUTIES.**

Subdivision 1. **Transfer and reorganization orders.** (a) Section 15.039 applies to the transfer of duties required by this chapter.

(b) For an employee affected by the transfer of duties required by this chapter, the seniority accrued by the employee at the employee's former agency transfers to the employee's new agency.

Subd. 2. **Transfer of duties from the commissioner of human services.** The commissioner of administration, with approval of the governor, may issue reorganization orders under section 16B.37 as necessary to carry out the transfer of duties of the commissioner of human services required by this chapter. The provision of section 16B.37, subdivision 1, stating that transfers under that section may be made only to an agency that has been in existence for at least one year does not apply to transfers to an agency created by this chapter.

Subd. 3. **Transfer of duties from the commissioner of health.** The commissioner of administration, with approval of the governor, may issue reorganization orders under section 16B.37 as necessary to carry out the transfer of duties of the commissioner of health required by this chapter. The provision of section 16B.37, subdivision 1, stating that transfers under that section may be made only to an agency that has been in existence for at least one year does not apply to transfers to an agency created by this chapter.

Subd. 4. **Aggregate cost limit.** The commissioner of management and budget must ensure that the aggregate cost for the inspector general of the Office of Inspector General is not more than the aggregate cost of the primary executives in the Office of Inspector General at the Department of Human Services and the Health Regulation Division at the Department of Health immediately before the effective date of subdivision 2.

EFFECTIVE DATE. Subdivisions 1, 2, and 4, are effective July 1, 2020. Subdivision 3 is effective July 1, 2022."

Delete the title and insert:

"A bill for an act relating to state government; reorganizing the office of inspector general; amending Minnesota Statutes 2018, sections 245E.01, subdivisions 4, 7; 245E.02, subdivision 4; 245E.03, subdivisions 3, 4; 245E.06, subdivisions 1, 2, 3, 5; 245E.07; proposing coding for new law in Minnesota Statutes, chapter 6; proposing coding for new law as Minnesota Statutes, chapter 245I."

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Osmek from the Committee on Energy and Utilities Finance and Policy, to which was referred

S.F. No. 1456: A bill for an act relating to energy; establishing the Clean Energy First Act; requiring electric utilities to meet resource needs using clean energy resources; amending Minnesota Statutes 2018, sections 216B.16, subdivisions 6, 13; 216B.1645, subdivisions 1, 2; 216B.1691,

subdivision 9; 216B.2422, subdivisions 1, 2, 4, 5, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 216C.

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.**

Sections 2 to 18 shall be referred to as the "Clean Energy First Act".

Sec. 2. Minnesota Statutes 2018, section 216B.03, is amended to read:

216B.03 REASONABLE RATE.

Every rate made, demanded, or received by any public utility, or by any two or more public utilities jointly, shall be just and reasonable. Rates shall not be unreasonably preferential, unreasonably prejudicial, or discriminatory, but shall be sufficient, equitable, and consistent in application to a class of consumers. To the maximum reasonable extent, the commission shall set rates ~~to encourage~~ based on cost of service, while considering noncost factors such as economic growth, job retention, energy conservation, and renewable energy use and to further the goals of sections 216B.164, 216B.1696, 216B.241, and 216C.05. To calculate cost of service, an investor-owned utility shall use, and the commission shall approve and base rates upon, a class cost of service study that utilizes: (i) a single coincident peak methodology, based upon the single peak contribution by class at the time of the public utility's system peak, to classify and allocate fixed production and transmission costs; (ii) a minimum system study to classify and allocate distribution costs; and (iii) an E8760 allocator for energy costs. Any doubt as to reasonableness should be resolved in favor of the consumer. For rate-making purposes a public utility may treat two or more municipalities served by it as a single class wherever the populations are comparable in size or the conditions of service are similar.

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

Sec. 3. **[216B.035] COMPETITIVE RATE FOR TRANSMISSION LEVEL CUSTOMERS.**

Notwithstanding any other provision of this chapter, for customers that either take service at a voltage equal to or greater than 69,000 volts or impose a peak demand of greater than 20 megawatts on the utility's system, the average delivered cost of electric energy shall be at least 20 percent below the national average. For purposes of this section, the national average shall be as reported by the U.S. Energy Information Administration for industrial customers of full-service providers.

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

Sec. 4. Minnesota Statutes 2018, section 216B.16, subdivision 6, is amended to read:

Subd. 6. **Factors considered, generally.** The commission, in the exercise of its powers under this chapter to determine just and reasonable rates for public utilities, shall give due consideration to the public need for adequate, efficient, and reasonable service and to the need of the public utility for revenue sufficient to enable it to meet the cost of furnishing the service, including adequate provision for depreciation of its utility property used and useful in rendering service to the public,

and to earn a fair and reasonable return upon the investment in such property. In determining the rate base upon which the utility is to be allowed to earn a fair rate of return, the commission shall give due consideration to evidence of the cost of the property when first devoted to public use, to prudent acquisition cost to the public utility less appropriate depreciation on each, to construction work in progress, to offsets in the nature of capital provided by sources other than the investors, and to other expenses of a capital nature. For purposes of determining rate base, the commission shall consider the original cost of utility property included in the base and shall make no allowance for its estimated current replacement value. If the commission orders a generating facility to terminate its operations before the end of the facility's physical life in order to comply with a specific state or federal energy statute or policy, or as part of a resource planning order under section 216B.2422, the commission ~~may~~ must allow the public utility to recover any positive net book value of the facility as determined by the commission.

Sec. 5. Minnesota Statutes 2018, section 216B.16, subdivision 13, is amended to read:

Subd. 13. **Economic and community development.** The commission may allow a public utility to recover from ratepayers the expenses incurred for (1) economic and community development, and (2) efforts to maximize employment of local workers to construct and maintain generation facilities that supply power to the utility's customers.

Sec. 6. Minnesota Statutes 2018, section 216B.16, is amended by adding a subdivision to read:

Subd. 20. **Rate cap for commercial and industrial class.** In allocating costs and designing rates for retail customers under this section, the commission shall ensure that the rates for a utility's commercial and industrial class is at least five percent below the national average for that customer class, consistent with the goal established in section 216C.05, subdivision 4, and inclusive of the costs charged to this customer class under rate schedules providing for the automatic adjustment of charges to recover expenses or costs outside of a rate case approved under this chapter.

Sec. 7. Minnesota Statutes 2018, section 216B.1645, subdivision 1, is amended to read:

Subdivision 1. **Commission authority.** Upon the petition of a public utility, the Public Utilities Commission shall approve or disapprove power purchase contracts, investments, or expenditures entered into or made by the utility to satisfy the wind and biomass mandates contained in sections 216B.169, 216B.2423, and 216B.2424, and to satisfy the renewable energy objectives and standards set forth in section 216B.1691, including reasonable investments and expenditures made to:

(1) transmit the electricity generated from sources developed under those sections that is ultimately used to provide service to the utility's retail customers, including studies necessary to identify new transmission facilities needed to transmit electricity to Minnesota retail customers from generating facilities constructed to satisfy the renewable energy objectives and standards, provided that the costs of the studies have not been recovered previously under existing tariffs and the utility has filed an application for a certificate of need or for certification as a priority project under section 216B.2425 for the new transmission facilities identified in the studies;

(2) provide storage facilities for renewable energy generation facilities that contribute to the reliability, efficiency, or cost-effectiveness of the renewable facilities; ~~or~~

(3) develop renewable energy sources from the account required in section 116C.779-; or

(4) upgrade or modify existing transmission facilities primarily used to transmit electricity generated by a clean energy resource, as defined in section 216B.2422, subdivision 1, paragraph (f), regardless of whether the public utility has satisfied the standards set forth in section 216B.1691.

Sec. 8. Minnesota Statutes 2018, section 216B.1645, subdivision 2, is amended to read:

Subd. 2. **Cost recovery.** The expenses incurred by the utility over the duration of the approved contract or useful life of the investment ~~and~~, expenditures made pursuant to section 116C.779 ~~shall be~~, and efforts to maximize employment of local workers to construct and maintain generation facilities that supply power to the utility's customers, are recoverable from the ratepayers of the utility, to the extent they are not offset by utility revenues attributable to the contracts, investments, or expenditures. Upon petition by a public utility, the commission shall approve or approve as modified a rate schedule providing for the automatic adjustment of charges to recover the expenses or costs approved by the commission under subdivision 1, which, in the case of transmission expenditures, are limited to the portion of actual transmission costs that are directly allocable to the need to transmit power from the renewable sources of energy. The commission may not approve recovery of the costs for that portion of the power generated from sources governed by this section that the utility sells into the wholesale market.

Sec. 9. Minnesota Statutes 2018, section 216B.1691, subdivision 9, is amended to read:

Subd. 9. **Local benefits.** The commission shall take all reasonable actions within its statutory authority to ensure this section is implemented to maximize benefits to Minnesota citizens and local workers as defined in section 216B.2422, subdivision 1, balancing factors such as local ownership of or participation in energy production, local job impacts as defined in section 216B.2422, subdivision 1, development and ownership of eligible energy technology facilities by independent power producers, Minnesota utility ownership of eligible energy technology facilities, the costs of energy generation to satisfy the renewable standard, and the reliability of electric service to Minnesotans.

Sec. 10. Minnesota Statutes 2018, section 216B.2422, subdivision 1, is amended to read:

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

(b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more of electric power and serving, either directly or indirectly, the needs of 10,000 retail customers in Minnesota. Utility does not include federal power agencies.

(c) "Renewable energy" means electricity generated through use of any of the following resources:

- (1) wind;
- (2) solar;
- (3) geothermal;
- (4) hydro;
- (5) trees or other vegetation;

(6) landfill gas and mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste; or

(7) predominantly organic components of wastewater effluent, sludge, or related by-products from publicly owned treatment works, but not including incineration of wastewater sludge.

(d) "Resource plan" means a set of resource options that a utility could use to meet the service needs of its customers over a forecast period, including an explanation of the supply and demand circumstances under which, and the extent to which, each resource option would be used to meet those service needs. These resource options include using, refurbishing, and constructing utility plant and equipment, buying power generated by other entities, controlling customer loads, and implementing customer energy conservation.

(e) "Refurbish" means to rebuild or substantially modify an existing electricity generating resource of 30 megawatts or greater.

(f) "Clean energy resource" means renewable energy, an energy storage system, and energy efficiency and load management, as defined in section 216B.241, subdivision 1, or a carbon-free resource, as defined under paragraph (g) and determined by the commission under subdivision 4, paragraph (h).

(g) "Carbon-free resource" means a generation technology that, when operating, does not contribute to statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2. Carbon-free resource includes power generation utilizing carbon capture and storage technology.

(h) "Energy storage system" means a commercially available technology that:

(1) uses mechanical, chemical, or thermal processes to:

(i) store energy and deliver the stored energy for use at a later time; or

(ii) store thermal energy for direct use for heating or cooling at a later time in a manner that reduces the demand for electricity at the later time;

(2) if being used for electric grid benefits, is operationally visible and capable of being controlled by the distribution or transmission entity managing it to enable and optimize the safe and reliable operation of the electric system; and

(3) achieves any of the following:

(i) reduces peak electrical demand;

(ii) defers the need or substitutes for an investment in electric generation, transmission, or distribution assets;

(iii) improves the reliable operation of the electrical transmission or distribution systems; or

(iv) lowers customer costs by storing energy when the cost of generating or purchasing energy is low and delivering energy to customers when costs are high.

(i) "Nonrenewable energy facility" means a generation facility, other than a nuclear facility, that does not use a renewable energy or other clean energy resource.

(j) "Local job impacts" means the impacts of an integrated resource plan, a certificate of need, a power purchase agreement, or commission approval of a new or refurbished energy facility on the availability of construction employment opportunities to local workers.

(k) "Local workers" means workers employed to construct and maintain energy infrastructure that are Minnesota residents, residents of the utility's service territory, or who permanently reside within 150 miles of a proposed new or refurbished energy facility.

Sec. 11. Minnesota Statutes 2018, section 216B.2422, subdivision 2, is amended to read:

Subd. 2. **Resource plan filing and approval.** (a) A utility shall file a resource plan with the commission periodically in accordance with rules adopted by the commission. The commission shall approve, reject, or modify the plan of a public utility, as defined in section 216B.02, subdivision 4, consistent with the public interest. The commission's analysis of a resource plan filed by an investor-owned utility must consider the economy, job growth, and job retention.

(b) In the resource plan proceedings of all other utilities, the commission's order shall be advisory and the order's findings and conclusions shall constitute prima facie evidence which may be rebutted by substantial evidence in all other proceedings. With respect to utilities other than those defined in section 216B.02, subdivision 4, the commission shall consider the filing requirements and decisions in any comparable proceedings in another jurisdiction.

(c) As a part of its resource plan filing, a utility shall include the least cost plan for meeting 50 and 75 percent of all new energy needs from both new and refurbished generating facilities through a combination of conservation clean energy and renewable energy carbon-free resources.

Sec. 12. Minnesota Statutes 2018, section 216B.2422, subdivision 4, is amended to read:

Subd. 4. **Preference for ~~renewable energy facility~~ clean energy resources.** (a) The commission shall not approve a new or refurbished nonrenewable energy facility in Minnesota in an integrated resource plan or a certificate of need, pursuant to section 216B.243, nor shall the commission approve a power purchase agreement for a new or refurbished asset subject to its jurisdiction or allow rate recovery pursuant to section 216B.16 for such a nonrenewable energy facility, unless the utility has demonstrated that a renewable energy facility, alone or in combination with other clean energy resources, is not in the public interest.

(b) When making the public interest determination under paragraph (a), the commission must consider:

(1) whether the record in the resource plan, proposed certificate of need, or proposed power purchase agreement for the new or refurbished nonrenewable energy facility in Minnesota demonstrates the utility is unable affordably and reliably to meet the resource need the facility is proposed for solely through the addition of clean energy resources, after evaluation by the utility, the department, and other parties to the docket;

~~(1)~~ (2) whether the resource plan, proposed certificate of need, or proposed power purchase agreement helps the utility achieve the greenhouse gas reduction goals under section 216H.02, the renewable energy standard under section 216B.1691, or the solar energy standard under section 216B.1691, subdivision 2f, as well as the resource plan's impact on the economy, job growth, and job retention;

~~(2)~~ (3) impacts on local and regional grid reliability;

~~(3)~~ (4) utility and ratepayer impacts resulting from the intermittent nature of renewable energy facilities, including but not limited to the costs of purchasing wholesale electricity in the market and the costs of providing ancillary services; and

~~(4)~~ (5) utility and ratepayer impacts resulting from reduced exposure to fuel price volatility, changes in transmission costs, portfolio diversification, and environmental compliance costs, as well as utility and ratepayer impacts that might result from additional investment in nonrenewable energy facilities; and

(6) impacts of resource options on customers' bills and utility rates; any doubt regarding the various resource options before the commission must be resolved in favor of supporting the economy, job growth, and job retention.

(c) If the commission finds the utility has demonstrated a renewable energy facility, alone or in combination with other clean energy resources, is not in the public interest under paragraph (a), the commission may approve a utility's proposal for a new or refurbished nonrenewable energy facility at the size necessary to ensure reliable and affordable service to the utility's customers.

(d) This subdivision does not apply to an energy facility approved by the legislature under Laws 2017, chapter 5, or to commission approval of an affiliated interest agreement for an energy facility in docket number E015/AI-17-568.

(e) When evaluating the contribution of proposed resources to local and regional reliability, the commission must consider the ability of proposed resources to provide (1) essential reliability services needed by utility customers or the electric system, including, to the extent feasible, frequency response, balancing services, and voltage control, and (2) energy and capacity.

(f) If the commission approves a resource plan that includes the retirement of a nonrenewable energy facility owned by a public utility, the public utility shall be entitled to own the generation, transmission, and other facilities necessary to replace the accredited capacity of the retiring facility, provided:

(1) the resource plan of a public utility with more than 200,000 retail electric customers in Minnesota results in having at least 85 percent of the public utility's electric supply come from resources that do not contribute to statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2, by the year 2030 and thereafter;

(2) the resource plan for any public utility with between 50,000 and 200,000 retail electric customers in Minnesota results in having at least 65 percent of the public utility's electric supply attributable to serving Minnesota customers, come from resources that do not contribute to statewide

greenhouse gas emissions, as defined in section 216H.01, subdivision 2, by the year 2035 and thereafter; and

(3) each public utility demonstrates its ownership of replacement resources is in the public interest, considering customer impacts and benefits. The commission must give special consideration to a public utility's proposal under this paragraph if the proposal replaces the capacity of a retiring nonrenewable energy facility entirely with clean energy resources.

(g) Nothing in this section impacts a decision to continue operating a nuclear facility that is generating energy in Minnesota as of June 1, 2019. If a decision is made to retire an existing nuclear unit, the process in paragraphs (a) to (c) and (e) applies to the identification of replacement resources.

(h) The commission may, by order, add to the list of resources it determines to be clean energy resources for the purposes of this section upon a determination that the resource is carbon free and cost competitive when compared with other carbon-free alternatives.

Sec. 13. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision to read:

Subd. 4a. Preference for local job creation. As a part of its resource plan filing, a utility must report, to the extent known, on associated local job impacts and the steps the utility and its energy suppliers and contractors are taking to maximize the availability of construction employment opportunities for local workers. The commission must consider local job impacts and give preference to proposals that maximize the creation of construction employment opportunities for local workers, consistent with the public interest, when evaluating any utility proposal that involves the selection or construction of facilities used to generate or deliver energy to serve the utility's customers, including but not limited to an integrated resource plan, a certificate of need, a power purchase agreement, or commission approval of a new or refurbished electric generation facility.

Sec. 14. Minnesota Statutes 2018, section 216B.2422, subdivision 5, is amended to read:

Subd. 5. Bidding; exemption from certificate of need proceeding. (a) A utility may select resources to meet its projected energy demand through a bidding process approved or established by the commission. A utility shall use the environmental cost estimates determined under subdivision 3 and consider local job impacts in evaluating bids submitted in a process established under this subdivision.

(b) Notwithstanding any other provision of this section, if an electric power generating plant, as described in section 216B.2421, subdivision 2, clause (1), is selected in a bidding process approved or established by the commission, a certificate of need proceeding under section 216B.243 is not required.

(c) A certificate of need proceeding is also not required for an electric power generating plant that has been selected in a bidding process approved or established by the commission, or such other selection process approved by the commission, to satisfy, in whole or in part, the wind power mandate of section 216B.2423 or the biomass mandate of section 216B.2424.

Sec. 15. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision to read:

Subd. 7. **Resource planning conference.** The commissioner of commerce may, as circumstances warrant, convene utilities subject to this section and stakeholders interested in resource planning to (1) facilitate the sharing of best practices and planning innovations from one utility resource plan to the next, (2) help resolve issues that impact all utilities during the resource plan development process, (3) and promote coordination across resource plans. The commissioner must seek input from likely attendees regarding topics the resource planning conference should cover. In addition, the agenda for the conference should review key decisions by the Federal Energy Regulatory Commission and the North American Electric Reliability Corporation that could impact resource planning, as well as recent and ongoing transmission studies and market innovations from the Midcontinent Independent System Operator.

Sec. 16. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision to read:

Subd. 8. **Ratepayer impact.** The commission may not approve a resource plan under this section that it determines will cause costs to increase more than a reasonable forecast of the rate of inflation over the term of the resource plan.

Sec. 17. **[216C.45] POWER PLANT HOST COMMUNITY TRANSITION PLANNING.**

The commissioner of commerce must coordinate with the commissioner of labor and industry and the commissioner of employment and economic development to develop plans, programs, and other recommendations to mitigate the impacts on host communities in Minnesota and workers resulting from the eventual retirement of large generation facilities. The commissioners must coordinate this work with representatives of the local government units that host large generation facilities; the workers at large generation facilities, including full-time employees and contractors; and the utilities that own large generation facilities.

Sec. 18. **COORDINATED ELECTRIC TRANSMISSION STUDY.**

(a) The commissioner of commerce shall request the Midcontinent Independent System Operator (MISO) to conduct an engineering study of the impacts on reliability and estimated costs of operational changes and enhancements to the transmission system necessary to support increased use of carbon-free electrical generation sources for Minnesota and throughout the MISO footprint, along with the possible eventual retirement of existing generation resources serving Minnesota customers.

(b) If the request is accepted, MISO is responsible for completing the study work, with the support of the electric utilities subject to transmission planning under Minnesota Rules, chapter 7848. Prior to the start of the study, MISO shall appoint a technical review committee with experience and expertise in electric transmission system engineering, power system operation, and renewable and carbon-free energy technologies to review the study's proposed methods, work plan, models, and preliminary and near final results. The technical review committee shall be chaired by a representative from MISO and include representatives from Minnesota electric utilities, including one representative from a utility that owns nuclear generation, one from a generation and transmission cooperative, and one from a municipal utility. In addition, MISO will work with state utility regulators, as well as stakeholders from across the electricity industry, nongovernmental organization, consumer advocates, and labor representatives.

(c) To the extent possible, the study shall integrate and optimize the study and resulting potential transmission projects with previous and current study efforts, coordinate with neighboring regions to the MISO footprint and adjacent regional transmission organizations, and identify barriers, challenges, and opportunities.

(d) The study shall include, but is not limited to:

(1) establishing scenarios for study of increased carbon-free energy resources and energy storage and retirement of existing generation;

(2) identifying new power system operating challenges and possible mitigation strategies and areas where new strategies will be required but are not yet discernible;

(3) developing conceptual level plans of the required new and modified transmission, including timeframes and indicative cost;

(4) identifying when ascertainable, likely new significant transmission projects or modifications, including timeframes and indicative cost; and

(5) identifying functional requirements for and timeframes when nontransmission technology may be needed to augment the transmission in conceptual plan and the new projects or modifications.

(e) The first meeting of the technical review committee shall be held no later than June 15, 2019, and the study should be complete, with a comprehensive report submitted to the Public Utilities Commission no later than December 1, 2020.

Sec. 19. **EFFECTIVE DATE.**

Sections 1 to 18 are effective August 1, 2019, and apply only to dockets initiated at the Public Utilities Commission on or after that date."

Delete the title and insert:

"A bill for an act relating to establishing the Clean Energy First Act; requiring electric utilities to meet resource needs using clean energy resources; amending Minnesota Statutes 2018, sections 216B.03; 216B.16, subdivisions 6, 13, by adding a subdivision; 216B.1645, subdivisions 1, 2; 216B.1691, subdivision 9; 216B.2422, subdivisions 1, 2, 4, 5, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 216B; 216C."

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

Senator Osmek from the Committee on Energy and Utilities Finance and Policy, to which was referred

S.F. No. 2067: A bill for an act relating to energy; requiring a microgrids study; appropriating money.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2018, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The renewable development account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account shall be credited to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, shall be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund but remain in the account until expended. The account shall be administered by the commissioner of management and budget as provided under this section.

(b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating plant must transfer all funds in the renewable development account previously established under this subdivision and managed by the public utility to the renewable development account established in paragraph (a). Funds awarded to grantees in previous grant cycles that have not yet been expended and unencumbered funds required to be paid in calendar year 2017 under paragraphs (e) and (f) ~~and (g)~~, and sections 116C.7792 and 216C.41, are not subject to transfer under this paragraph.

(c) ~~Except as provided in subdivision 1a,~~ Beginning January 15, 2018 ~~2020~~, and continuing each January 15 thereafter, the public utility that owns the Prairie Island and Monticello nuclear generating ~~plant~~ plants must transfer to the renewable development account ~~\$500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for the following amounts each year the either plant is in operation, and \$7,500,000 each year the plant is not in operation:~~ (1) \$33,000,000 in 2020; (2) \$31,000,000 in 2021; and (3) \$20,000,000 in 2022 and each year thereafter. If ordered by the commission pursuant to paragraph (f): (h), the public utility must transfer \$7,500,000 each year the Prairie Island plant is not in operation and \$5,250,000 each year the Monticello plant is not in operation. The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island or Monticello for any part of a year.

(d) ~~Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account \$350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for any part of a year.~~

(e) (d) Each year, the public utility shall withhold from the funds transferred to the renewable development account under ~~paragraphs~~ paragraph (c) ~~and (d)~~ the amount necessary to pay its obligations for that calendar year under paragraphs (e), (f) ~~and (g)~~, (j), and (n), and sections 116C.7792 and 216C.41, ~~for that calendar year.~~

(f) (e) If the commission approves a new or amended power purchase agreement, the termination of a power purchase agreement, or the purchase and closure of a facility under section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity, the public utility subject to this section shall enter into a contract with the city in which the poultry litter plant is located to

provide grants to the city for the purposes of economic development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid by the public utility from funds withheld from the transfer to the renewable development account, as provided in paragraphs (b) and ~~(e)~~ (d).

~~(e)~~ (f) If the commission approves a new or amended power purchase agreement, or the termination of a power purchase agreement under section 216B.2424, subdivision 9, with an entity owned or controlled, directly or indirectly, by two municipal utilities located north of Constitutional Route No. 8, that was previously used to meet the biomass mandate in section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a grant contract with such entity to provide \$6,800,000 per year for five years, commencing 30 days after the commission approves the new or amended power purchase agreement, or the termination of the power purchase agreement, and on each June 1 thereafter through 2021, to assist the transition required by the new, amended, or terminated power purchase agreement. The grant shall be paid by the public utility from funds withheld from the transfer to the renewable development account as provided in paragraphs (b) and ~~(e)~~ (d).

~~(h)~~ (g) The collective amount paid under the grant contracts awarded under paragraphs ~~(e)~~ and (f) and ~~(g)~~ is limited to the amount deposited into the renewable development account, and its predecessor, the renewable development account, established under this section, that was not required to be deposited into the account under Laws 1994, chapter 641, article 1, section 10.

~~(i)~~ (h) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year in which the commission finds, by the preponderance of the evidence, that the public utility did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a permanent or interim storage site out of the state. This determination shall be made at least every two years.

(i) The public utility must annually file with the commission a petition to recover through a rider mechanism all funds it is required to transfer or withhold under paragraphs (c) to (f) for the next year. The commission must approve a reasonable cost recovery schedule for all funds under this paragraph.

(j) On or before January 15 of each year, the public utility must file a petition with the commission identifying the amounts withheld by the public utility the prior year under paragraph (d) and the amount actually paid the prior year for obligations identified in paragraph (d). If the amount actually paid is less than the amount withheld, the public utility must deduct the surplus from the amount withheld for the current year under paragraph (d). If the amount actually paid is more than the amount withheld, the public utility must add the deficiency amount to the amount withheld for the current year under paragraph (d). Any surplus remaining in the account after all programs identified in paragraph (d) are terminated must be returned to the public utility's customers.

~~(j)~~ (k) Funds in the account may be expended only for any of the following purposes:

(1) to stimulate research and development of renewable electric energy technologies;

(2) to encourage grid modernization, including, but not limited to, projects that implement electricity storage, load control, and smart meter technology; and

(3) to stimulate other innovative energy projects that reduce demand and increase system efficiency and flexibility.

Expenditures from the fund must benefit Minnesota ratepayers receiving electric service from the utility that owns a nuclear-powered electric generating plant in this state or the Prairie Island Indian community or its members.

The utility that owns a nuclear generating plant is eligible to apply for grants under this subdivision.

~~(k)~~ (l) For the purposes of paragraph ~~(j)~~ (k), the following terms have the meanings given:

(1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), clauses (1), (2), (4), and (5); and

(2) "grid modernization" means:

(i) enhancing the reliability of the electrical grid;

(ii) improving the security of the electrical grid against cyberthreats and physical threats; and

(iii) increasing energy conservation opportunities by facilitating communication between the utility and its customers through the use of two-way meters, control technologies, energy storage and microgrids, technologies to enable demand response, and other innovative technologies.

~~(j)~~ (m) A renewable development account advisory group that includes, among others, representatives of the public utility and its ratepayers, and includes at least one representative of the Prairie Island Indian community appointed by that community's tribal council, shall develop recommendations on account expenditures. Members of the advisory group, other than members appointed by the tribal council, must be chosen by the public utility. The advisory group must design a request for proposal and evaluate projects submitted in response to a request for proposals. The advisory group must utilize an independent third-party expert to evaluate proposals submitted in response to a request for proposal, including all proposals made by the public utility. A request for proposal for research and development under paragraph ~~(j)~~ (k), clause (1), may be limited to or include a request to higher education institutions located in Minnesota for multiple projects authorized under paragraph ~~(j)~~ (k), clause (1). The request for multiple projects may include a provision that exempts the projects from the third-party expert review and instead provides for project evaluation and selection by a merit peer review grant system. In the process of determining request for proposal scope and subject and in evaluating responses to request for proposals, the advisory group must strongly consider, where reasonable, potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

(n) The cost to acquire the services of the independent third-party expert described in paragraph (m), and any other reasonable costs incurred to administer the advisory group and its actions required by this section, must be paid from funds withheld by the public utility under paragraph (d). The total amount withheld under this paragraph must not exceed \$125,000 each year.

~~(m)~~ (o) The advisory group shall submit funding recommendations to the public utility, which has full and sole authority to determine which expenditures shall be submitted by the advisory group to the ~~legislature~~ commission. The commission may approve proposed expenditures, may disapprove proposed expenditures that it finds not to be in compliance with this subdivision or otherwise not in the public interest, and may, if agreed to by the public utility, modify proposed expenditures. The commission shall, by order, submit its funding recommendations to the legislature as provided under paragraph ~~(n)~~ (p).

~~(n)~~ (p) The commission shall present its recommended appropriations from the account to the senate and house of representatives committees with jurisdiction over energy policy and finance annually by February 15. Expenditures from the account must be appropriated by law. In enacting appropriations from the account, the legislature:

(1) may approve or disapprove, but may not modify, the amount of an appropriation for a project recommended by the commission; and

(2) may not appropriate money for a project the commission has not recommended funding.

~~(o)~~ (q) A request for proposal for renewable energy generation projects must, when feasible and reasonable, give preference to projects that are most cost-effective for a particular energy source.

~~(p)~~ (r) The advisory group must annually, by February 15, report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy on projects funded by the account under paragraph (k) for the prior year and all previous years. The report must, to the extent possible and reasonable, itemize the actual and projected financial benefit to the public utility's ratepayers of each project.

(s) By June 1, 2019, and each June 1 thereafter, the public utility that owns the Prairie Island nuclear electric generating plant must submit to the commissioner of management and budget an estimate of the amount the public utility will deposit into the account January 15 the next year, based on the provisions of paragraphs (c) to (h) and any appropriations made from the fund during the most recent legislative session.

~~(q)~~ (t) By February 1, 2018 June 30, 2019, and each February 1 June 30 thereafter, the commissioner of management and budget shall must estimate the balance in the account as of the following January 31, taking into account the balance in the account as of June 30 and the information provided under paragraph (r). By July 15, 2019, and each July 15 thereafter, the commissioner of management and budget must submit a written report regarding the availability of funds in and obligations of the account to the chairs and ranking minority members of the senate and house committees with jurisdiction over energy policy and finance, the public utility, and the advisory group. If more than \$15,000,000 is estimated to be available in the account as of January 31, the advisory group must, by January 31 the next year, issue a request for proposals to initiate a grant cycle for the purposes of paragraph (k).

~~(r)~~ (u) A project receiving funds from the account must produce a written final report that includes sufficient detail for technical readers and a clearly written summary for nontechnical readers. The report must include an evaluation of the project's financial, environmental, and other benefits to the state and the public utility's ratepayers.

~~(s)~~(v) Final reports, any mid-project status reports, and renewable development account financial reports must be posted online on a public website designated by the commissioner of commerce.

~~(t)~~(w) All final reports must acknowledge that the project was made possible in whole or part by the Minnesota renewable development account, noting that the account is financed by the public utility's ratepayers.

~~(u)~~(x) Of the amount in the renewable development account, priority must be given to making the payments required under section 216C.417.

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

Sec. 2. Minnesota Statutes 2018, section 216B.16, is amended by adding a subdivision to read:

Subd. 7e. **Energy storage system pilot projects.** (a) A public utility may petition the commission under this section to recover costs associated with the implementation of an energy storage system pilot project. As part of the petition, the public utility must submit a report to the commission containing, at a minimum, the following information regarding the proposed energy storage system pilot project:

(1) the storage technology utilized;

(2) the energy storage capacity and the duration of output at that capacity;

(3) the proposed location;

(4) the purchase and installation costs;

(5) how the project will interact with existing distributed generation resources on the utility's grid; and

(6) the goals the project proposes to achieve, which may include controlling frequency or voltage, mitigating transmission congestion, providing emergency power supplies during outages, reducing curtailment of existing renewable energy generators, and reducing peak power costs.

(b) A utility may petition the commission to approve a rate schedule that provides for the automatic adjustment of charges to recover prudently incurred investments, expenses, or costs associated with energy storage system pilot projects approved by the commission under this subdivision. A petition filed under this subdivision must include the elements listed in section 216B.1645, subdivision 2a, paragraph (b), clauses (1) to (4), and must describe the benefits of the pilot project.

(c) The commission may approve, or approve as modified, a rate schedule filed under this subdivision. The rate schedule filed by the public utility may include the elements listed in section 216B.1645, subdivision 2a, paragraph (a), clauses (1) to (5).

(d) For each pilot project that the commission has found to be in the public interest, the commission must make its determination on the specific amounts that are eligible for recovery under the approved rate schedule within 90 days of final approval of the specific pilot program or within

90 days of the public utility filing for approval of cost recovery for the specific pilot program, whichever is later.

(e) Nothing in this subdivision prohibits or deters the deployment of energy storage systems.

(f) For the purposes of this subdivision:

(1) "energy storage system" has the meaning given in section 216B.2422, subdivision 1; and

(2) "pilot project" means a project that is owned, operated, and controlled by a public utility to optimize safe and reliable system operations and is deployed at a limited number of locations in order to assess the technical and economic effectiveness of its operations.

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

Sec. 3. Minnesota Statutes 2018, section 216B.2422, subdivision 1, is amended to read:

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

(b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more of electric power and serving, either directly or indirectly, the needs of 10,000 retail customers in Minnesota. Utility does not include federal power agencies.

(c) "Renewable energy" means electricity generated through use of any of the following resources:

(1) wind;

(2) solar;

(3) geothermal;

(4) hydro;

(5) trees or other vegetation;

(6) landfill gas; or

(7) predominantly organic components of wastewater effluent, sludge, or related by-products from publicly owned treatment works, but not including incineration of wastewater sludge.

(d) "Resource plan" means a set of resource options that a utility could use to meet the service needs of its customers over a forecast period, including an explanation of the supply and demand circumstances under which, and the extent to which, each resource option would be used to meet those service needs. These resource options include using, refurbishing, and constructing utility plant and equipment, buying power generated by other entities, controlling customer loads, and implementing customer energy conservation.

(e) "Refurbish" means to rebuild or substantially modify an existing electricity generating resource of 30 megawatts or greater.

(f) "Energy storage system" means a commercially available technology that:

(1) uses mechanical, chemical, or thermal processes to:

(i) store energy, including energy generated from renewable resources and energy that would otherwise be wasted, and deliver the stored energy for use at a later time; or

(ii) store thermal energy for direct use for heating or cooling at a later time in a manner that reduces the demand for electricity at the later time;

(2) is composed of stationary equipment;

(3) if being used for electric grid benefits, is operationally visible and capable of being controlled by the distribution or transmission entity managing it, to enable and optimize the safe and reliable operation of the electric system; and

(4) achieves any of the following:

(i) reduces peak or electrical demand;

(ii) defers the need or substitutes for an investment in electric generation, transmission, or distribution assets;

(iii) improves the reliable operation of the electrical transmission or distribution systems, while ensuring transmission or distribution needs are not created; or

(iv) lowers customer costs by storing energy when the cost of generating or purchasing it is low and delivering it to customers when those costs are high.

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

Sec. 4. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision to read:

Subd. 7. Energy storage systems assessment. (a) Each public utility required to file a resource plan under subdivision 2 must include in the filing an assessment of energy storage systems that analyzes how the deployment of energy storage systems contributes to:

(1) meeting identified generation and capacity needs; and

(2) evaluating ancillary services.

(b) The assessment must employ appropriate modeling methods to enable the analysis required in paragraph (a).

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

Sec. 5. **[216C.375] SOLAR FOR SCHOOLS PROGRAM.**

Subdivision 1. Definitions. (a) For the purposes of this section and section 216C.376, the following terms have the meanings given them.

(b) "Developer" means an entity that installs a solar energy system on a school building that has been awarded a grant under this section.

(c) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

(d) "School" means a school that operates as part of an independent or special school district.

(e) "School district" means an independent or special school district.

(f) "Solar energy system" means photovoltaic or solar thermal devices.

Subd. 2. **Establishment; purpose.** A solar for schools program is established in the Department of Commerce. The purpose of the program is to provide grants to stimulate the installation of solar energy systems on or adjacent to school buildings by reducing their cost, and to enable schools to use the solar energy system as a teaching tool that can be integrated into the school's curriculum.

Subd. 3. **Establishment of account.** (a) A solar for schools program account is established in the special revenue fund. Money received from the general fund must be transferred to the commissioner of commerce and credited to the account. Money deposited in the account remains in the account until expended, and does not cancel to the general fund.

(b) When a grant is awarded under this section, the commissioner shall reserve the grant amount in the account.

Subd. 4. **Expenditures.** (a) Money in the account may be used only:

(1) for grant awards made under this section; and

(2) to pay the reasonable costs incurred by the department to administer this section.

(b) Grant awards made with funds in the account are to be used only for grants for solar energy systems installed on or adjacent to school buildings receiving retail electric service from a utility that is not subject to section 116C.779, subdivision 1.

Subd. 5. **Eligible system.** (a) A grant may be awarded to a school under this section only if the solar energy system that is the subject of the grant:

(1) is installed on or adjacent to the school building that will consume the electricity generated by the solar energy system, on property within the service territory of the utility currently providing electric service to the school building; and

(2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the estimated annual electricity consumption of the school building at which the solar energy system is proposed to be installed.

(b) A school district that receives a rebate or other financial incentive under section 216B.241 for a solar energy system and that demonstrates considerable need for financial assistance, as determined by the commissioner, is eligible for a grant under this section for the same solar energy system.

Subd. 6. Application process. (a) The commissioner shall issue a request for proposals to utilities, schools, and developers who may wish to apply for a grant under this section on behalf of a school.

(b) A utility or developer must submit an application to the commissioner on behalf of a school on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(1) the capacity of the proposed solar energy system and the amount of electricity that is expected to be generated;

(2) the current energy demand of the school building on which the solar energy generating system is to be installed, and information regarding any distributed energy resource, including subscription to a community solar garden, that currently provides electricity to the school building;

(3) a description of any solar thermal devices proposed as part of the solar energy system;

(4) the total cost of purchasing and installing the solar energy system, and its life-cycle cost, including removal and disposal of system at the end of its life;

(5) a copy of the proposed contract agreement between the school and the public utility or developer that includes provisions addressing responsibility for maintenance of the solar energy system;

(6) the school's plan to make the solar energy system serve as a visible learning tool for students, teachers, and visitors to the school, including how the solar energy system may be integrated into the school's curriculum;

(7) information that demonstrates the level of need of the school district for financial assistance available under this section;

(8) information that demonstrates the readiness of the school to implement the project, including, but not limited to, the availability of the site on which the solar energy system is to be installed, and the level of the school's engagement with the utility providing electric service to the school building on which the solar energy system is to be installed on issues relevant to the implementation of the project, including metering and other issues;

(9) with respect to the installation and operation of the solar energy system, the willingness and ability of the developer or the public utility to:

(i) pay employees and contractors a prevailing wage rate, as defined in section 177.42, subdivision 6; and

(ii) adhere to the provisions of section 177.43;

(10) how the developer or public utility plans to reduce the school's initial capital expense for the purchase and installation of the solar energy system, and to provide financial benefits to the school from the utilization of federal and state tax credits, utility incentives, and other financial incentives; and

(11) any other information deemed relevant by the commissioner.

(c) The commissioner shall administer an open application process under this section at least twice annually.

(d) The commissioner shall develop administrative procedures governing the application and grant award process.

Subd. 7. **Energy conservation review.** At the commissioner's request, a school awarded a grant under this section shall provide the commissioner information regarding energy conservation measures implemented at the school building at which the solar energy system is to be installed. The commissioner may make recommendations to the school regarding cost-effective conservation measures it can implement and may provide technical assistance and direct the school to available financial assistance programs.

Subd. 8. **Technical assistance.** The commissioner shall provide technical assistance to schools to develop and execute projects under this section.

Subd. 9. **Grant payments.** The commissioner shall award a grant from the account established under subdivision 3 to a school for the necessary costs associated with the purchase and installation of a solar energy system. The amount of the grant shall be based on the commissioner's assessment of the school's need for financial assistance.

Subd. 10. **Limitations.** (a) No more than 50 percent of the grant payments awarded to schools under this section may be awarded to schools where the proportion of students eligible for free and reduced-price lunch under the National School Lunch Program is less than 50 percent.

(b) No more than ten percent of the total amount of grants awarded under this section may be awarded to schools that are part of the same school district.

Subd. 11. **Application deadline.** No application may be submitted under this section after December 31, 2023.

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

Sec. 6. **[216C.376] SOLAR FOR SCHOOLS PROGRAM FOR CERTAIN UTILITY SERVICE TERRITORY.**

Subdivision 1. **Establishment; purpose.** The utility subject to section 116C.779 shall operate a program to develop, and to supplement with additional funding, financial arrangements that allow schools to benefit from state and federal tax and other financial incentives that schools are ineligible to receive directly in order to enable schools to install and operate solar energy systems that can be used as teaching tools and integrated into the school curriculum.

Subd. 2. **Required plan.** (a) By October 1, 2019, the public utility must file a plan for the solar for schools program with the commissioner. The plan must contain but is not limited to the following elements:

(1) a description of how entities that are eligible to take advantage of state and federal tax and other financial incentives that reduce the cost of purchasing, installing, and operating a solar energy

system that schools are ineligible to take advantage of directly, can share a portion of those financial benefits with schools at which a solar energy system will be installed;

(2) a description of how the public utility will utilize funds appropriated to the program under this section to provide additional financial assistance to schools at which a solar energy system will be installed;

(3) certification that the financial assistance provided under this section to a school by the public utility must include the full value of the renewable energy certificates associated with the generation of electricity by the solar energy system receiving financial assistance under this section over the lifetime of the solar energy system;

(4) an estimate of the amount of financial assistance that the public utility will provide to a school under clauses (1) to (3) on a per kilowatt-hour produced basis, and the length of time financial assistance will be provided;

(5) certification that the transaction between the public utility and the school for electricity is the buy-all/sell-all method by which the public utility will charge the school for all electricity the school consumes at the applicable retail rate schedule for sales to the school based on the school's customer class, and shall credit or pay the school at the rate established in subdivision 5;

(6) administrative procedures governing the application and financial benefit award process, and the costs the public utility and the department are projected to incur to administer the program;

(7) the public utility's proposed process for periodic reevaluation and modification of the program;
and

(8) any additional information required by the commissioner.

(b) The public utility may not implement the program until the commissioner approves the public utility's plan submitted under this subdivision. The commissioner shall approve a plan under this subdivision that the commissioner determines to be in the public interest no later than December 31, 2019. Any proposed modifications to the plan approved under this subdivision must be approved by the commissioner.

Subd. 3. **System eligibility.** A solar energy system is eligible to receive financial benefits under this section if it meets all of the following conditions:

(1) the solar energy system must be located on or adjacent to a school building receiving retail electric service from the public utility and completely located within the public utility's electric service territory, provided that any land situated between the school building and the site where the solar energy system is installed is owned by the school district in which the school building operates;
and

(2) the total aggregate nameplate capacity of all distributed generation serving the school building, including any subscriptions to a community solar garden under section 216B.1641, may not exceed the lesser of one megawatt (alternating current) or 120 percent of the average annual electric energy consumption of the school building.

Subd. 4. **Application process.** (a) A school seeking financial assistance under this section must submit an application to the public utility, including a plan for how the school will use the solar energy system as a visible learning tool for students, teachers, and visitors to the school, and how the solar energy system may be integrated into the school's curriculum.

(b) The public utility shall award financial assistance under this section on a first-come, first-served basis.

(c) The public utility shall discontinue accepting applications under this section after all funds appropriated under subdivision 5 are allocated to program participants, including funds from canceled projects.

Subd. 5. **Benefits information.** Before signing an agreement with the public utility to receive financial assistance under this section, a school must obtain from the developer and provide to the public utility information the developer shared with potential investors in the project regarding future financial benefits to be realized from installation of a solar energy system at the school, and potential financial risks.

Subd. 6. **Purchase rate; cost recovery; renewable energy credits.** (a) The public utility shall purchase all of the electricity generated by a solar energy system receiving financial assistance under this section at a rate of \$.105 per kilowatt-hour generated.

(b) Payments by the public utility of the rate established under this subdivision to a school receiving financial assistance under this section are fully recoverable by the public utility through the public utility's fuel clause adjustment.

(c) The renewable energy credits associated with the electricity generated by a solar energy system installed under this section are the property of the public utility that is subject to this section.

Subd. 7. **Limitation.** (a) No more than 50 percent of the financial assistance provided by the public utility to schools under this section may be provided to schools where the proportion of students eligible for free and reduced-price lunch under the National School Lunch Program is less than 50 percent.

(b) No more than ten percent of the total amount of financial assistance provided by the public utility to schools under this section may be provided to schools that are part of the same school district.

Subd. 8. **Technical assistance.** The commissioner shall provide technical assistance to schools to develop and execute projects under this section.

Subd. 9. **Application deadline.** No application may be submitted under this section after December 31, 2023.

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

Sec. 7. **[216C.45] ELECTRIC VEHICLE CHARGING STATION REVOLVING LOAN PROGRAM.**

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

(b) "Borrower" means the state, counties, cities, other governmental entities, nonprofit organizations, and private businesses eligible under this section to apply for and receive loans from the electric vehicle charging station revolving loan fund.

(c) "Commissioner" means the commissioner of commerce.

(d) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

(e) "Electric vehicle charging station" means an electric component assembly or cluster of component assemblies designed specifically to charge an electric vehicle battery by transferring electric energy to a battery or a storage device in the electric vehicle.

(f) "Loan" means financial assistance provided for all or part of the cost of an electric vehicle charging station project, including money for design, development, purchase, or installation.

Subd. 2. **Revolving loan fund.** The commissioner must establish an electric vehicle charging station revolving loan fund to make loans for all or part of the cost of an electric vehicle charging station project installed in Minnesota.

Subd. 3. **Administration.** (a) The commissioner must establish a minimum interest rate for loans to ensure that necessary loan administration costs are covered. The minimum interest rate must not exceed:

(1) one percent interest for a loan to a borrower that is the state, other governmental entity, or a nonprofit organization; or

(2) three percent interest for a loan to a borrower that is a private business.

(b) Loan repayment of principal and loan interest payments must be paid to the department for deposit in the revolving loan fund for subsequent distribution or use consistent with the requirements under this section.

(c) When a loan is repaid, 60 percent of the loan repayment must be retained in the electric vehicle charging station revolving loan fund. The remaining 40 percent must be transferred to the renewable development account under section 116C.779, until the total amount transferred to the renewable development account equals \$1,500,000.

Subd. 4. **Applications.** (a) A loan applicant must submit an application to the commissioner on forms prescribed by the commissioner.

(b) The applicant must provide the following information:

(1) the estimated cost of the project and the amount of the loan sought;

(2) other possible sources of funding in addition to loans sought from the electric vehicle charging station revolving loan fund;

(3) the proposed methods and sources of funds to repay loans received; and

(4) information demonstrating the financial status and ability of the borrower to repay loans.

Subd. 5. **Use of loan funds.** (a) Loans made with funds from the electric vehicle charging station revolving loan fund may be used to design, develop, purchase, and install electric vehicle charging stations at locations in Minnesota.

(b) An electric vehicle charging station project receiving loan funds under this section must be available for public use.

Subd. 6. **Evaluation of projects.** (a) The commissioner must consider the following information when evaluating a project:

(1) a description of the nature and purpose of the proposed project, including an explanation of the need for the project and the reasons why the project is in the public interest;

(2) the relationship of the project to the local area's needs;

(3) the estimated project cost and the loan amount sought;

(4) proposed sources of funding in addition to the loan sought from the electric vehicle charging station revolving loan fund;

(5) the need for the project as part of the overall transportation system; and

(6) the overall economic impact of the project.

(b) When evaluating projects, the commissioner may consult with the commissioner of transportation regarding the electric vehicle charging needs throughout the state.

Subd. 7. **Maximum loan amount.** The maximum loan amount under this section is \$..... per electric vehicle charging station project.

Subd. 8. **User fees.** As a condition of accepting a loan under this section, a borrower must agree to charge a per hour user fee for use of an electric vehicle charging station funded by the loan. A borrower must use at least 25 percent of the fees collected to repay the loan and pay for expenses associated with operating and maintaining the electric vehicle charging station funded by the loan.

Subd. 9. **Report to legislature.** On or before March 15, 2020, and each March 15 thereafter, the commissioner must report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over energy and transportation policy and finance regarding the revolving loan program. The report must include (1) a description of the projects and an account of loans made from the revolving loan fund during the preceding calendar year, (2) the revolving loan fund balance, and (3) an explanation of administrative expenses.

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

Sec. 8. **PRAIRIE ISLAND NET ZERO PROJECT.**

Subdivision 1. **Program established.** The Prairie Island net zero project is established with the goal of the Prairie Island Indian community developing an energy system that results in net zero emissions.

Subd. 2. **Grant.** The commissioner of employment and economic development must enter into a grant contract with the Prairie Island Indian community to provide the amount appropriated under section 12 to stimulate research, development, and implementation of renewable energy projects benefiting the Prairie Island Indian community or its members. Any examination conducted by the commissioner of employment and economic development to determine the sufficiency of the financial stability and capacity of the Prairie Island Indian community to carry out the purposes of this grant is limited to the Community Services Department of the Prairie Island Indian community.

Subd. 3. **Plan; report.** The Prairie Island Indian community must file a plan with the commissioner of employment and economic development no later than July 1, 2019, describing the Prairie Island net zero project elements and implementation strategy. The Prairie Island Indian community must file a report on July 1, 2020, and each July 1 thereafter until the project is complete, describing the progress made in implementing the project and the uses of expended funds. A final report must be completed within 90 days of the date the project is complete.

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

Sec. 9. **BIOMASS BUSINESS COMPENSATION.**

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

(b) "Biomass plant" means the biomass plant identified under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (f).

(c) "Early termination" means the early termination of the power purchase agreement authorized under Minnesota Statutes, section 216B.2424, subdivision 9, with the biomass plant.

(d) "Operating income" means a business's revenue minus its operating expenses.

Subd. 2. **Office of Administrative Hearings; claims process.** (a) The chief administrative law judge of the Office of Administrative Hearings must assign an administrative law judge to administer a claims award process to compensate businesses negatively affected by the early termination. The chief administrative law judge may develop a process, prescribe forms, identify documentation affected businesses must submit with claims, and issue awards to eligible businesses consistent with this section. The process must allow, but not require, an authorized representative from each business that applies for compensation to appear in person before the assigned administrative law judge to provide evidence in support of the business's claim.

(b) The chief administrative law judge may contract with and use the services of financial or other consultants to examine financial documentation presented by claimants or otherwise assist in the evaluation and award of claims.

(c) Records submitted to the Office of Administrative Hearings as part of the claims process constitute business data under Minnesota Statutes, section 13.591.

(d) An award made under this section is final and is not subject to judicial review.

(e) An award made under this section does not constitute an admission of liability by the state for any damages or other losses suffered by a business affected by the early termination.

Subd. 3. **Eligibility.** To be eligible for an award of compensation, an affected business must meet the following criteria:

(1) as of May 1, 2017, the affected business was operating under the terms of a valid written contract, or an oral contract that is sufficiently supported by business records, with the company operating the biomass plant or the fertilizer plant integrated with the biomass plant to supply or manage material for, or receive material from, the biomass plant or the fertilizer plant integrated with the biomass plant;

(2) the affected business is located in the state; and

(3) as the result of the early termination, the affected business suffered:

(i) decreased operating income; or

(ii) the loss of value of investments in real or personal property essential to its business operations with the biomass plant.

Subd. 4. **Types of claims.** (a) An eligible business may make claims for a compensation award based on either or both:

(1) decreased operating income; or

(2) the loss of value of investments in real or personal property essential to its business operations with the biomass plant.

(b) To establish and quantify a claim for decreased operating income, an eligible business must:

(1) demonstrate its operating income over the past five years derived from supplying or managing material for, or receiving material from, the biomass plant;

(2) present evidence of any alternative business opportunities it has pursued or could pursue to mitigate the loss of revenue from the termination of its contract with the biomass plant; and

(3) demonstrate the amount that the business's annual operating income, including operating income from any alternative business opportunities, after the termination of the business's contract with the biomass plant is less than the five-year average of the business's annual operating income before the early termination.

(c) To establish and quantify a loss of value of investments in real or personal property claim, an eligible business must provide sufficient evidence of:

(1) the essential nature of the investment made in the property to fulfill the contract with the biomass plant;

(2) the extent to which the eligible business is able to repurpose the property for another productive use after the early termination, including but not limited to the use, sales, salvage, or scrap value of the property for which the loss is claimed; and

(3) the value of the eligible business's nondepreciated investment in the property.

Subd. 5. **Limitations on awards.** (a) A compensation award for a decreased operating income claim must not exceed the amount calculated under subdivision 4, paragraph (b), clause (3), multiplied by two.

(b) The use, sales, salvage, or scrap value of the property for which a loss is claimed must be deducted from a compensation award for a loss of value of investments in real or personal property claim.

(c) A payment received from business interruption insurance policies, settlements, or other forms of compensation related to the termination of the business's contract with the biomass plant must be deducted from any compensation award provided under this section.

Subd. 6. **Priority.** The chief administrative law judge may give priority to claims by eligible businesses that demonstrate a significant effort to pursue alternative business opportunities or to conduct other loss mitigation efforts to reduce its claimed losses related to the termination of its contract with the company operating the biomass plant.

Subd. 7. **Awarding claims.** If the amount provided for compensation in the biomass business compensation account established under section 10 is insufficient to fully award all claims eligible for an award, all awards must be adjusted proportionally based on the value of the claim.

Subd. 8. **Deadlines.** The chief administrative law judge must make the application process for eligible claims available by August 1, 2019. A business seeking an award under this section must file all claims with the chief administrative law judge within 60 days of the date the chief administrative law judge makes the application process for eligible claims available. All preliminary awards on eligible claims must be made within 120 days of the deadline date to file claims. Any requests to reconsider an award denial must be filed with the chief administrative law judge within 60 days of the notice date for preliminary awards. All final awards for eligible claims must be made within 60 days of the deadline date to file reconsideration requests. The commissioner of management and budget must pay all awarded claims within 45 days of the date the commissioner of management and budget receives notice of the final awards from the chief administrative law judge.

Subd. 9. **Expiration.** This section expires June 30, 2022.

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

Sec. 10. **BIOMASS BUSINESS COMPENSATION ACCOUNT.**

Subdivision 1. **Account established.** A biomass business compensation account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account must be credited to the account. Earnings, such as interest, and any other earnings arising from the assets of the account are credited to the account. Funds remaining in the account

as of December 31, 2021, must be transferred to the renewable development account established under Minnesota Statutes, section 116C.779.

Subd. 2. **Funding for the special account.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), on July 1, 2019, \$40,000,000 must be transferred from the renewable development account under Minnesota Statutes, section 116C.779, to the biomass business compensation account established under subdivision 3. The transferred funds are appropriated to pay eligible obligations under the biomass business compensation program established under section 9.

Subd. 3. **Payment of expenses.** The chief administrative law judge must certify to the commissioner of management and budget the total costs incurred to administer the biomass business compensation claims process. The commissioner of management and budget must transfer an amount equal to the certified costs incurred for biomass business compensation claim activities from the renewable development account under Minnesota Statutes, section 116C.779, and deposit it in the administrative hearings account under Minnesota Statutes, section 14.54. Transfers may occur quarterly throughout the fiscal year and must be based on quarterly cost and revenue reports, with final certification and reconciliation after each fiscal year. The total amount transferred under this subdivision must not exceed \$200,000.

Subd. 4. **Expiration.** This section expires June 30, 2022.

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

Sec. 11. **GREEN ROOF ADVISORY TASK FORCE; REPORT.**

Subdivision 1. **Definition.** For the purposes of this section, "green roof" means the roof of a building on which:

- (1) photovoltaic devices, as defined in Minnesota Statutes, section 216C.06, are sited; or
- (2) a vegetative landscape and associated elements are installed, which may include:
 - (i) a growing medium;
 - (ii) a waterproof membrane to protect the roof;
 - (iii) a barrier to prevent plant roots from damaging the roof;
 - (iv) a filter layer to prevent the growing medium from washing away;
 - (v) thermal insulation to protect the vegetation and the building;
 - (vi) a drainage system; and
 - (vii) structural support.

Subd. 2. **Membership.** (a) The Green Roof Advisory Task Force consists of the following members:

(1) the state building official, appointed under Minnesota Statutes, section 326B.127, or the state building official's designee;

(2) a representative of the Building Owners and Managers Association Greater Minneapolis, appointed by the president of the association;

(3) up to three representatives from Minnesota companies with extensive experience installing green roofs, appointed by the commissioner of the Pollution Control Agency;

(4) a cochair of the Committee on the Environment of the American Institute of Architects Minnesota, or the cochair's designee;

(5) a horticultural expert from the University of Minnesota Extension, appointed by the dean of extension;

(6) a representative of the University of Minnesota Center for Sustainable Building Research, appointed by the director of the center;

(7) a representative of the Minnesota Solar Energy Industries Association, appointed by the president of the association;

(8) a representative from the Minnesota Nursery and Landscape Association;

(9) a representative of the Minnesota State Building Trades Council appointed by the council;

(10) the commissioner of commerce, or the commissioner's designee; and

(11) other members appointed by the advisory task force that it deems to be helpful in carrying out its duties under subdivision 3.

(b) Members of the advisory task force are not to be compensated for activities associated with the advisory task force.

(c) The Department of Commerce must serve as staff to the advisory task force.

Subd. 3. **Duties.** The advisory task force's duties are to review and evaluate:

(1) laws relating to green roofs enacted in American cities and states and in foreign countries;

(2) estimates of the impacts of operating green roofs on:

(i) energy use in the buildings on which the green roofs are installed and any associated reductions in the emission of greenhouse gases and other air pollutants;

(ii) roof replacement costs; and

(iii) management costs for storm water; and

(3) any other information the task force deems relevant.

Subd. 4. **Report.** By March 1, 2020, the advisory task force must submit a report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy and environmental policy. The report must contain the task force's findings and recommendations, including discussion of the benefits and problems associated with requiring buildings of a certain type and size to install green roofs.

Subd. 5. **Sunset.** The task force shall sunset April 1, 2020.

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

Sec. 12. **REPORT; COST-BENEFIT ANALYSIS OF ENERGY STORAGE SYSTEMS.**

(a) The commissioner of commerce must contract with an independent consultant selected through a request for proposal process to produce a report analyzing the potential costs and benefits of energy storage systems, as defined in Minnesota Statutes, section 216B.2422, subdivision 1, in Minnesota. The study may also include scenarios examining energy storage systems that are not capable of being controlled by a utility. The commissioner must engage a broad group of Minnesota stakeholders, including electric utilities and others, to develop and provide information for the report. The study must:

(1) identify and measure the different potential costs and savings produced by energy storage system deployment, including but not limited to:

(i) generation, transmission, and distribution facilities asset deferral or substitution;

(ii) impacts on ancillary services costs;

(iii) impacts on transmission and distribution congestion;

(iv) impacts on peak power costs;

(v) impacts on emergency power supplies during outages;

(vi) impacts on curtailment of renewable energy generators; and

(vii) reduced greenhouse gas emissions;

(2) analyze and estimate the:

(i) costs and savings to customers that deploy energy storage systems;

(ii) impact on the utility's ability to integrate renewable resources;

(iii) impact on grid reliability and power quality; and

(iv) effect on retail electric rates over the useful life of a given energy storage system compared to providing the same services using other facilities or resources;

(3) consider the findings of analysis conducted by the Midcontinent Independent System Operator on energy storage capacity accreditation and participation in regional energy markets, including updates of the analysis; and

(4) include case studies of existing energy storage applications currently providing the benefits described in clauses (1) and (2).

(b) By December 31, 2019, the commissioner of commerce must submit the study to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over energy policy and finance.

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

Sec. 13. APPROPRIATION; PRAIRIE ISLAND NET ZERO PROJECT.

Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), \$20,000,000 in fiscal year 2020; \$7,500,000 in fiscal years 2021, 2022, and 2023; and \$3,700,000 in fiscal year 2024 are appropriated from the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of employment and economic development for a grant to the Prairie Island Indian community to establish the net zero project under section 8.

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

Sec. 14. APPROPRIATION; ENERGY STORAGE COST-BENEFIT ANALYSIS.

\$150,000 in fiscal year 2019 is appropriated from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce, to conduct an energy storage systems cost-benefit analysis. This is a onetime appropriation and is available until June 30, 2020.

Sec. 15. APPROPRIATION; GREEN ROOF TASK FORCE.

\$55,000 in fiscal year 2020 is appropriated from the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (a), to the commissioner of commerce to complete the green roof report required under section 11.

Sec. 16. APPROPRIATION; SOLAR FOR SCHOOLS.

(a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), \$1,000,000 in fiscal year 2020 and \$1,000,000 in fiscal year 2021 are appropriated from the renewable development account established under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for transfer to the public utility that is subject to Minnesota Statutes, section 216C.376, for the purposes of awarding grants and financial assistance to schools under the solar for schools program under Minnesota Statutes, section 216C.376.

(b) This appropriation may be used by the commissioner to reimburse the reasonable costs incurred by the public utility to administer the solar for schools program under Minnesota Statutes, section 216C.375, and the reasonable costs of the department to review and approve the public utility's plan, and any proposed modifications to that plan and to provide technical assistance, under Minnesota Statutes, section 216C.376, subdivisions 2 and 8.

Sec. 17. APPROPRIATION; ELECTRIC VEHICLE CHARGING STATION REVOLVING LOAN PROGRAM.

Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), \$1,500,000 in fiscal year 2020 is appropriated from the renewable development account under Minnesota Statutes, section 116C.779, to the commissioner of commerce for the electric vehicle charging station revolving loan program under Minnesota Statutes, section 216C.45. This appropriation must be used only for loans made for electric vehicle charging station projects in the service area of a public utility that owns a nuclear electric generating plant in Minnesota. The commissioner may use up to three percent of this amount to administer the program. This is a onetime appropriation and is available until expended."

Delete the title and insert:

"A bill for an act relating to energy; amending the renewable development account public utility annual contribution; establishing criteria for utility cost recovery of energy storage system pilot projects; requiring investor-owned utilities to include in integrated resource plans an assessment of energy storage systems; establishing a grant program to assist public school districts to install solar energy systems; creating reserve accounts; establishing an electric vehicle charging station revolving loan program; establishing a net zero emissions project; establishing a process to compensate businesses for loss of business opportunity resulting from sale and closure of a biomass energy plant; establishing an advisory task force on green roofs; requiring a cost-benefit analysis of energy storage systems; requiring reports; appropriating money; amending Minnesota Statutes 2018, sections 116C.779, subdivision 1; 216B.16, by adding a subdivision; 216B.2422, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216C."

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

Senator Benson from the Committee on Health and Human Services Finance and Policy, to which was referred

S.F. No. 1363: A bill for an act relating to health; allowing community health workers to provide telemedicine services; eliminating the medical assistance limit for certain telemedicine encounters; amending Minnesota Statutes 2018, sections 62A.671, subdivision 6; 256B.0625, subdivision 3b.

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

Page 1, delete section 1

Page 3, line 10, strike "and"

Page 3, line 12, after "professional" insert ", and a community health worker who meets the criteria under subdivision 49"

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Benson from the Committee on Health and Human Services Finance and Policy, to which was re-referred

S.F. No. 1229: A bill for an act relating to insurance; requiring parity between mental health benefits and other medical benefits; requiring accountability from the commissioners of health and commerce; amending Minnesota Statutes 2018, sections 62Q.01, by adding a subdivision; 62Q.47.

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

Senator Benson from the Committee on Health and Human Services Finance and Policy, to which was re-referred

S.F. No. 8: A bill for an act relating to health; establishing an assisted living license and license requirements; establishing fees and fines; modifying the health care bill of rights and the home care bill of rights; modifying home care licensing provisions; modifying the powers and duties of the director of the Office of Health Facility Complaints; modifying consumer protection for vulnerable adults; modifying the Vulnerable Adults Act; establishing task forces; requiring reports; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2018, sections 144.051, subdivisions 4, 5, 6; 144.057, subdivision 1; 144.122; 144.1503; 144A.04, subdivision 5; 144A.10, subdivision 1; 144A.20, subdivision 1; 144A.24; 144A.26; 144A.43, subdivision 6; 144A.44, subdivision 1; 144A.441; 144A.442; 144A.45, subdivisions 1, 2; 144A.471, subdivisions 7, 9; 144A.472, subdivision 7; 144A.474, subdivisions 8, 9, 11; 144A.475, subdivisions 3b, 5; 144A.476, subdivision 1; 144A.4791, subdivision 10; 144A.4799; 144A.53, subdivision 1, by adding subdivisions; 256I.03, subdivision 15; 256I.04, subdivision 2a; 611A.033; 626.557, subdivisions 4, 9c, 12b; 626.5572, subdivisions 6, 21; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; 144G; 630; repealing Minnesota Statutes 2018, sections 144A.472, subdivision 4; 144D.01; 144D.015; 144D.02; 144D.025; 144D.03; 144D.04; 144D.045; 144D.05; 144D.06; 144D.065; 144D.066; 144D.07; 144D.08; 144D.09; 144D.10; 144D.11; 144G.01; 144G.02; 144G.03; 144G.04; 144G.05; 144G.06; 325F.72; Minnesota Rules, part 6400.6970.

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

Page 2, line 10, delete "a basic care" and insert "an"

Page 2, line 11, delete "facility or"

Page 3, line 27, delete "basic care services"

Page 3, line 28, delete "and"

Page 6, delete subdivision 20

Page 7, delete subdivision 21

Page 9, delete subdivision 28

Page 9, delete subdivision 31

Page 9, line 29, delete everything after "15"

Page 9, line 30, delete everything before the period

Page 11, delete subdivision 47

Page 14, delete subdivision 2 and insert:

"Subd. 2. **Licensure categories.** (a) Three categories of facility licensure are established under this chapter.

(b) A facility that provides basic care services must be licensed as a basic care facility. A basic care facility shall not provide comprehensive assisted living services.

(c) A facility that provides basic care services and comprehensive assisted living services must be licensed as an assisted living facility.

(d) A facility that provides basic care services and comprehensive assisted living services, and provides services in a secure dementia care unit must be licensed as an assisted living facility with a secure dementia unit."

Page 15, line 7, delete "levels of licenses" and insert "categories of licensure"

Page 15, line 15, delete "annually" and insert "at least once every three years"

Page 16, delete lines 1 to 25 and insert:

"(1) minimum requirements for move-in assessments and ongoing assessments and practice standards in sections 144A.43 to 144A.47;

(2) initial assessments and continuing assessments;

(3) emergency disaster and preparedness plans;

(4) uniform checklist disclosure of services; and

(5) uniform consumer information guide elements and other data collected."

Page 17, line 10, delete "bed" and delete "tier" and insert "category"

Page 17, delete lines 20 and 21

Page 17, line 22, delete "(8)" and insert "(7)"

Page 17, line 24, delete "(9)" and insert "(8)"

Page 17, line 26, delete "(10)" and insert "(9)"

Page 17, line 27, delete "(11)" and insert "(10)"

Page 17, line 28, delete "(12)" and insert "(11)"

Page 17, line 29, delete "(13)" and insert "(12)"

Page 18, delete lines 1 and 2

Page 18, line 3, delete "(15)" and insert "(13)"

Page 18, line 11, delete "(16)" and insert "(14)"

Page 18, line 14, delete "(17)" and insert "(15)"

Page 18, line 15, after "agents" insert "under subdivision 2"

Page 18, line 17, delete "(18)" and insert "(16)"

Page 18, line 20, delete "(19)" and insert "(17)"

Page 18, line 26, delete "(20)" and insert "(18)"

Page 18, lines 27 and 28, delete "facility" and insert "license"

Page 19, line 12, after "care" insert "facility" and delete "licensure" and insert "license"

Page 19, delete lines 14 to 16 and insert:

"(1) basic care facility, \$.....;

(2) assisted living facility, \$.....; and

(3) assisted living facility with a secure dementia unit, \$....."

Page 20, delete section 6

Page 25, line 3, delete "to" and insert "for" and delete "levels" and insert "categories"

Page 25, line 6, after "(c)" insert ", and subdivision 3"

Page 25, line 10, before the period, insert "or change in the facility's category of licensure"

Page 27, delete section 11

Page 28, line 9, after "(a)" insert "In addition to authority otherwise granted to the commissioner under this chapter,"

Page 28, line 12, after "with" insert "a secure" and delete "care" and insert "unit"

Page 28, delete lines 13 and 14 and insert:

"(1) is in violation of the license application requirements of sections 144G.13 to 144G.20, or during the term of the license, has incurred the following number of uncorrected or repeated violations:

(i) two or more uncorrected violations or one or more repeated violations of Level 3 or 4 as defined in section 144G.35, subdivision 1; or

(ii) four or more uncorrected violations or two or more repeated violations of any nature, including Level 2, Level 3, and Level 4 violations as defined in section 144G.35, subdivision 1;"

Page 29, line 3, after "has" insert "knowingly permitted"

Page 37, line 31, delete "onsite" and insert "on-site"

Page 38, line 2, delete "a" and insert "an on-site and in-person"

Page 38, line 3, after "a" insert "required"

Page 39, line 8, delete everything after "incident"

Page 39, line 9, delete everything before the comma

Page 39, line 11, delete "plus \$200 for each resident"

Page 39, line 15, delete the second comma

Page 39, line 16, delete everything before the period

Page 40, delete subdivision 7 and insert:

"Subd. 7. **Deposit of fines.** Fines collected under this section shall be deposited in a dedicated special revenue account. On an annual basis, the balance in the special revenue account shall be appropriated to the commissioner to implement the recommendations of the advisory council established in section 144A.4799."

Page 43, line 7, delete "provide" and insert "if providing" and after "services" insert ", do so"

Page 43, line 12, after "(4)" insert "if providing health-related services,"

Page 43, line 19, after "lease" insert "and the applicable NFPA life safety code"

Page 44, delete line 11

Page 44, line 12, delete "(B)" and insert "(A)"

Page 44, line 15, after the semicolon, insert "and"

Page 44, line 16, delete "(C)" and insert "(B)"

Page 44, line 17, delete "and"

Page 44, delete lines 18 and 19

Page 46, delete subdivision 2 and insert:

"Subd. 2. **Quality improvement initiative.** The facility shall engage in a quality improvement initiative appropriate to the size of the facility and relevant to the type of services provided. A quality improvement initiative means evaluating the quality of care by periodically reviewing resident services, complaints made, and other issues that have occurred and determining whether changes

in services, staffing, or other procedures need to be made in order to ensure safe and competent services to residents. Documentation about a facility's quality improvement initiative must be available for two years. Information about the quality improvement initiative must be available to the commissioner at the time of the survey, investigation, or renewal."

Page 47, line 16, delete everything after "reviews"

Page 47, line 17, delete everything before the semicolon

Page 50, delete section 4

Page 57, line 24, after "lease" insert "and within the limitations of the applicable NFPA Life Safety Code 101"

Page 58, line 15, delete "an assisted living establishment" and insert "a facility"

Page 58, lines 19 and 20, delete "assisted living establishment" and insert "facility"

Page 58, line 22, delete everything after the second "of" and insert "housing or services, the facility"

Page 58, line 23, delete "establishment"

Page 58, line 27, delete "assisted living"

Page 58, line 30, delete "assisted"

Page 58, line 31, delete the first "living" and delete "assisted living establishment" and insert "facility"

Page 59, line 1, delete "an assisted" and insert "a"

Page 59, line 2, delete "living" and delete "establishment" and insert "facility"

Page 59, line 5, delete "an assisted living" and insert "a"

Page 59, line 6, delete "establishment" and insert "facility"

Page 59, line 7, delete "assisted living"

Page 59, line 12, delete "assisted living establishment" and insert "facility"

Page 59, line 15, delete "assisted living" and insert "facility"

Page 59, line 16, delete "establishment"

Page 59, lines 17 and 21, delete "assisted living"

Page 59, lines 18 and 22, delete "assisted living establishment" and insert "facility" and delete "an assisted living" and insert "a"

Page 59, lines 24 and 25, delete "assisted living"

Page 59, line 26, delete "establishment" and insert "facility" and after "for" insert "the resident or"

Page 59, line 28, delete "assisted living establishment" and insert "facility" and delete "assisted"

Page 59, line 29, delete "living"

Page 59, line 30, delete "establishment" and insert "facility"

Page 60, line 1, delete "establishment" and insert "facility"

Page 60, line 2, delete "HOUSING"

Page 60, line 3, delete "of assisted living establishments"

Page 60, line 4, delete "an assisted living" and insert "a"

Page 60, line 5, delete "assisted living establishment" and insert "facility"

Page 60, line 6, delete the second "an" and insert "the termination of a"

Page 60, line 7, delete "assisted living"

Page 60, lines 8, 9, and 11, delete "assisted living establishment" and insert "facility"

Page 60, line 12, delete "assisted living"

Page 60, line 15, delete "establishment" and insert "facility"

Page 60, lines 19 and 26, delete "an assisted living" and insert "a"

Page 61, delete lines 1 to 7 and insert:

"(1) in the event of a termination of housing, shall identify, and work with the resident to achieve a coordinated and orderly transfer to, a safe location that is appropriate for the resident, and the facility must identify that location prior to any appeal hearing;

"(2) in the event of a termination of services, shall identify, and work with the resident to achieve a coordinated transfer to, an appropriate service provider, if services are still needed and desired by the resident, and the facility must identify the provider prior to any appeal hearing;"

Page 61, line 11, delete the period and insert "; and"

Page 61, after line 11, insert:

"(4) a resident may decline to discharge to the location the facility identifies or to transfer to the service provider the facility identifies, and may choose instead to discharge or transfer to a location or service provider of the resident's choice within the timeline prescribed in the discharge notice."

Page 64, delete subdivision 4

Page 65, line 4, after "and" insert "regularly scheduled"

Page 66, line 9, after the semicolon, insert "or"

Page 66, line 12, delete "; or" and insert a period

Page 66, delete lines 13 and 14

Page 71, line 14, after "care" insert "facility" and after "living" insert "facility"

Page 71, line 23, before "facility's" insert "assisted living"

Page 74, line 4, delete "provide" and insert "make available"

Page 74, line 28, delete "by a" and insert "of a resident contracting for health services. A"

Page 74, line 29, before the first "of" insert "shall perform at the prospective resident's expense a nursing assessment"

Page 75, line 2, after the period, insert "Residents who are not receiving any services shall not be required to undergo an initial review or nursing assessment."

Page 75, delete lines 12 and 13

Page 75, line 14, delete "(e)" and insert "(d)"

Page 76, line 13, delete the comma

Page 76, delete line 14

Page 76, line 15, delete "in an emergency"

Page 85, line 4, delete "provide" and insert "make available"

Page 87, delete section 5 and insert:

"Sec. 5. **[144G.72] RETALIATION PROHIBITED.**

(a) No facility or agent of a facility may retaliate against a resident or employee by taking adverse action directly related to the following actions performed in good faith by the resident, employee, or any person on behalf of the resident:

(1) filing a complaint, or asserts any right;

(2) filing a maltreatment report under section 626.557;

(3) reporting a reasonable suspicion of a crime or systemic problems or concerns to the administrator of the facility, the long-term care ombudsman, or a regulatory or other government agency;

(4) participating in any investigation or administrative or judicial proceeding;

(5) contacting or indicating an intention to contract to receive services from a service provider of the resident's choice other than the facility; or

(6) placing or indicating an intention to place an electronic monitoring device in the resident's private space as provided under section 144.6502.

(b) For purposes of this section, to "retaliate" against a resident includes, but is not limited to, any of the following actions taken in bad faith and not related to other events in the facility by a facility or an agent of the facility against a resident, or any person with a familial, personal, legal, or professional relationship with the resident:

(1) termination of a contract;

(2) any form of discrimination;

(3) restriction or prohibition of access:

(i) of the resident to the facility or visitors; or

(ii) of a family member or a person with a personal, legal, or professional relationship with the resident, to the resident, unless the restriction is the result of a court order;

(4) imposition of involuntary seclusion or the withholding of food, care, or services;

(5) restriction of any of the rights granted to residents under state or federal law;

(6) restriction or reduction of access to or use of amenities, care, services, privileges, or living arrangements; or

(7) unauthorized removal, tampering with, or deprivation of technology, communication, or electronic monitoring devices."

Page 89, delete section 6 and insert:

"Sec. 6. [144G.73] DECEPTIVE MARKETING AND BUSINESS PRACTICES PROHIBITED.

Deceptive marketing and business practices by a facility are prohibited. No employee or agent of any facility may:

(1) make any false, fraudulent, deceptive, or misleading statements or representations, or material omissions, in marketing, advertising, or any other description or representation of care or services in writing;

(2) fail to inform a resident in writing of any limitations to services available prior to executing a contract; or

(3) advertise or represent in writing that the facility has a special care unit, such as for dementia or memory care, without:

(i) complying with disclosure requirements under sections 325F.72 and any training requirements required by law or rule; and

(ii) after August 1, 2021, meeting and complying with all the requirements under this chapter and any adopted rules.

EFFECTIVE DATE. This section is effective August 1, 2019."

Page 90, delete section 7

Page 93, delete subdivision 11

Page 95, after line 24, insert:

"Subd. 20. **Right to electronic monitoring.** Residents have the right to place and use electronic monitoring as provided under section 144.6502."

Page 98, line 6, delete "A Tier Three" and insert "An" and after "facility" insert "with a secure dementia unit"

Page 99, line 18, delete "Tier Three" and before the semicolon, insert "with secure dementia units"

Page 102, delete line 2 and insert "ASSISTED LIVING WITH SECURE DEMENTIA UNIT LICENSURE"

Page 102, line 4, after "LIVING" insert "WITH SECURE DEMENTIA UNIT"

Page 102, line 5, delete "Tier Three"

Page 102, line 6, before the period, insert "with secure dementia units"

Page 102, line 15, delete "year" and insert "six months"

Page 102, line 17, after the first "must" insert "either present a plan acceptable to the commissioner to address the consultant's identified concerns, or"

Page 102, line 18, delete everything after "company"

Page 102, line 19, delete everything before the period

Page 102, line 20, delete "a Tier" and insert "an"

Page 102, line 21, delete "Three" and after "facility" insert "with secure dementia unit"

Page 102, line 23, delete "Tier Three" and after "Facility" insert "with Secure Dementia Unit"

Page 103, line 3, delete "a Tier Three" and insert "an"

Page 103, line 4, after "facility" insert "with a secure dementia unit"

Page 103, line 12, delete "COMPREHENSIVE PLUS" and insert "ASSISTED LIVING FACILITY WITH SECURE DEMENTIA UNIT"

Page 103, line 13, delete "a Tier Three" and insert "an" and after "facility" insert "with a secure dementia unit"

Page 103, line 17, delete "Tier Three" and insert "assisted living facility with secure dementia unit"

Page 103, line 19, delete "a Tier Three" and insert "an" and after the second "facility" insert "with secure dementia unit"

Page 103, line 27, delete "the Tier Three" and insert "an" and after "facility" insert "with secure dementia unit"

Page 104, delete line 5

Page 104, line 6, delete "(6)" and insert "(5)"

Page 104, line 8, delete "(7)" and insert "(6)"

Page 104, line 9, delete "(8)" and insert "(7)"

Page 104, line 10, delete "(9)" and insert "(8)"

Page 104, line 11, delete "(10)" and insert "(9)"

Page 104, line 13, delete "(11)" and insert "(10)"

Page 104, line 15, delete "(12)" and insert "(11)"

Page 104, line 16, delete everything before "must" and insert "A written summary addressing the topics listed in clauses (1) to (11)"

Page 104, line 19, delete "A Tier Three" and insert "An" and after "facility" insert "with a secure dementia unit"

Page 104, line 25, delete "unscheduled" and insert "anticipated"

Page 105, line 21, delete "a Tier Three" and insert "an" and after "facility" insert "with a secure dementia unit"

Page 106, line 1, delete "a Tier Three" and insert "an"

Page 106, delete line 2 and insert "living facility with a secure dementia unit must provide adaptive eating utensils for those residents who have been evaluated as needing them to maintain their eating skills; and"

Page 106, delete lines 3 to 6

Page 107, delete lines 11 and 12

Page 115, line 30, delete "- Tier Three" and insert "with secure dementia units"

Page 115, line 31, delete "- Tier Two"

Page 130, line 5, strike "PROVIDER" and insert "AND ASSISTED LIVING"

Page 130, line 8, strike "program"

Page 130, line 10, after "care" insert "or assisted living" and after "care" insert "or assisted living services"

Page 130, lines 11 and 12, after "care" insert "or assisted living"

Page 130, line 14, strike "and" and insert "or"

Page 130, line 15, after "licensure" insert "or Minnesota assisted living licensees representing assisted living or assisted living with secure dementia unit category of licensure"

Page 160, line 27, before "For" insert "(a)"

Page 160, line 28, strike "or any violations determined to be widespread," and strike "department" and insert "commissioner"

Page 160, line 29, strike the first "a" and insert "an on-site" and after the period, insert "For providers that have only Level 1 or Level 2 violations under subdivision 11, the commissioner shall conduct a follow-up survey, but may conduct the survey via telephone, fax, e-mail, or by other methods determined by the commissioner."

Page 161, line 2, delete the second "the" and after the second "new" insert "Level 3 and Level 4"

Page 161, line 3, delete "violation" and insert "violations"

Page 162, line 16, strike everything after "(e)"

Page 162, line 17, strike "specified in" and delete the new language and strike "is corrected."

Renumber the subdivisions and sections in sequence

Amend the title number accordingly

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

Senator Limmer from the Committee on Judiciary and Public Safety Finance and Policy, to which was re-referred

S.F. No. 1753: A bill for an act relating to public safety; authorizing peace officers to issue citations based on report from work zone flagger; providing penalties; amending Minnesota Statutes 2018, section 169.06, subdivision 4a.

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

Page 2, line 5, after the period, insert "A citation may be issued even though the violation did not occur in the officer's presence."

Amend the title as follows:

Page 1, line 3, delete "providing penalties;"

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

Senator Limmer from the Committee on Judiciary and Public Safety Finance and Policy, to which was re-referred

S.F. No. 746: A bill for an act relating to public safety; authorizing disclosure of emergency contacts on driver's license applications; amending Minnesota Statutes 2018, sections 171.06, subdivision 3; 171.12, 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 2018, section 171.06, subdivision 3, is amended to read:

Subd. 3. **Contents of application; other information.** (a) An application must:

(1) state the full name, date of birth, sex, and either (i) the residence address of the applicant, or (ii) designated address under section 5B.05;

(2) as may be required by the commissioner, contain a description of the applicant and any other facts pertaining to the applicant, the applicant's driving privileges, and the applicant's ability to operate a motor vehicle with safety;

(3) state:

(i) the applicant's Social Security number; or

(ii) if the applicant does not have a Social Security number and is applying for a Minnesota identification card, instruction permit, or class D provisional or driver's license, that the applicant certifies that the applicant is not eligible for a Social Security number;

(4) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7; and

(5) ~~contain spaces where~~ include a method for the applicant ~~may~~ to:

(i) request a veteran designation on the license under section 171.07, subdivision 15, and the driving record under section 171.12, subdivision 5a;

(ii) indicate a desire to make an anatomical gift under paragraph (d); ~~and~~

(iii) as applicable, designate document retention as provided under section 171.12, subdivision 3c.; and

(iv) indicate emergency contacts as provided under section 171.12, subdivision 5b.

(b) Applications must be accompanied by satisfactory evidence demonstrating:

(1) identity, date of birth, and any legal name change if applicable; and

(2) for driver's licenses and Minnesota identification cards that meet all requirements of the REAL ID Act:

(i) principal residence address in Minnesota, including application for a change of address, unless the applicant provides a designated address under section 5B.05;

(ii) Social Security number, or related documentation as applicable; and

(iii) lawful status, as defined in Code of Federal Regulations, title 6, section 37.3.

(c) An application for an enhanced driver's license or enhanced identification card must be accompanied by:

(1) satisfactory evidence demonstrating the applicant's full legal name and United States citizenship; and

(2) a photographic identity document.

EFFECTIVE DATE. This section is effective July 1, 2020.

Sec. 2. Minnesota Statutes 2018, section 171.12, is amended by adding a subdivision to read:

Subd. 5b. Emergency contacts; data classification. (a) Upon a request by an applicant for a driver's license, instruction permit, or Minnesota identification card under section 171.06, subdivision 3, the commissioner must maintain electronic records of names and contact information for up to three emergency contacts for the applicant.

(b) A person who has provided emergency contact information under this subdivision may change, add, or delete the information at any point. Notwithstanding section 171.061, a driver's license agent must not charge a fee for a transaction described in this paragraph.

(c) Emergency contact data are classified as private data on individuals as defined in section 13.02, subdivision 12, except that the commissioner may share emergency contact information with peace officers, emergency medical technicians, paramedics, and authorized emergency department staff to notify the emergency contacts regarding an emergency.

EFFECTIVE DATE. This section is effective July 1, 2020."

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

Senator Limmer from the Committee on Judiciary and Public Safety Finance and Policy, to which was re-referred

S.F. No. 342: A bill for an act relating to human services; permitting parent to petition for reestablishment of the legal parent and child relationship; prohibiting disqualification of individuals subject to human services background studies with expunged criminal records; amending Minnesota Statutes 2018, sections 245C.08, subdivision 1; 260C.329, subdivisions 3, 7, 8, by adding a subdivision; repealing Minnesota Statutes 2018, section 260C.329, subdivision 5.

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

Page 1, delete section 1

Page 3, line 16, delete "in cases of indigency" and insert "pursuant to chapter 563"

Page 3, line 18, after "(1)" insert "in cases where the county attorney is the petitioning party,"

Page 3, lines 19 and 20, delete the new language

Page 3, line 24, delete "24" and insert "48"

Page 4, line 3, before "A" insert "(a)"

Page 4, after line 22, insert:

"(b) Prior to filing a petition for reestablishment under this section, a parent must notify the responsible social services agency of their intent to petition for reestablishment. Notice must be provided 45 days prior to filing using a form created by the commissioner that includes the information listed in paragraph (a). The parent must file a copy of the notice with the petition for reestablishment."

Page 4, line 27, reinstate the stricken language and after "(2)" insert "in cases where the county attorney is the petitioning party"

Page 4, line 28, reinstate the stricken language

Page 5, line 12, delete "24" and insert "48"

Page 5, after line 18, insert:

"Sec. 5. Minnesota Statutes 2018, section 260C.329, is amended by adding a subdivision to read:

Subd. 12. **Denial; subsequent petitions.** If the court denies a parent's petition under this section after a hearing, the court must make a written order barring the filing of subsequent petitions by the parent. The court must provide the length of the time period the parent is barred from filing a subsequent petition, make written findings in support of the order, and evaluate the best interests of the child."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, delete line 4

Amend the title numbers accordingly

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

Senator Limmer from the Committee on Judiciary and Public Safety Finance and Policy, to which was re-referred

S.F. No. 2012: A bill for an act relating to human services; establishing the Community Competency Restoration Task Force; requiring reports; appropriating money.

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

Page 1, line 17, delete "system" and insert "System"

Page 2, line 5, after "the" insert "Minnesota"

Page 2, delete line 6 and insert "(11) two representatives appointed by the Minnesota County Attorneys Association;"

Page 2, line 7, after "the" insert "Minnesota" and after "Police" insert "Association"

Page 2, line 13, delete "Sheriff's" and insert "Sheriffs"

Page 2, line 14, after "the" insert "Minnesota" and before "Commission" insert "Guidelines"

Page 2, line 15, delete "commissioner of corrections" and insert "Minnesota Sheriffs' Association"

Page 2, line 23, delete "and"

Page 2, after line 23, insert:

"(24) a representative appointed by the Minnesota Assistance Council for Veterans; and"

Page 2, line 24, delete "(24)" and insert "(25)"

And when so amended the bill do pass and be re-referred to the Committee on State Government Finance and Policy and Elections.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Limmer from the Committee on Judiciary and Public Safety Finance and Policy, to which was re-referred

S.F. No. 1609: A bill for an act relating to health; prohibiting abortions at or after 20 weeks postfertilization age unless certain exceptions apply; providing civil and criminal penalties;

appropriating money; amending Minnesota Statutes 2018, section 145.4131, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 8; 145.

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Limmer from the Committee on Judiciary and Public Safety Finance and Policy, to which was referred

S.F. No. 173: A bill for an act relating to public safety; modifying compensation for exonerated persons; amending Minnesota Statutes 2018, sections 590.11, subdivisions 1, 2, 5, 7; 611.365, subdivisions 2, 3; 611.367; 611.368.

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

Page 4, line 3, delete "or"

Page 4, line 4, delete the new language

Page 5, line 2, delete "or probation"

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

Senator Limmer from the Committee on Judiciary and Public Safety Finance and Policy, to which was re-referred

S.F. No. 1367: A bill for an act relating to early childhood; modifying eligibility requirements for early learning scholarships; permitting certain data to be accessed by the Department of Human Services and shared with the Department of Education; classifying certain licensing violation data as private and nonpublic data after seven years; expanding the definition of child care assistance program payment data; requiring the commissioner of human services to publicly display results of child care licensing reports for longer than the minimum time required by federal law; amending Minnesota Statutes 2018, sections 13.46, subdivisions 2, 4; 13.461, subdivision 28; 119B.02, subdivision 6; 124D.165, subdivisions 2, 4, by adding a subdivision; 245A.04, subdivision 4.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Human Services Reform Finance and Policy.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Limmer from the Committee on Judiciary and Public Safety Finance and Policy, to which was referred

S.F. No. 1263: A bill for an act relating to public safety; enabling reporting of information related to use of electronic device location tracking warrants; amending Minnesota Statutes 2018, sections 626A.08, subdivision 2; 626A.37, 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 2018, section 3.8843, subdivision 7, is amended to read:

Subd. 7. **Expiration.** This section expires June 30, ~~2019~~ 2026.

Sec. 2. Minnesota Statutes 2018, section 13.201, is amended to read:

13.201 RIDESHARE DATA.

The following data on participants, collected by ~~the Minnesota Department of Transportation and the Metropolitan Council~~ a government entity to administer rideshare programs, are classified as private under section 13.02, subdivision 12, or nonpublic under section 13.02, subdivision 9: residential address and telephone number; beginning and ending work hours; current mode of commuting to and from work; place of employment; photograph; biographical information; and type of rideshare service information requested.

Sec. 3. Minnesota Statutes 2018, section 13.72, subdivision 19, is amended to read:

Subd. 19. **Transit customer data.** (a) Data on applicants, users, and customers of public transit collected by or through ~~the Metropolitan Council's~~ a government entity's personalized web services or the Metropolitan Council's regional fare collection system are private data on individuals. As used in this subdivision, the following terms have the meanings given them:

(1) "regional fare collection system" means the fare collection system created and administered by the council that is used for collecting fares or providing fare cards or passes for transit services which includes:

(i) regular route bus service within the metropolitan area and paratransit service, whether provided by the council or by other providers of regional transit service;

(ii) light rail transit service within the metropolitan area;

(iii) rideshare programs administered by the council;

(iv) special transportation services provided under section 473.386; and

(v) commuter rail service;

(2) "personalized web services" means services for which transit service applicants, users, and customers must establish a user account; and

(3) "metropolitan area" means the area defined in section 473.121, subdivision 2.

(b) ~~The council~~ A government entity may disseminate data on user and customer transaction history and fare card use to government entities, organizations, school districts, educational institutions, and employers that subsidize or provide fare cards to their clients, students, or employees.

"Data on user and customer transaction history and fare card use" means:

- (1) the date a fare card was used;
- (2) the time a fare card was used;
- (3) the mode of travel;
- (4) the type of fare product used; and
- (5) information about the date, time, and type of fare product purchased.

Government entities, organizations, school districts, educational institutions, and employers may use customer transaction history and fare card use data only for purposes of measuring and promoting fare card use and evaluating the cost-effectiveness of their fare card programs. If a user or customer requests in writing that the council limit the disclosure of transaction history and fare card use, the council may disclose only the card balance and the date a card was last used.

(c) ~~The council~~ A government entity may disseminate transit service applicant, user, and customer data to another government entity to prevent unlawful intrusion into government electronic systems, or as otherwise provided by law.

Sec. 4. Minnesota Statutes 2018, section 171.306, subdivision 2, is amended to read:

Subd. 2. Performance standards; certification; manufacturer and provider requirements.

(a) The commissioner shall establish performance standards and a process for certifying devices used in the ignition interlock program, except that the commissioner may not establish standards that, directly or indirectly, require devices to use or enable location tracking capabilities without a court order.

(b) The manufacturer of a device must apply annually for certification of the device by submitting the form prescribed by the commissioner. The commissioner shall require manufacturers of certified devices to:

(1) provide device installation, servicing, and monitoring to indigent program participants at a discounted rate, according to the standards established by the commissioner; ~~and~~

(2) include in an ignition interlock device contract a provision that a program participant who voluntarily terminates participation in the program is only liable for servicing and monitoring costs incurred during the time the device is installed on the motor vehicle, regardless of whether the term of the contract has expired; and

(3) include in any contract between the manufacturer and an Internet or cellular service provider a requirement that the provider not sell or transfer to, or share with, another entity, information about the actual or approximate location of the device at any point in time unless required to do so under a court order or warrant.

(c) The manufacturer of a certified device must include with an ignition interlock device contract a separate notice to the program participant regarding any location tracking capabilities of the device.

(d) The manufacturer of a certified device may not sell or transfer to, or share with, any entity, other than the Department of Public Safety, information about the actual or approximate location of a device at any point in time unless required to do so under a court order or warrant.

Sec. 5. Minnesota Statutes 2018, section 363A.35, subdivision 3, is amended to read:

Subd. 3. **Access to closed files.** (a) Except as otherwise provided in this subdivision, human rights investigative data contained in a closed case file are private data on individuals or nonpublic data. The name and address of the charging party and respondent, factual basis of the allegations, the statute under which the action is brought, the part of the summary of the investigation that does not contain identifying data on a person other than the complainant or respondent, and the commissioner's memorandum determining whether probable cause has been shown are public data.

(b) The commissioner may make human rights investigative data contained in a closed case file inaccessible to the charging party or the respondent in order to protect medical or other security interests of the parties or third persons.

(c) Except for paragraph (b), when the charging party files a case in district court, the commissioner may provide private data or nonpublic data in a closed case file to the charging party and respondent.

Sec. 6. Minnesota Statutes 2018, section 465.719, subdivision 14, is amended to read:

Subd. 14. **Data classification.** The following data created, collected, or maintained by a corporation subject to this section are classified as private data under section 13.02, subdivision 12, or as nonpublic data under section 13.02, subdivision 9: (1) data relating either (i) to private businesses consisting of financial statements, credit reports, audits, business plans, income and expense projections, customer lists, balance sheets, income tax returns, and design, market, and feasibility studies not paid for with public funds, or (ii) to enterprises operated by the corporation that are in competition with entities offering similar goods and services, so long as the data are not generally known or readily ascertainable by proper means and disclosure of specific data would cause harm to the competitive position of the enterprise or private business, provided that the goods or services do not require a tax levy; and (2) any data identified in ~~sections section~~ section 13.201 and 13.72, subdivision 9; collected or received by a transit organization.

Sec. 7. **[626.085] SEARCH WARRANT REQUIRED FOR ELECTRONIC COMMUNICATION INFORMATION.**

Subdivision 1. **Definitions.** As used in this section, the following terms have the meanings given them:

(1) "electronic communication" means the transfer of signs, signals, writings, images, sounds, data, or intelligence of any nature in whole or in part by a wire, radio, electromagnetic, photoelectric, or photo-optical system;

(2) "electronic communication information" means any information about an electronic communication or the use of an electronic communication service, limited to the contents of electronic communications and precise or approximate location of the sender or recipients at any point during the communication;

(3) "electronic communication service" has the meaning given in section 626A.01, subdivision 17; and

(4) "government entity" has the meaning given in section 626A.42, subdivision 1, paragraph (d).

Subd. 2. **Warrant required; exceptions.** (a) Except as provided in paragraph (b), a government entity must obtain a search warrant to access electronic communication information.

(b) A government entity may access electronic communication information without a search warrant if the agency has valid consent from one authorized to give it, or exigent circumstances exist where there is a danger to the life or physical safety of an individual.

Subd. 3. **Notice to subject.** A government entity accessing electronic communication information under subdivision 2 must provide notice to the subject of the information consistent with the requirements of subdivision 4 and section 626.16.

Subd. 4. **Notice; temporary nondisclosure of search warrant.** (a) Within a reasonable time but not later than 90 days after the court unseals the search warrant under this subdivision, the issuing or denying judge shall cause to be served on the persons named in the warrant and the application an inventory which shall include notice of:

(1) the fact of the issuance of the warrant or the application;

(2) the date of the issuance and the period of authorized, approved, or disapproved collection of electronic communication information, or the denial of the application; and

(3) the fact that during the period electronic communication information was or was not collected.

(b) A search warrant authorizing collection of electronic communication information must direct that:

(1) the warrant be sealed for a period of 90 days or until the objective of the warrant has been accomplished, whichever is shorter; and

(2) the warrant be filed with the court administrator within ten days of the expiration of the warrant.

(c) The prosecutor may request that the search warrant, supporting affidavits, and any order granting the request not be filed. An order must be issued granting the request in whole or in part if, from affidavits, sworn testimony, or other evidence, the court finds reasonable grounds exist to believe that filing the warrant may cause the search or a related search to be unsuccessful, create a substantial risk of injury to an innocent person, or severely hamper an ongoing investigation.

(d) The search warrant must direct that following the commencement of any criminal proceeding utilizing evidence obtained in or as a result of the search, the supporting application or affidavit must be filed either immediately or at any other time as the court directs. Until such filing, the documents and materials ordered withheld from filing must be retained by the judge or the judge's designee.

Subd. 5. **Reports.** (a) At the same time as notice is provided according to the requirements of subdivision 4, the issuing or denying judge shall report to the state court administrator:

(1) the fact that a warrant was applied for under this section;

(2) the fact that the warrant was granted as applied for, was modified, or was denied;

(3) the period of collection of electronic communication information authorized by the warrant, and the number and duration of any extensions of the warrant;

(4) the offense specified in the warrant or application, or extension of a warrant; and

(5) the identity of the applying investigative or peace officer and agency making the application and the person authorizing the application.

(b) On or before November 15 of each even-numbered year, the state court administrator shall transmit to the legislature a report concerning: (1) all warrants authorizing the collection of electronic communication information during the two previous calendar years; and (2) all applications that were denied during the two previous calendar years. Each report shall include a summary and analysis of the data required to be filed under this section. The report is public and must be available for public inspection at the Legislative Reference Library and the state court administrator's office and website.

(c) Nothing in this section prohibits or restricts a service provider from producing an annual report summarizing the demands or requests it receives under this section.

Sec. 8. [626.19] USE OF UNMANNED AERIAL VEHICLES.

Subdivision 1. **Application; definitions.** (a) This section applies to law enforcement agencies that maintain, use, or plan to use an unmanned aerial vehicle in investigations, training, or in response to emergencies, incidents, and requests for service.

(b) For purposes of this section, the following terms have the meanings given:

(1) "law enforcement agency" has the meaning given in section 626.84, subdivision 1; and

(2) "unmanned aerial vehicle" or "UAV" means an aircraft that is operated without the possibility of direct human intervention from within or on the aircraft.

Subd. 2. **Use of unmanned aerial vehicles limited.** Except as provided in subdivision 3, a law enforcement agency may not operate a UAV without a search warrant issued under this chapter.

Subd. 3. **Authorized use.** (a) A law enforcement agency may use a UAV during or immediately after an emergency situation that involves the risk of death or serious physical harm to a person.

(b) A law enforcement agency may use a UAV over a public event where there is a substantial risk to the safety of participants or bystanders. If a law enforcement agency collects information under this paragraph it must document each use, connect each deployment to a unique case number, and provide a description of the facts giving rise to a substantial risk.

(c) A law enforcement agency may operate a UAV to counter a high risk of a terrorist attack by a specific individual or organization if the agency determines that credible intelligence indicates this risk.

(d) A law enforcement agency may use a UAV to prevent the loss of life and property in natural or man-made disasters and to facilitate the operational planning, rescue, and recovery operations in the aftermath of these disasters.

(e) A law enforcement agency may use a UAV for officer training purposes.

(f) A law enforcement agency may operate a UAV for a non-law-enforcement purpose at the request of a government entity, as defined in section 13.02, subdivision 7a, provided that the government entity makes the request in writing and specifies the reason for the request and proposed period of use.

Subd. 4. **Limitations on use.** (a) A law enforcement agency operating a UAV must fully comply with all Federal Aviation Administration requirements and guidelines.

(b) The governing body overseeing the law enforcement agency must approve the agency's acquisition of a UAV.

(c) Unless specifically authorized in a warrant, a law enforcement agency must use a UAV to collect data only on a clearly and narrowly defined target and avoid data collection on individuals, homes, or areas other than the defined target.

(d) A law enforcement agency may not deploy a UAV with facial recognition or other biometric-matching technology unless expressly authorized by a warrant.

(e) A law enforcement agency may not equip a UAV with weapons.

(f) A law enforcement agency may not use a UAV to collect data on public protests or demonstrations unless expressly authorized by a warrant or an exception applies under subdivision 3. A law enforcement agency must document which exception applies or whether a warrant was obtained.

Subd. 5. **Data classification; retention.** (a) Data collected by a UAV are private data on individuals or nonpublic data, subject to the following:

(1) if the individual requests a copy of the recording, data on other individuals who do not consent to its release must be redacted from the copy;

(2) UAV data may be disclosed as necessary in an emergency situation under subdivision 3, paragraph (a);

(3) UAV data may be disclosed to the government entity making a request for UAV use under subdivision 3, paragraph (f);

(4) UAV data that are criminal investigative data are governed by section 13.82, subdivision 7; and

(5) UAV data that are not public data under other provisions of chapter 13 retain that classification.

(b) Section 13.04, subdivision 2, does not apply to data collected by a UAV.

(c) Notwithstanding section 138.17, a law enforcement agency must delete data collected by a UAV as soon as possible, and in no event later than seven days after collection unless the data is part of an active criminal investigation.

Subd. 6. **Evidence.** Information obtained or collected by a law enforcement agency in violation of this section is not admissible as evidence in a criminal, administrative, or civil proceeding against the data subject.

Subd. 7. **Remedies.** An aggrieved party may initiate a civil action against a law enforcement agency to obtain all appropriate relief to prevent or remedy a violation of this section, including remedies available under chapter 13.

Subd. 8. **Written policies required.** The chief officer of every state and local law enforcement agency that uses or plans to use a UAV must establish and enforce a written policy governing UAV use. The agency must post the written policy on its website, if the agency has a website.

Subd. 9. **Notice; disclosure of warrant.** (a) Within a reasonable time but not later than 90 days after the court unseals a warrant under this subdivision, the issuing or denying judge shall cause to be served on the persons named in the warrant and the application an inventory that shall include notice of:

(1) the fact of the issuance of the warrant or the application;

(2) the date of the issuance and the period of authorized, approved, or disapproved collection of information, or the denial of the application; and

(3) the fact that during the period information was or was not collected.

(b) A warrant authorizing collection of information with a UAV must direct that:

(1) the warrant be sealed for a period of 90 days or until the objective of the warrant has been accomplished, whichever is shorter; and

(2) the warrant be filed with the court administrator within ten days of the expiration of the warrant.

(c) The prosecutor may request that the warrant, supporting affidavits, and any order granting the request not be filed. An order must be issued granting the request in whole or in part if, from affidavits, sworn testimony, or other evidence, the court finds reasonable grounds exist to believe that filing the warrant may cause the search or a related search to be unsuccessful, create a substantial risk of injury to an innocent person, or severely hamper an ongoing investigation.

(d) The warrant must direct that following the commencement of any criminal proceeding using evidence obtained in or as a result of the search, the supporting application or affidavit must be filed

either immediately or at any other time as the court directs. Until such filing, the documents and materials ordered withheld from filing must be retained by the judge or the judge's designee.

Subd. 10. **Reporting.** (a) By January 15 of each year, each law enforcement agency that deploys a UAV shall report to the commissioner of public safety the following information for the preceding calendar year:

(1) the number of times a UAV was deployed, organized by the types of incidents and the types of justification for deployment;

(2) the number of criminal investigations aided by the deployment of UAVs;

(3) the number of deployments of UAVs for reasons other than criminal investigations; and

(4) the total cost of the agency's UAV program.

(b) By June 15 of each year, the commissioner of public safety shall compile a full and complete report summarizing the information submitted to the commissioner under paragraph (a), and submit the report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over criminal justice and public safety issues and make the report public on the department's website.

(c) By January 15 of each year, any judge who has issued a warrant under this section that expired during the preceding year, or who has denied approval during that year, shall report to the state court administrator:

(1) the fact that a warrant or extension was applied for;

(2) the kind of warrant or extension applied for;

(3) the fact that the warrant or extension was granted as applied for, was modified, or was denied;

(4) the period of UAV use authorized by the warrant and the number and duration of any extensions of the warrant;

(5) the offense specified in the warrant or application or extension of a warrant; and

(6) the identity of the law enforcement agency making the application and the person authorizing the application.

(d) By June 15 of each year, the state court administrator shall transmit to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over criminal justice and public safety issues and post on the supreme court's website a full and complete report concerning the number of applications for warrants authorizing or approving operation of UAVs or disclosure of information from the operation of UAVs under this section and the number of warrants and extensions granted or denied under this section during the preceding calendar year. The report must include a summary and analysis of the data required to be filed with the state court administrator by paragraph (c).

Sec. 9. Minnesota Statutes 2018, section 626A.08, subdivision 2, is amended to read:

Subd. 2. **Application and orders.** (a) Applications made and warrants issued under this chapter shall be sealed by the judge. Custody of the applications and orders shall be wherever the judge directs. Such applications and orders shall be disclosed only upon a showing of good cause before a judge of the district court and shall not be destroyed except on order of the issuing or denying judge, and in any event shall be kept for ten years.

(b) Notwithstanding paragraph (a), the filing, sealing, and reporting requirements for applications made and warrants issued under this chapter that involve location information of electronic devices, as defined in section 626A.42, are governed by section 626A.42, subdivision 4. However, applications and warrants, or portions of applications and warrants, that do not involve location information of electronic devices continue to be governed by paragraph (a).

Sec. 10. Minnesota Statutes 2018, section 626A.26, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** Subdivision 1 does not apply with respect to conduct authorized:

- (1) by the person or entity providing a wire or electronic communications service;
- (2) by a user of that service with respect to a communication of or intended for that user; or
- (3) in ~~sections~~ section 626.085, 626A.05 to 626A.09, or 626A.28, or 626A.29.

Sec. 11. Minnesota Statutes 2018, section 626A.27, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** A person or entity may divulge the contents of a communication:

(1) to an addressee or intended recipient of the communication or an agent of the addressee or intended recipient;

(2) as otherwise authorized in section 626.085, 626A.02, subdivision 2, paragraph (a); 626A.05; or section 626A.28;

(3) with the lawful consent of the originator or an addressee or intended recipient of the communication, or the subscriber in the case of remote computing service;

(4) to a person employed or authorized or whose facilities are used to forward a communication to its destination;

(5) as may be necessarily incident to the rendition of the service or to the protection of the rights or property of the provider of that service; or

(6) to a law enforcement agency, if the contents:

- (i) were inadvertently obtained by the service provider; and
- (ii) appear to pertain to the commission of a crime.

Sec. 12. Minnesota Statutes 2018, section 626A.28, subdivision 3, is amended to read:

Subd. 3. **Records concerning electronic communication service or remote computing service.**

(a) Except as provided in paragraph (b) or chapter 325M, a provider of electronic communication

service or remote computing service may disclose a record or other information pertaining to a subscriber to or customer of the service, not including the contents of communications ~~covered by subdivision 1 or 2~~, to any person other than a governmental entity.

(b) A provider of electronic communication service or remote computing service may disclose a record or other information pertaining to a subscriber to or customer of the service, not including the contents of communications ~~covered by subdivision 1 or 2~~, to a governmental entity only when the governmental entity:

- (1) uses an administrative subpoena authorized by statute, or a grand jury subpoena;
- (2) obtains a warrant;
- (3) obtains a court order for such disclosure under subdivision 4; or
- (4) has the consent of the subscriber or customer to the disclosure.

(c) A governmental entity receiving records or information under this subdivision is not required to provide notice to a subscriber or customer.

(d) Notwithstanding paragraph (b), a provider of electronic communication service or remote computing service may not disclose location information covered by section 626A.42 to a government entity except as provided in that section.

Sec. 13. Minnesota Statutes 2018, section 626A.28, subdivision 4, is amended to read:

Subd. 4. **Requirements for court order.** A court order for disclosure under subdivision ~~2 or 3~~ must issue only if the governmental entity shows that there is reason to believe the ~~contents of a wire or electronic communication, or the~~ records or other information sought, are relevant to a legitimate law enforcement inquiry. A court issuing an order pursuant to this section, on a motion made promptly by the service provider, may quash or modify such order, if the information or records requested are unusually voluminous in nature or compliance with such order otherwise would cause an undue burden on such provider.

Sec. 14. Minnesota Statutes 2018, section 626A.28, subdivision 5, is amended to read:

Subd. 5. **No cause of action against a provider disclosing certain information.** No cause of action lies in any court against any provider of wire or electronic communication service, its officers, employees, agents, or other specified persons for providing information, facilities, or assistance in accordance with the terms of a court order, warrant, subpoena, or certification under ~~sections~~ section 626.085 or 626A.26 to 626A.34.

Sec. 15. Minnesota Statutes 2018, section 626A.31, subdivision 1, is amended to read:

Subdivision 1. **Payment.** Except as otherwise provided in subdivision 3, a governmental entity obtaining ~~the contents of communications,~~ records, or other information under ~~sections~~ section 626A.27, or 626A.28, and 626A.29 shall pay to the person or entity assembling or providing the information a fee for reimbursement for costs that are reasonably necessary and that have been directly incurred in searching for, assembling, reproducing, or otherwise providing the information. The reimbursable costs must include any costs due to necessary disruption of normal operations of

the electronic communication service or remote computing service in which the information may be stored.

Sec. 16. Minnesota Statutes 2018, section 626A.37, subdivision 4, is amended to read:

Subd. 4. **Nondisclosure of existence of pen register, trap and trace device, or mobile tracking device.** (a) An order authorizing or approving the installation and use of a pen register, trap and trace device, or a mobile tracking device must direct that:

(1) the order be sealed until otherwise ordered by the court; and

(2) the person owning or leasing the line to which the pen register or a trap and trace device is attached, or who has been ordered by the court to provide assistance to the applicant, not disclose the existence of the pen register, trap and trace device, mobile tracking device, or the existence of the investigation to the listed subscriber, or to any other person, unless or until otherwise ordered by the court.

(b) Paragraph (a) does not apply to an order that involves location information of electronic devices, as defined in section 626A.42. Instead, the filing, sealing, and reporting requirements for those orders are governed by section 626A.42, subdivision 4. However, any portion of an order that does not involve location information of electronic devices continues to be governed by paragraph (a).

Sec. 17. **REPEALER.**

Minnesota Statutes 2018, sections 13.72, subdivision 9; 626A.28, subdivisions 1 and 2; 626A.29; and 626A.30, are repealed.

Sec. 18. **EFFECTIVE DATE.**

Sections 1, 2, 6, 9, and 16 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to privacy; delaying expiration of the legislative commission on data practices; expanding rideshare data classification to include all government entities; providing unredacted information to the parties in a closed case under certain circumstances; enabling reporting of information related to use of electronic device location tracking warrants; requiring a government entity to obtain a search warrant before accessing electronic communication information; restricting the sharing of location information on ignition interlock devices in certain circumstances; regulating the use of unmanned aerial vehicles by law enforcement agencies; amending Minnesota Statutes 2018, sections 3.8843, subdivision 7; 13.201; 13.72, subdivision 19; 171.306, subdivision 2; 363A.35, subdivision 3; 465.719, subdivision 14; 626A.08, subdivision 2; 626A.26, subdivision 3; 626A.27, subdivision 2; 626A.28, subdivisions 3, 4, 5; 626A.31, subdivision 1; 626A.37, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 626; repealing Minnesota Statutes 2018, sections 13.72, subdivision 9; 626A.28, subdivisions 1, 2; 626A.29; 626A.30."

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

**Senator Limmer from the Committee on Judiciary and Public Safety Finance and Policy,
to which was referred**

S.F. No. 2686: A bill for an act relating to health; establishing an assisted living license and license requirements; establishing fees and fines; modifying the health care bill of rights and the home care bill of rights; modifying home care licensing provisions; modifying the powers and duties of the director of the Office of Health Facility Complaints; modifying consumer protection for vulnerable adults; modifying the Vulnerable Adults Act; establishing task forces; requiring reports; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2018, sections 144.051, subdivisions 4, 5, 6; 144.057, subdivision 1; 144.122; 144.1503; 144A.04, subdivision 5; 144A.10, subdivision 1; 144A.20, subdivision 1; 144A.24; 144A.26; 144A.43, subdivision 6; 144A.44, subdivision 1; 144A.441; 144A.442; 144A.45, subdivisions 1, 2; 144A.471, subdivisions 7, 9; 144A.472, subdivision 7; 144A.474, subdivisions 8, 9, 11; 144A.475, subdivisions 3b, 5; 144A.476, subdivision 1; 144A.4791, subdivision 10; 144A.4799; 144A.53, subdivision 1, by adding subdivisions; 256I.03, subdivision 15; 256I.04, subdivision 2a; 611A.033; 626.557, subdivisions 4, 9c, 12b; 626.5572, subdivisions 6, 21; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; 144G; 630; repealing Minnesota Statutes 2018, sections 144A.472, subdivision 4; 144D.01; 144D.015; 144D.02; 144D.025; 144D.03; 144D.04; 144D.045; 144D.05; 144D.06; 144D.065; 144D.066; 144D.07; 144D.08; 144D.09; 144D.10; 144D.11; 144G.01; 144G.02; 144G.03; 144G.04; 144G.05; 144G.06; 325F.72; Minnesota Rules, part 6400.6970.

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

Page 2, line 10, delete "a basic care" and insert "an"

Page 2, line 11, delete "facility or"

Page 3, line 20, delete "base" and insert "basic"

Page 3, line 27, delete "basic care services"

Page 3, line 28, delete "and"

Page 6, delete subdivision 20

Page 9, delete subdivision 28

Page 9, delete subdivision 31

Page 9, line 29, delete everything after "15"

Page 9, line 30, delete everything before the period

Page 11, delete subdivision 47

Page 14, delete subdivision 2 and insert:

"Subd. 2. Licensure categories. (a) Three categories of facility licensure are established under this chapter.

(b) A facility that provides basic care services must be licensed as a basic care facility. A basic care facility shall not provide comprehensive assisted living services.

(c) A facility that provides basic care services and comprehensive assisted living services must be licensed as an assisted living facility.

(d) A facility that provides basic care services and comprehensive assisted living services, and provides services in a secure dementia care unit must be licensed as an assisted living facility with a secure dementia unit."

Page 14, line 14, delete everything after "misdemeanor" and insert a period

Page 14, delete lines 15 to 18

Page 14, line 19, delete "(c)" and insert "(b)"

Page 15, line 7, delete "levels of licenses" and insert "categories of licensure"

Page 15, line 15, delete "annually" and insert "at least once every three years"

Page 15, line 28, delete everything after "rulemaking"

Page 15, line 29, delete everything before the period

Page 16, delete lines 1 to 25 and insert:

"(1) minimum requirements for move-in assessments and ongoing assessments and practice standards in sections 144A.43 to 144A.47;

(2) initial assessments and continuing assessments;

(3) emergency disaster and preparedness plans;

(4) uniform checklist disclosure of services; and

(5) uniform consumer information guide elements and other data collected."

Page 16, after line 26, insert:

"(e) The commissioner of health may adopt permanent rules under this section by June 30, 2022. If the commissioner of health does not adopt rules by June 30, 2022, rulemaking authority under this section is repealed. Rulemaking authority under this section is not continuing authority to amend or repeal rules. Notwithstanding section 14.125, any additional action on rules after adoption must be under specific statutory authority to take the additional action."

Page 17, line 10, delete "bed" and delete "tier" and insert "category"

Page 17, delete lines 20 and 21

Page 17, line 22, delete "(8)" and insert "(7)"

Page 17, line 24, delete "(9)" and insert "(8)" and delete "no" and delete everything after "coverage"

Page 17, line 25, after "of" insert "the"

Page 17, line 26, delete "(10)" and insert "(9)"

Page 17, line 27, delete "(11)" and insert "(10)"

Page 17, line 28, delete "(12)" and insert "(11)"

Page 17, line 29, delete "(13)" and insert "(12)"

Page 18, delete lines 1 and 2

Page 18, line 3, delete "(15)" and insert "(13)"

Page 18, line 11, delete "(16)" and insert "(14)"

Page 18, line 14, delete "(17)" and insert "(15)"

Page 18, line 15, after "agents" insert "under subdivision 2"

Page 18, line 17, delete "(18)" and insert "(16)"

Page 18, line 20, delete "(19)" and insert "(17)"

Page 18, line 26, delete "(20)" and insert "(18)"

Page 18, lines 27 and 28, delete "facility" and insert "license"

Page 19, line 12, after "care" insert "facility" and delete "licensure" and insert "license"

Page 19, delete lines 14 to 16 and insert:

"(1) basic care facility, \$.....;

(2) assisted living facility, \$.....; and

(3) assisted living facility with a secure dementia unit, \$....."

Page 19, line 22, delete "still" and delete "criminal gross"

Page 20, delete section 6

Page 25, line 3, delete "to" and insert "for" and delete "levels" and insert "categories"

Page 25, line 6, after "(c)" insert ", and subdivision 3"

Page 25, line 10, before the period, insert "or change in the facility's category of licensure"

Page 27, delete section 11

Page 28, line 9, after "(a)" insert "In addition to authority otherwise granted to the commissioner under this chapter,"

Page 28, line 12, after "with" insert "a secure" and delete "care" and insert "unit"

Page 28, delete lines 13 and 14 and insert:

"(1) is in violation of the license application requirements of sections 144G.13 to 144G.20, or during the term of the license, has incurred the following number of uncorrected or repeated violations:

(i) two or more uncorrected violations or one or more repeated violations of Level 3 or 4 as defined in section 144G.35, subdivision 1; or

(ii) four or more uncorrected violations or two or more repeated violations of any nature, including Level 2, Level 3, and Level 4 violations as defined in section 144G.35, subdivision 1;"

Page 29, line 3, after "has" insert "knowingly permitted"

Page 32, line 23, after "license" insert "under section 144G.21 or 144G.22"

Page 32, line 27, after the second "hearing" insert "under section 144G.27"

Page 33, line 4, delete "this section" and insert "sections 144G.21, 144G.22, and 144G.24"

Page 33, line 17, after "license" insert "under section 144G.23"

Page 37, line 31, delete "onsite" and insert "on-site"

Page 38, line 2, delete "a" and insert "an on-site and in-person"

Page 38, line 3, after "a" insert "required"

Page 39, line 8, delete everything after "incident"

Page 39, line 9, delete everything before the comma

Page 39, line 11, delete "plus \$200 for each resident"

Page 39, line 15, delete the second comma

Page 39, line 16, delete everything before the period

Page 40, delete subdivision 7 and insert:

"Subd. 7. **Deposit of fines.** Fines collected under this section shall be deposited in a dedicated special revenue account. On an annual basis, the balance in the special revenue account shall be appropriated to the commissioner to implement the recommendations of the advisory council established in section 144A.4799."

Page 43, line 7, delete "provide" and insert "if providing" and after "services" insert ", do so"

Page 43, line 12, after "(4)" insert "if providing health-related services,"

Page 43, line 19, after "lease" insert "and the applicable NFPA life safety code"

Page 44, delete line 11

Page 44, line 12, delete "(B)" and insert "(A)"

Page 44, line 15, after the semicolon, insert "and"

Page 44, line 16, delete "(C)" and insert "(B)"

Page 44, line 17, delete "and"

Page 44, delete lines 18 and 19

Page 46, delete subdivision 2 and insert:

"Subd. 2. **Quality improvement initiative.** The facility shall engage in a quality improvement initiative appropriate to the size of the facility and relevant to the type of services provided. A quality improvement initiative means evaluating the quality of care by periodically reviewing resident services, complaints made, and other issues that have occurred and determining whether changes in services, staffing, or other procedures need to be made in order to ensure safe and competent services to residents. Documentation about a facility's quality improvement initiative must be available for two years. Information about the quality improvement initiative must be available to the commissioner at the time of the survey, investigation, or renewal."

Page 47, line 16, delete everything after "reviews"

Page 47, line 17, delete everything before the semicolon

Page 50, delete section 4

Page 57, line 24, after "lease" insert "and within the limitations of the applicable NFPA Life Safety Code 101"

Page 58, line 15, delete "an assisted living establishment" and insert "a facility"

Page 58, lines 19 and 20, delete "assisted living establishment" and insert "facility"

Page 58, line 22, delete everything after the second "of" and insert "housing or services, the facility"

Page 58, line 23, delete "establishment"

Page 58, line 27, delete "assisted living"

Page 58, line 30, delete "assisted"

Page 58, line 31, delete the first "living" and delete "assisted living establishment" and insert "facility"

Page 59, line 1, delete "an assisted" and insert "a"

Page 59, line 2, delete "living" and delete "establishment" and insert "facility"

Page 59, line 5, delete "an assisted living" and insert "a"

Page 59, line 6, delete "establishment" and insert "facility"

Page 59, line 7, delete "assisted living"

Page 59, line 12, delete "assisted living establishment" and insert "facility"

Page 59, line 15, delete "assisted living" and insert "facility"

Page 59, line 16, delete "establishment"

Page 59, lines 17 and 21, delete "assisted living"

Page 59, lines 18 and 22, delete "assisted living establishment" and insert "facility" and delete "an assisted living" and insert "a"

Page 59, lines 24 and 25, delete "assisted living"

Page 59, line 26, delete "establishment" and insert "facility" and after "for" insert "the resident
or"

Page 59, line 28, delete "assisted living establishment" and insert "facility" and delete "assisted"

Page 59, line 29, delete "living"

Page 59, line 30, delete "establishment" and insert "facility"

Page 60, line 1, delete "establishment" and insert "facility"

Page 60, line 2, delete "HOUSING"

Page 60, line 3, delete "of assisted living establishments"

Page 60, line 4, delete "an assisted living" and insert "a"

Page 60, line 5, delete "assisted living establishment" and insert "facility"

Page 60, line 6, delete the second "an" and insert "the termination of a"

Page 60, line 7, delete "assisted living"

Page 60, lines 8, 9, and 11, delete "assisted living establishment" and insert "facility"

Page 60, line 12, delete "assisted living"

Page 60, line 15, delete "establishment" and insert "facility"

Page 60, lines 19 and 26, delete "an assisted living" and insert "a"

Page 61, delete lines 1 to 7 and insert:

"(1) in the event of a termination of housing, shall identify, and work with the resident to achieve a coordinated and orderly transfer to, a safe location that is appropriate for the resident, and the facility must identify that location prior to any appeal hearing;

"(2) in the event of a termination of services, shall identify, and work with the resident to achieve a coordinated transfer to, an appropriate service provider, if services are still needed and desired by the resident, and the facility must identify the provider prior to any appeal hearing;"

Page 61, line 11, delete the period and insert "; and"

Page 61, after line 11, insert:

"(4) a resident may decline to discharge to the location the facility identifies or to transfer to the service provider the facility identifies, and may choose instead to discharge or transfer to a location or service provider of the resident's choice within the timeline prescribed in the discharge notice."

Page 64, delete subdivision 4

Page 65, line 4, delete "(a)" and after "and" insert "regularly scheduled"

Page 65, delete lines 8 to 10

Page 66, line 9, after the semicolon, insert "or"

Page 66, line 12, delete "; or" and insert a period

Page 66, delete lines 13 and 14

Page 71, line 14, after "care" insert "facility" and after "living" insert "facility"

Page 71, line 23, before "facility's" insert "assisted living"

Page 74, line 4, delete "provide" and insert "make available"

Page 74, line 28, delete "by a" and insert "of a resident contracting for health services. A"

Page 74, line 29, before the first "of" insert "shall perform at the prospective resident's expense a nursing assessment"

Page 75, line 2, after the period, insert "Residents who are not receiving any services shall not be required to undergo an initial review or nursing assessment."

Page 75, delete lines 12 and 13

Page 75, line 14, delete "(e)" and insert "(d)"

Page 76, line 13, delete the comma

Page 76, delete line 14

Page 76, line 15, delete "in an emergency"

Page 85, line 4, delete "provide" and insert "make available"

Page 87, line 2, after "provide" insert "consumer" and after the second "or" insert "consumer"

Page 87, delete section 5 and insert:

"Sec. 5. [144G.72] RETALIATION PROHIBITED.

(a) No facility or agent of a facility may retaliate against a resident or employee by taking adverse action directly related to the following actions performed in good faith by the resident, employee, or any person on behalf of the resident:

(1) filing a complaint, or asserts any right;

(2) filing a maltreatment report under section 626.557;

(3) reporting a reasonable suspicion of a crime or systemic problems or concerns to the administrator of the facility, the long-term care ombudsman, or a regulatory or other government agency;

(4) participating in any investigation or administrative or judicial proceeding;

(5) contacting or indicating an intention to contract to receive services from a service provider of the resident's choice other than the facility; or

(6) placing or indicating an intention to place an electronic monitoring device in the resident's private space as provided under section 144.6502.

(b) For purposes of this section, to "retaliate" against a resident includes, but is not limited to, any of the following actions taken in bad faith and not related to other events in the facility by a facility or an agent of the facility against a resident, or any person with a familial, personal, legal, or professional relationship with the resident:

(1) termination of a contract;

(2) any form of discrimination;

(3) restriction or prohibition of access:

(i) of the resident to the facility or visitors; or

(ii) of a family member or a person with a personal, legal, or professional relationship with the resident, to the resident, unless the restriction is the result of a court order;

(4) imposition of involuntary seclusion or the withholding of food, care, or services;

(5) restriction of any of the rights granted to residents under state or federal law;

(6) restriction or reduction of access to or use of amenities, care, services, privileges, or living arrangements; or

(7) unauthorized removal, tampering with, or deprivation of technology, communication, or electronic monitoring devices."

Page 89, delete section 6 and insert:

"Sec. 6. [144G.73] DECEPTIVE MARKETING AND BUSINESS PRACTICES PROHIBITED.

Deceptive marketing and business practices by a facility are prohibited. No employee or agent of any facility may:

(1) make any false, fraudulent, deceptive, or misleading statements or representations, or material omissions, in marketing, advertising, or any other description or representation of care or services in writing;

(2) fail to inform a resident in writing of any limitations to services available prior to executing a contract; or

(3) advertise or represent in writing that the facility has a special care unit, such as for dementia or memory care, without:

(i) complying with disclosure requirements under sections 325F.72 and any training requirements required by law or rule; and

(ii) after August 1, 2021, meeting and complying with all the requirements under this chapter and any adopted rules.

EFFECTIVE DATE. This section is effective August 1, 2019."

Page 90, delete section 7

Page 91, line 10, delete "and resident"

Page 93, delete subdivision 11

Page 95, delete line 19 and insert "residents under this section, any other section, or any other remedy at law."

Page 95, after line 24, insert:

"Subd. 20. Right to electronic monitoring. Residents have the right to place and use electronic monitoring as provided under section 144.6502."

Page 97, line 17, after "chapter" insert "or remedy at law, except in a settlement agreement,"

Page 98, line 6, delete "A Tier Three" and insert "An" and after "facility" insert "with a secure dementia unit"

Page 99, line 18, delete "Tier Three" and before the semicolon, insert "with secure dementia units"

Page 102, delete line 2 and insert "ASSISTED LIVING WITH SECURE DEMENTIA UNIT LICENSURE"

Page 102, line 4, after "LIVING" insert "WITH SECURE DEMENTIA UNIT"

Page 102, line 5, delete "Tier Three"

Page 102, line 6, before the period, insert "with secure dementia units"

Page 102, line 15, delete "year" and insert "six months"

Page 102, line 17, after "must" insert "either present a plan acceptable to the commissioner to address the consultant's identified concerns, or"

Page 102, line 18, delete everything after "company"

Page 102, line 19, delete everything before the period

Page 102, line 20, delete "a Tier" and insert "an"

Page 102, line 21, delete "Three" and after "facility" insert "with secure dementia unit"

Page 102, line 23, delete "Tier Three" and after "Facility" insert "with Secure Dementia Unit"

Page 103, line 3, delete "a Tier Three" and insert "an"

Page 103, line 4, after "facility" insert "with a secure dementia unit"

Page 103, line 12, delete "COMPREHENSIVE PLUS" and insert "ASSISTED LIVING FACILITY WITH SECURE DEMENTIA UNIT"

Page 103, line 13, delete "a Tier Three" and insert "an" and after "facility" insert "with a secure dementia unit"

Page 103, line 17, delete "Tier Three" and insert "assisted living facility with secure dementia unit"

Page 103, line 19, delete "a Tier Three" and insert "an" and after the second "facility" insert "with secure dementia unit"

Page 103, line 27, delete "the Tier Three" and insert "an" and after "facility" insert "with secure dementia unit"

Page 104, delete line 5

Page 104, line 6, delete "(6)" and insert "(5)"

Page 104, line 8, delete "(7)" and insert "(6)"

Page 104, line 9, delete "(8)" and insert "(7)"

Page 104, line 10, delete "(9)" and insert "(8)"

Page 104, line 11, delete "(10)" and insert "(9)"

Page 104, line 13, delete "(11)" and insert "(10)"

Page 104, line 15, delete "(12)" and insert "(11)"

Page 104, line 16, delete everything before "must" and insert "A written summary addressing the topics listed in clauses (1) to (11)"

Page 104, line 19, delete "A Tier Three" and insert "An" and after "facility" insert "with a secure dementia unit"

Page 104, line 25, delete "unscheduled" and insert "anticipated"

Page 105, line 21, delete "a Tier Three" and insert "an" and after "facility" insert "with a secure dementia unit"

Page 106, line 1, delete "a Tier Three" and insert "an"

Page 106, delete line 2 and insert "living facility with a secure dementia unit must provide adaptive eating utensils for those residents who have been evaluated as needing them to maintain their eating skills; and"

Page 106, delete lines 3 to 6

Page 107, delete lines 11 and 12

Page 107, delete section 5 and insert:

"Sec. 5. [144G.991] RESIDENT QUALITY OF CARE AND OUTCOMES IMPROVEMENT COUNCIL.

Subdivision 1. **Membership.** (a) The Resident Quality of Care and Outcomes Improvement Council has 17 members, appointed by the commissioner, as follows:

(1) two members who are members of Minnesota-based organizations, exempt from taxation under section 501(c)(3) of the Internal Revenue Code, that are dedicated to patient safety or innovation in health care safety and quality;

(2) two members who are state employees working in the Department of Health who have expertise in safety and adverse health events;

(3) two members who are members of consumer organizations;

(4) two members who are direct-care providers or their representatives;

(5) two members who are members of organizations representing long-term care providers in Minnesota;

(6) two members who are members of organizations representing home care providers in Minnesota;

(7) two members who are demonstrated experts in patient safety;

(8) two members who are demonstrated experts in the fields of safety and quality improvement; and

(9) one member from the Office of Ombudsman for Long-Term Care or a designee.

(b) Of the members listed in clauses (1), (3), (5), and (6), the commissioner must include at least one public member who is or has been a resident in an assisted living setting and one public member who has or has had a family member living in an assisted living facility.

Subd. 2. **No compensation; expense reimbursement.** Members serve without compensation, but may be reimbursed for expenses as provided in section 15.059, subdivision 3.

Subd. 3. **Chair.** The council must elect a chair or cochaurs from among its members and may elect additional officers as needed to facilitate its work.

Subd. 4. **Terms; removal.** Section 15.059, subdivision 2, applies to the terms of the members. Members may be removed only as provided in section 15.059, subdivision 4.

Subd. 5. **Duties.** The council shall report at least twice per year to the commissioner and to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over long-term care providers and settings. The report must recommend how to apply proven safety and quality improvement practices and infrastructure to settings and providers that provide long-term services and support, and must describe changes needed to promote safety and quality improvement practices in long-term care settings and with long-term care providers. If the recommendations require a change in rule or law, the report must include draft legislation to make the change.

Subd. 6. **Meetings.** The council must meet at least four times per year. Meetings are subject to chapter 13D.

Subd. 7. **Administrative support.** The commissioner of health shall provide administrative support and meeting space to the council, on request.

Subd. 8. **Expiration.** This section expires January 1, 2029."

Page 108, line 9, delete "2021" and insert "2022"

Page 108, line 10, after "process" insert "authorized in Minnesota Statutes, section 144G.12"

Page 108, after line 20, insert:

"Sec. 7. **RESIDENT QUALITY OF CARE AND OUTCOMES IMPROVEMENT COUNCIL; FIRST APPOINTMENTS; FIRST MEETING.**

(a) The commissioner of health must make appointments to the Resident Quality of Care and Outcomes Improvement Council under Minnesota Statutes, section 144G.991, by July 1, 2020.

(b) The commissioner of health or a designee must convene the first meeting of the Resident Quality of Care and Outcomes Improvement Council under Minnesota Statutes, section 144G.991, by August 15, 2020."

Page 115, line 30, delete "- Tier Three" and insert "with secure dementia units"

Page 115, line 31, delete "- Tier Two"

Page 130, line 5, strike "PROVIDER" and insert "AND ASSISTED LIVING"

Page 130, line 8, strike "program"

Page 130, line 10, after "care" insert "or assisted living" and after "care" insert "or assisted living services"

Page 130, lines 11 and 12, after "care" insert "or assisted living"

Page 130, line 14, strike "and" and insert "or"

Page 130, line 15, after "licensure" insert "or Minnesota assisted living licensees representing assisted living or assisted living with secure dementia unit category of licensure"

Page 160, line 27, before "For" insert "(a)"

Page 160, line 28, strike "or any violations determined to be widespread," and strike "department" and insert "commissioner"

Page 160, line 29, strike "a" and insert "an on-site" and after the period, insert "For providers that have only Level 1 or Level 2 violations under subdivision 11, the commissioner shall conduct a follow-up survey, but may conduct the survey via telephone, fax, e-mail, or by other methods determined by the commissioner."

Page 161, line 2, delete the second "the" and after the second "new" insert "Level 3 and Level 4"

Page 161, line 3, delete "violation" and insert "violations"

Page 162, line 16, strike everything after "(e)"

Page 162, line 17, strike "specified in" and delete the new language and strike "is corrected."

Renumber the sections and subdivisions in sequence

Amend the title accordingly

Amend the title numbers accordingly

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Senator Limmer from the Committee on Judiciary and Public Safety Finance and Policy,
to which was re-referred**

S.F. No. 4: A bill for an act relating to human services; clarifying counted income for eligibility determinations for public assistance and child care programs; creating surety bond requirements for child care program providers; modifying surety bond requirements for durable medical supply providers; modifying documentation requirements for child care program providers, personal care assistance providers, mental health providers, and home and community-based services providers; modifying commissioner of human services' authority to exclude providers from programs administered by the commissioner; modifying provider enrollment requirements for medical assistance; establishing a visit verification system for home and community-based services; requiring a report; appropriating money; amending Minnesota Statutes 2018, sections 119B.09, subdivision 4; 119B.125, subdivision 6, by adding a subdivision; 144A.479, by adding a subdivision; 245.095; 256.476, subdivision 10; 256.98, subdivisions 1, 8; 256B.02, subdivision 7, by adding a subdivision; 256B.04, subdivision 21; 256B.056, subdivisions 3, 4; 256B.0625, subdivisions 17, 18h, 43, by adding subdivisions; 256B.064, subdivision 1b; 256B.0651, subdivision 17; 256B.0659, subdivisions 3, 12, 13, 14, 19, 21, 24; 256B.0949, subdivision 15; 256B.4912, by adding subdivisions; 256B.5014; 256B.85, subdivision 10; 256J.08, subdivision 47; 256J.21, subdivision 2; 256L.01, subdivision 5; 256P.04, subdivision 4; 256P.06, subdivision 3; Laws 2017, First Special Session chapter 6, article 3, section 49; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 2018, section 256B.0705.

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

Page 55, line 13, after the period, insert "A universal identification number established and implemented under this section is private data on individuals, as defined in Minnesota Statutes, section 13.02, subdivision 12, except that the commissioners of education, health, and human services may share the universal identification number with each other pursuant to their data sharing authority under Minnesota Statutes, section 13.46, subdivision 2, clause (9), and Minnesota Statutes, section 145A.17, subdivision 3, paragraph (e)."

And when so amended the bill do pass and be re-referred to the Committee on Human Services Reform Finance and Policy.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

SECOND READING OF SENATE BILLS

S.F. Nos. 1363, 1229, 1753, 342, 173, and 1263 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 281 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Kent, Housley, Bigham, Wiger, and Hawj introduced--

S.F. No. 2741: A bill for an act relating to capital investment; appropriating money for a bridge over I-694 in Washington County; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Hawj introduced--

S.F. No. 2742: A bill for an act relating to the legislature; requiring the legislature to offer translation services to individuals who are members of a language minority; amending Minnesota Statutes 2018, section 3.055, by adding a subdivision.

Referred to the Committee on State Government Finance and Policy and Elections.

Senator Westrom introduced--

S.F. No. 2743: A bill for an act relating to elections; modifying and clarifying the absentee ballot voting period and ballot delivery schedule in certain circumstances; amending Minnesota Statutes 2018, sections 203B.081, subdivision 1; 204B.35, subdivision 4; 204D.22, subdivision 1.

Referred to the Committee on State Government Finance and Policy and Elections.

Senator Westrom introduced--

S.F. No. 2744: A bill for an act relating to capital investment; appropriating money for asset preservation of the Central Square Center in Glenwood; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Gazelka introduced--

S.F. No. 2745: A bill for an act relating to agriculture; appropriating money for Agricultural Centers of Excellence.

Referred to the Committee on Agriculture, Rural Development, and Housing Finance.

Senator Hayden introduced--

S.F. No. 2746: A bill for an act relating to human services; appropriating money for culturally competent mental health provider grants.

Referred to the Committee on Human Services Reform Finance and Policy.

Senators Senjem, Hall, Ingebrigtsen, Pappas, and Tomassoni introduced--

S.F. No. 2747: A resolution calling for an end to the cold genocide and forced organ harvesting from Falun Gong practitioners in China.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senators Hawj, Nelson, Sparks, Simonson, and Westrom introduced--

S.F. No. 2748: A resolution calling for an end to the cold genocide and forced organ harvesting from Falun Gong practitioners in China.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senators Cwudzinski and Senjem introduced--

S.F. No. 2749: A bill for an act relating to arts and culture; appropriating money for Minnesota Historical Society.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senators Hayden, Isaacson, Mathews, Abeler, and Hoffman introduced--

S.F. No. 2750: A bill for an act relating to child protection; modifying requirements for relative notification and placement in child protection cases; directing commissioner of human services to review kinship navigator models and provide guidance on relative searches; appropriating money for relative support grants; amending Minnesota Statutes 2018, sections 260C.215, by adding a subdivision; 260C.221; 260C.317, by adding a subdivision.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senator Anderson, B. introduced--

S.F. No. 2751: A bill for an act relating to lawful gambling; modifying audit requirements for organizations; amending Minnesota Statutes 2018, section 297E.06, subdivision 4.

Referred to the Committee on Taxes.

Senators Pappas, Laine, Bigham, Dziedzic, and Kent introduced--

S.F. No. 2752: A bill for an act relating to the legislature; appropriating money for the Office on the Economic Status of Women and related duties.

Referred to the Committee on State Government Finance and Policy and Elections.

Senators Westrom, Draheim, Weber, Johnson, and Goggin introduced--

S.F. No. 2753: A bill for an act relating to human services; modifying child care provider licensing; amending Minnesota Statutes 2018, section 245A.03, subdivision 2.

Referred to the Committee on Human Services Reform Finance and Policy.

Senators Rarick, Hoffman, Abeler, and Tomassoni introduced--

S.F. No. 2754: A bill for an act relating to workforce development; appropriating money for a preapprenticeship training pilot program; requiring a report.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

Senators Eichorn and Abeler introduced--

S.F. No. 2755: A bill for an act relating to human services; directing the commissioner of human services to make recommendations for substance use disorder treatment provider paperwork reduction and systems improvement; appropriating money.

Referred to the Committee on Human Services Reform Finance and Policy.

Senators Pappas and Dibble introduced--

S.F. No. 2756: A bill for an act relating to transportation; appropriating money for transportation management organizations in the Twin Cities metropolitan area.

Referred to the Committee on Transportation Finance and Policy.

Senators Mathews and Goggin introduced--

S.F. No. 2757: A bill for an act relating to environment; appropriating money to reduce chloride pollution.

Referred to the Committee on Environment and Natural Resources Finance.

Senator Newman, by request, introduced--

S.F. No. 2758: A bill for an act relating to transportation; modifying motor fuels tax, vehicle registration tax, and motor vehicle sales tax; amending provisions governing transportation finance; amending Minnesota Statutes 2018, sections 168.013, subdivision 1a; 296A.07, subdivision 3; 296A.08, subdivision 2; 297A.815, subdivision 3; 297A.94; 297B.02, subdivision 1; repealing Laws 2017, First Special Session chapter 3, article 3, section 123.

Referred to the Committee on Transportation Finance and Policy.

Senator Chamberlain introduced--

S.F. No. 2759: A bill for an act relating to public finance; modifying sections governing bonds, drainage lien interest, notice requirements for school and private activity bonds, transportation bonds, and municipal bankruptcy; amending Minnesota Statutes 2018, sections 103E.611, subdivision 2; 123B.595, subdivision 5; 297A.993, subdivision 1, by adding a subdivision; 462C.04, subdivision 2; 469.154, subdivision 4; 471.831; 473.39, subdivision 6; 474A.02, subdivision 22b; 475.521, subdivision 1.

Referred to the Committee on Taxes.

Senators Anderson, P. and Rest introduced--

S.F. No. 2760: A bill for an act relating to retirement; providing for alternative allocation of fire state aid for the city of Plymouth; lowering the vesting requirement for the Plymouth Firefighters Relief Association.

Referred to the Committee on State Government Finance and Policy and Elections.

Senator Latz introduced--

S.F. No. 2761: A bill for an act relating to corrections; establishing a Clemency Review Commission; modifying Board of Pardons procedures; making clarifying changes; amending Minnesota Statutes 2018, sections 638.01; 638.02, subdivisions 1, 2; 638.04; 638.06; 638.07; 638.075; 638.08.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senators Tomassoni, Eichorn, Senjem, and Bakk introduced--

S.F. No. 2762: A bill for an act relating to capital investment; appropriating money for capital improvements to the Chisholm Sports Arena and Curling Club; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Dibble introduced--

S.F. No. 2763: A bill for an act relating to energy; requiring a study; appropriating money.

Referred to the Committee on Energy and Utilities Finance and Policy.

Senators Eaton, Marty, and Dibble introduced--

S.F. No. 2764: A bill for an act relating to greenhouse gas emissions; requiring a study.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senator Klein introduced--

S.F. No. 2765: A bill for an act relating to health coverage; making changes to the premium subsidy program; appropriating money.

Referred to the Committee on Commerce and Consumer Protection Finance and Policy.

Senator Klein introduced--

S.F. No. 2766: A bill for an act relating to taxation; modifying provisions related to gross revenues taxes, income taxes, and health insurance; providing for an insurance premium credit for individuals and advanced payment of the credit; providing for disclosure of certain taxpayer data; providing an addition for certain deducted health insurance premiums; making changes to taxpayer nexus for the health care provider tax; clarifying payment of interest on overpayments; appropriating money; amending Minnesota Statutes 2018, sections 270B.12, by adding a subdivision; 290.0131, by adding a subdivision; 295.51, subdivision 1a; 295.57, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 62V; 290.

Referred to the Committee on Taxes.

Senators Koran and Eaton introduced--

S.F. No. 2767: A bill for an act relating to health care; modifying certain reimbursement provisions for direct injectable drugs for certain conditions under medical assistance; amending Minnesota Statutes 2018, section 256B.0625, subdivision 13e.

Referred to the Committee on Health and Human Services Finance and Policy.

Senator Chamberlain introduced--

S.F. No. 2768: A bill for an act relating to taxation; requiring an annual report on taxes and migration; proposing coding for new law in Minnesota Statutes, chapter 270C.

Referred to the Committee on Taxes.

Senators Newton and Laine introduced--

S.F. No. 2769: A bill for an act relating to capital investment; appropriating money for an interchange on marked Trunk Highway 65; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Koran and Simonson introduced--

S.F. No. 2770: A bill for an act relating to state government; ratifying a labor agreement and a compensation plan.

Referred to the Committee on State Government Finance and Policy and Elections.

MOTIONS AND RESOLUTIONS

Senator Draheim moved that the names of Senators Isaacson and Clausen be added as co-authors to S.F. No. 130. The motion prevailed.

Senator Draheim moved that the name of Senator Newton be added as a co-author to S.F. No. 577. The motion prevailed.

Senator Draheim moved that the name of Senator Newton be added as a co-author to S.F. No. 578. The motion prevailed.

Senator Koran moved that the name of Senator Nelson be added as a co-author to S.F. No. 609. The motion prevailed.

Senator Marty moved that his name be stricken as a co-author to S.F. No. 1039. The motion prevailed.

Senator Simonson moved that the name of Senator Clausen be added as a co-author to S.F. No. 1198. The motion prevailed.

Senator Nelson moved that the name of Senator Clausen be added as a co-author to S.F. No. 2519. The motion prevailed.

Senator Champion moved that the name of Senator Dziejczak be added as a co-author to S.F. No. 2721. The motion prevailed.

Senators Benson, Eichorn, and Anderson, B. introduced --

Senate Resolution No. 80: A Senate resolution honoring Andrew Bundermann on being awarded the Distinguished Service Cross.

Referred to the Committee on Rules and Administration.

Senators Gazelka and Bakk introduced --

Senate Resolution No. 81: A Senate resolution relating to appointment of a committee to escort the Governor to the House Chamber for a Joint Convention.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The President of the Senate shall appoint a committee of five members of the Senate to act with a like committee on the part of the House of Representatives to escort the Honorable Tim Walz, Governor of the State of Minnesota, to the House Chamber on the occasion of the Joint Convention on Wednesday, April 3, 2019, at 6:45 p.m.

Senator Gazelka moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

APPOINTMENTS

Pursuant to the foregoing resolution, the President made the following appointments:

Senators Eaton, Goggin, Isaacson, Rarick, and Rosen.

SPECIAL ORDERS

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

S.F. No. 1339 and H.F. No. 400.

SPECIAL ORDER

S.F. No. 1339: A bill for an act relating to transportation; subjecting light rail transit operators to the reckless or careless driving law; amending Minnesota Statutes 2018, section 169.13, subdivisions 1, 2.

S.F. No. 1339 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Abeler	Dibble	Hoffman	Lang	Relph
Anderson, B.	Draheim	Housley	Latz	Rosen
Anderson, P.	Dziedzic	Howe	Limmer	Ruud
Bakk	Eaton	Ingebrihtsen	Little	Senjem
Benson	Eichorn	Isaacson	Mathews	Simonson
Bigham	Eken	Jasinski	Miller	Sparks
Carlson	Franzen	Jensen	Nelson	Tomassoni
Chamberlain	Frentz	Johnson	Newman	Torres Ray
Champion	Gazelka	Kent	Newton	Utke
Clausen	Goggin	Kiffmeyer	Osmek	Weber
Cohen	Hall	Klein	Pappas	Westrom
Cwodzinski	Hawj	Koran	Pratt	Wiger
Dahms	Hayden	Laine	Rarick	Wiklund

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 400: A bill for an act relating to health; establishing the Opioid Addiction Advisory Council; establishing the opioid stewardship fund; establishing an opiate product registration fee; modifying provisions related to opioid addiction prevention, education, intervention, treatment, and recovery; requiring reports; appropriating money; amending Minnesota Statutes 2018, sections 16A.151, subdivision 2; 145.9269, subdivision 1; 145C.05, subdivision 2; 151.252, subdivision 1; 151.37, subdivision 12; 151.47, by adding a subdivision; 151.71, by adding a subdivision; 152.105, subdivision 2; 152.11, subdivision 2d, by adding subdivisions; 214.12, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 16A; 62Q; 145; 145C; 151.

Senator Rosen moved to amend H.F. No. 400, the unofficial engrossment, as follows:

Page 11, line 13, delete "2020" and insert "2021"

Page 11, line 28, delete "for" and insert "to be awarded as"

Page 12, line 8, after "year" insert ". County social service agencies receiving funds from the opiate epidemic response account must annually report to the commissioner on how the funds were used to provide child protection services, including measurable outcomes, as determined by the commissioner"

Page 13, line 2, delete "funds received" and insert "first \$20,000,000 of any funds received in the opiate epidemic response account established under section 256.043, and any remaining funds shall be deposited"

Page 16, line 1, delete the new language and insert "correctional employees of a state and local political subdivision; and"

Page 16, after line 11, insert:

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

Page 26, after line 19, insert:

"(c) \$500,000 in fiscal year 2020 is appropriated from the general fund for board of Pharmacy operations under Minnesota Statutes, chapter 151."

Page 26, line 20, delete "(c) \$500,000 in fiscal year 2020 and" and insert "(d)" and delete "are" and insert "is"

Page 26, delete lines 23 to 27 and insert:

"(e) \$300,000 in fiscal year 2020 is appropriated from the general fund to the commissioner of management and budget for evaluation activities under section 256.042."

(f) \$249,000 in fiscal year 2020 is appropriated from the general fund to the commissioner of human services for the provision of administrative services to the Opiate Epidemic Response Advisory Council and for the administration of the grants awarded under paragraph (h).

(g) \$126,000 in fiscal year 2020 is appropriated from the general fund to the Board of Pharmacy for the collection of the registration fees under section 151.066.

(h) \$384,000 in fiscal year 2020 is appropriated from the general fund to the commissioner of public safety for Bureau of Criminal Apprehension drug scientists and lab supplies.

(i) \$800,000 in fiscal year 2020 is appropriated from the general fund to the commissioner of human services for grants of \$400,000 to CHI St. Gabriel's Health Family Medical Center for the opioid-focused Project ECHO program and \$400,000 to Hennepin Health Care for the opioid-focused Project ECHO program.

(j) \$200,000 in fiscal year 2020 is appropriated from the general fund to the commissioner of human services for a grant to a nonprofit organization that has provided overdose prevention programs to the public in at least 60 counties within the state, for at least three years, has received federal funding before January 1, 2019, and is dedicated to addressing the opioid epidemic. The grant must be used for opioid overdose prevention, community asset mapping, education, and overdose antagonist distribution."

Page 26, line 28, delete "(e)" and insert "(k)"

Page 26, line 31, delete "(f)" and insert "(l)"

Page 27, line 1, delete "(g)" and insert "(m)"

Page 27, line 4, delete "(h)" and insert "(n)"

Page 27, line 7, delete "(i)" and insert "(o)"

The motion prevailed. So the amendment was adopted.

Senator Marty moved to amend H.F. No. 400, the unofficial engrossment, as follows:

Page 12, delete section 9

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 36, as follows:

Those who voted in the affirmative were:

Bakk	Cwodzinski	Frentz	Laine	Simonson
Bigham	Dibble	Hawj	Latz	Sparks
Carlson	Dziedzic	Hayden	Little	Torres Ray
Champion	Eaton	Isaacson	Marty	Wiger
Clausen	Eken	Kent	Newton	Wicklund
Cohen	Franzen	Klein	Pappas	

Those who voted in the negative were:

Abeler	Gazelka	Jensen	Nelson	Tomassoni
Anderson, B.	Goggin	Johnson	Newman	Utke
Anderson, P.	Hall	Kiffmeyer	Osmek	Weber
Benson	Hoffman	Koran	Rarick	Westrom
Chamberlain	Housley	Lang	Relph	
Dahms	Howe	Limmer	Rosen	
Draheim	Ingebrigtsen	Mathews	Ruud	
Eichorn	Jasinski	Miller	Senjem	

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

H.F. No. 400 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 59 and nays 6, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Housley	Limmer	Rosen
Anderson, P.	Dziedzic	Ingebrigtsen	Little	Ruud
Bakk	Eaton	Isaacson	Marty	Senjem
Bigham	Eichorn	Jasinski	Mathews	Simonson
Carlson	Eken	Jensen	Miller	Sparks
Chamberlain	Franzen	Johnson	Nelson	Tomassoni
Champion	Frentz	Kent	Newman	Torres Ray
Clausen	Gazelka	Klein	Newton	Weber
Cohen	Goggin	Koran	Pappas	Westrom
Cwodzinski	Hall	Laine	Pratt	Wiger
Dahms	Hayden	Lang	Rarick	Wiklund
Dibble	Hoffman	Latz	Relph	

Those who voted in the negative were:

Anderson, B.	Howe	Osmek
Benson	Kiffmeyer	Utke

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

MEMBERS EXCUSED

Senator Rest was excused from the Session of today. Senator Marty was excused from the Session of today from 11:25 to 11:50 a.m. Senator Pratt was excused from the Session of today from 12:15 to 12:25 p.m. Senator Hawj was excused from the Session of today at 12:40 p.m.

ADJOURNMENT

Senator Gazelka moved that the Senate do now adjourn until 12:00 noon, Wednesday, April 3, 2019. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate

