

STATE OF MINNESOTA

# Journal of the Senate

EIGHTY-FIFTH LEGISLATURE

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THIRTY-NINTH DAY

St. Paul, Minnesota, Wednesday, March 28, 2007

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

## CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Lt. Col. Rob Lubben.

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

Anderson	Erickson Ropes	Langseth	Olson, G.	Scheid
Bakk	Fischbach	Larson	Olson, M.	Senjem
Berglin	Foley	Latz	Ortman	Sheran
Betzold	Frederickson	Limmer	Pappas	Skoe
Bonoff	Gerlach	Lourey	Pariseau	Skogen
Carlson	Gimse	Lynch	Pogemiller	Sparks
Chaudhary	Hann	Marty	Prettner Solon	Stumpf
Clark	Ingebrigtsen	Metzen	Rest	Tomassoni
Cohen	Johnson	Michel	Robling	Torres Ray
Day	Jungbauer	Moua	Rosen	Vandever
Dibble	Koch	Murphy	Rummel	Vickerman
Dille	Koering	Neuville	Saltzman	Wergin
Doll	Kubly	Olseen	Saxhaug	Wiger

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 the passage by the House of the following House File, herewith transmitted: H.F. No. 886.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted March 27, 2007

**FIRST READING OF HOUSE BILLS**

The following bill was read the first time.

**H.F. No. 886:** A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; authorizing the sale of state bonds; appropriating money; amending Minnesota Statutes 2006, sections 16A.695, subdivisions 2, 3, by adding subdivisions; 16A.86, subdivision 3; 116R.01, subdivision 6; 116R.02, subdivisions 1, 2, 4, 5; 116R.03; 116R.05, subdivision 2; 116R.11, subdivision 1; 116R.12, by adding a subdivision; 272.01, subdivision 2; 290.06, subdivision 24; 297A.71, subdivision 10; 360.013, subdivision 39; 360.032, subdivision 1; 360.038, subdivision 4; Laws 2005, chapter 20, article 1, sections 7, subdivision 21; 20, subdivision 3; 23, subdivisions 8, 16; Laws 2006, chapter 258, sections 4, subdivision 4; 7, subdivision 11; 21, subdivisions 6, 15; repealing Minnesota Statutes 2006, sections 116R.02, subdivisions 3, 6, 7, 9; 116R.16.

Senator Pogemiller moved that H.F. No. 886 be laid on the table. The motion prevailed.

**REPORTS OF COMMITTEES**

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

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

**S.F. No. 739:** A bill for an act relating to natural resources; modifying all-terrain vehicle operating provisions; amending Minnesota Statutes 2006, sections 84.9256, subdivision 2, by adding a subdivision; 84.9257; 84.926, by adding a subdivision; 84.928, subdivision 1; repealing Minnesota Statutes 2006, section 84.928, subdivision 8.

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

Page 1, line 20, delete "of"

Page 1, line 21, delete "the person under age 16"

Page 2, line 14, delete "while carrying" and strike "two"

Page 2, line 15, strike "passengers" and delete the new language and insert "while carrying a passenger, or up to the number of passengers for which the vehicle was designed, whichever"

Page 2, line 32, delete "trunk" and delete the first and second comma

Page 3, line 22, strike "a class 1" and insert "an"

Page 3, line 24, strike "class 1"

Page 3, line 27, strike "a class 1" and insert "an"

Page 4, after line 4, insert:

"Sec. 6. Minnesota Statutes 2006, section 169A.35, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section:

(1) "alcoholic beverage" has the meaning given it in section 340A.101, subdivision 2;

(2) "distilled spirits" has the meaning given it in section 340A.101, subdivision 9;

(3) "motor vehicle" does not include motorboats in operation, or off-road recreational vehicles except when being operated on a roadway or shoulder of a roadway that is not part of a grant-in-aid trail or trail designated by the commissioner of natural resources;

(4) "possession" means either that the person had actual possession of the bottle or receptacle or that the person consciously exercised dominion and control over the bottle or receptacle; and

(5) "3.2 percent malt liquor" has the meaning given it in section 340A.101, subdivision 19."

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 Transportation. Amendments adopted. Report adopted.

**Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was re-referred**

**S.F. No. 957:** A bill for an act relating to the military; establishing the Minnesota National Guard Nonappropriated Fund Instrumentality; proposing coding for new law in Minnesota Statutes, chapter 192.

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

Page 1, line 8, delete the colon

Page 1, line 9, delete "(a)"

Page 1, line 12, delete "Nation Guard; and" and insert "National Guard."

Page 1, delete lines 13 and 14

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

**Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was re-referred**

**S.F. No. 1402:** A bill for an act relating to planning and zoning; requiring counties to consider natural heritage data in adopting or amending comprehensive plans; requiring comprehensive plans to limit development on agricultural, forest, wildlife, and open space land; requiring priority provisions in certain county and city comprehensive plans; requiring certain development to occur in designated priorities; providing a bill title; amending Minnesota Statutes 2006, sections 394.23; 394.232, subdivision 6; 394.24, by adding a subdivision; 394.25, subdivision 2; 462.355,

subdivision 1; 462.357, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 394.

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 2006, section 394.23, is amended to read:

**394.23 COMPREHENSIVE PLAN.**

The board has the power and authority to prepare and adopt by ordinance, a comprehensive plan. A comprehensive plan or plans when adopted by ordinance must be the basis for official controls adopted under the provisions of sections 394.21 to 394.37. When adopting or updating the comprehensive plan, the board must, if the data is available to the county, consider natural heritage data resulting from the county biological survey. The board must consider adopting policies that will protect open space and the environment by considering adopting the state's livestock production policy under section 17.844.

**Sec. 2. [394.231] COMPREHENSIVE PLANS IN GREATER MINNESOTA; OPEN SPACE.**

A comprehensive plan adopted in a county outside the metropolitan area, as defined by section 473.121, subdivision 2, must contain priority provisions for the preservation of agricultural, forest, wildlife, and open space land and minimizing development in sensitive shoreland areas that are identified as priority provisions of the comprehensive plan. At the time of the next updating of the comprehensive plan it must contain the priority provisions, and within three years the county must adopt ordinances as part of the county's official controls that ensure that the goals and objectives of the priority provisions are implemented.

The county shall consider the following goals and objectives:

- (1) minimizing the fragmentation and development of agricultural, forest, wildlife, and open space lands;
- (2) minimizing further development in sensitive shoreland areas;
- (3) minimizing development near wildlife management areas, scientific and natural areas, and nature centers;
- (4) encouraging development within city limits;
- (5) encouraging development close to places of employment, shopping centers, schools, mass transit, and other public and private service centers; and
- (6) encouraging farms, privately owned forest lands, and other privately owned open spaces to stay in business and not sell for development.

Sec. 3. Minnesota Statutes 2006, section 394.232, subdivision 6, is amended to read:

Subd. 6. **Plan update.** The county board, or the board of the joint planning district, shall review and update the community-based comprehensive plan periodically, but at least every ten years, and submit the updated plan to the office of strategic and long-range planning for review and

comment. When updating the plan, the county board or the board of the joint planning district must consider natural heritage data resulting from the county biological survey. The board must consider adopting policies that will protect open space and the environment by considering adopting the state's livestock production policy under section 17.844.

Sec. 4. Minnesota Statutes 2006, section 394.24, is amended by adding a subdivision to read:

Subd. 4. **Development priority.** In adopting official controls after July 1, 2007, the county shall consider restricting new residential, commercial, and industrial development so that the new development takes place in areas under the following priority sequence:

(1) the highest priority be given to new development in a statutory or home rule charter city in which city water and sewer service is currently available;

(2) the next priority is in areas immediately adjacent to a city that is zoned for residential, commercial, or industrial development and city water and sewer service is either currently available or is to be made available in the near future;

(3) the next priority is in areas in which clustered development is permitted and community water and sewer service is currently available;

(4) the next priority is in areas in which clustered development is permitted but community water and sewer service is not currently available;

(5) the next priority is for scattered development in which no more than one development or residential unit for each 160 acres would be permitted; and

(6) the final priority is for scattered development in which more than one development or residential unit for each 160 acres would be permitted.

Sec. 5. Minnesota Statutes 2006, section 462.355, subdivision 1, is amended to read:

Subdivision 1. **Preparation and review.** The planning agency shall prepare the comprehensive municipal plan. In discharging this duty the planning agency shall consult with and coordinate the planning activities of other departments and agencies of the municipality to insure conformity with and to assist in the development of the comprehensive municipal plan. In its planning activities the planning agency shall take due cognizance of the planning activities of adjacent units of government and other affected public agencies. The planning agency shall periodically review the plan and recommend amendments whenever necessary. When preparing or recommending amendments to the comprehensive plan, the planning agency must consider adopting policies that will protect open space and the environment by considering adopting the state's livestock production policy under section 17.844.

Sec. 6. Minnesota Statutes 2006, section 462.357, is amended by adding a subdivision to read:

Subd. 1h. **Comprehensive plans in greater Minnesota; open spaces.** A comprehensive plan adopted in a city outside the metropolitan area, as defined by section 473.121, subdivision 2, must contain provisions for the preservation of agricultural, forest, wildlife, and open space land and the minimization of development in sensitive shoreland areas that are identified as priority provisions of the comprehensive plan. At the time of the next updating of the comprehensive plan it must contain the priority provisions, and within three years the municipality must adopt ordinances as part of the

municipality's official controls that ensure that the goals and objectives of the priority provisions are implemented.

Sec. 7. Minnesota Statutes 2006, section 462.357, is amended by adding a subdivision to read:

Subd. 9. **Development priority.** In adopting official controls after July 1, 2007, the municipality shall consider restricting new residential, commercial, and industrial development so that the new development takes place in areas under the following priority sequence:

(1) the highest priority be given to new development in a statutory or home rule charter city in which city water and sewer service is currently available;

(2) the next priority is in areas immediately adjacent to a city that is zoned for residential, commercial, or industrial development and city water and sewer service is either currently available or is to be made available in the near future;

(3) the next priority is in areas in which clustered development is permitted and community water and sewer service is currently available;

(4) the next priority is in areas in which clustered development is permitted but community water and sewer service is not currently available;

(5) the next priority is for scattered development in which no more than one development or residential unit for each 160 acres would be permitted; and

(6) the final priority is for scattered development in which more than one development or residential unit for each 160 acres would be permitted.

Sec. 8. **TITLE.**

Sections 1 to 8 shall be known as the President Theodore Roosevelt Memorial Bill to Preserve Agricultural, Forest, Wildlife, and Open Space Land.

Sec. 9. **EFFECTIVE DATE.**

Sections 1 to 8 are effective July 1, 2007."

Amend the title as follows:

Page 1, line 3, after "requiring" insert "local governments to consider"

Page 1, line 6, after "requiring" insert "consideration of"

Amend the title numbers accordingly

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

**Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was re-referred**

**S.F. No. 356:** A bill for an act relating to building codes; requiring window screens in certain residential dwellings to comply with safety standards; creating a window safety program; amending

Minnesota Statutes 2006, section 16B.61, by adding a subdivision.

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

**Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was re-referred**

**S.F. No. 102:** A bill for an act relating to health; providing for a universal health care system that provides affordable access to high quality medical care for all Minnesotans; requiring a focus on preventive care and early intervention; providing comprehensive benefits; reducing costs through prevention, efficiency, and elimination of bureaucracy; directing the Legislative Commission on Health Care Access to prepare a plan to be implemented by 2010; amending Minnesota Statutes 2006, section 62J.07, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Pages 1 to 3, delete sections 1 and 2 and insert:

"Section 1. Minnesota Statutes 2006, section 62J.07, is amended to read:

**62J.07 LEGISLATIVE OVERSIGHT COMMISSION.**

Subdivision 1. **Legislative oversight.** The Legislative Commission on Health Care Access reviews the activities of the commissioner of health, the Health Technology Advisory Committee, and all other state agencies involved in the implementation and administration of this chapter, including efforts to obtain federal approval through waivers and other means.

Subd. 2. **Membership.** The Legislative Commission on Health Care Access consists of five the chairs of the senate and house of representatives committees with jurisdiction over health care policy, nine members of the senate appointed under the rules of by the senate Subcommittee on Committees of the Committee on Rules and Administration and five nine members of the house of representatives appointed under the rules of the house of representatives. The Legislative Commission on Health Care Access must include three members of the majority party and two members of the minority party in each house by the speaker of the house of representatives, in consultation with the minority leader of the house of representatives.

Subd. 2a. **Organization; chairs.** The chairs of the senate and house of representatives committees with jurisdiction over health care policy shall alternate every two years as chair of the commission. Beginning July 1, 2007, the house chair shall chair the commission for the first two-year term.

Subd. 3. **Reports to the commission.** The commissioner of health and the Health Technology Advisory Committee shall report on their activities annually and at other times at the request of the Legislative Commission on Health Care Access. The commissioners of health, commerce, and human services shall provide periodic reports to the legislative commission on the progress of rulemaking that is authorized or required under this chapter and shall notify members of the commission when a draft of a proposed rule has been completed and scheduled for publication in the State Register. At the request of a member of the commission, a commissioner shall provide a description and a copy of a proposed rule."

Page 4, after line 19, insert:

"Sec. 3. **DEADLINE FOR APPOINTMENTS.**

The appointing authorities named in section 1 shall complete the new appointments required by that section and any other appointments necessary to fill vacancies on the commission no later than August 1, 2007."

Page 4, line 21, delete "3" and insert "2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "increasing the membership and modifying the organization of the Legislative Commission on Health Care Access;"

Amend the title numbers accordingly

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

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

**H.F. No. 1594** for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1594	952				

and that the above Senate File be indefinitely postponed.

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

### **SECOND READING OF SENATE BILLS**

S.F. No. 356 was read the second time.

### **SECOND READING OF HOUSE BILLS**

H.F. No. 1594 was read the second time.

### **MOTIONS AND RESOLUTIONS**

Senator Skogen moved that the name of Senator Langseth be added as a co-author to S.F. No.

717. The motion prevailed.

Senator Bonoff moved that her name be stricken as a co-author to S.F. No. 857. The motion prevailed.

Senator Erickson Ropes moved that the name of Senator Koering be added as a co-author to S.F. No. 2098. The motion prevailed.

Senator Erickson Ropes moved that the name of Senator Koering be added as a co-author to S.F. No. 2099. The motion prevailed.

Senator Erickson Ropes moved that the name of Senator Koering be added as a co-author to S.F. No. 2100. The motion prevailed.

Senator Olson, M. moved that S.F. No. 2147 be withdrawn from the Committee on Business, Industry and Jobs and re-referred to the Committee on Judiciary. The motion prevailed.

**Senator Wiger introduced –**

**Senate Resolution No. 65:** A Senate resolution honoring Edgerton Elementary School in Maplewood for receiving the 2006-2007 MESPA Minnesota School of Excellence Award.

Referred to the Committee on Rules and Administration.

**Senator Doll introduced –**

**Senate Resolution No. 66:** A Senate resolution congratulating Alexandre Christensen of Burnsville, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

## **INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time.

**Senators Hann and Olson, G. introduced–**

**S.F. No. 2172:** A bill for an act relating to education finance; authorizing the creation of five charter schools focused on medical technology; amending Minnesota Statutes 2006, section 126C.05, subdivision 1.

Referred to the Committee on Finance.

**Senators Clark and Pogemiller introduced–**

**S.F. No. 2173:** A bill for an act relating to civil actions; requiring insurers to act in good faith in connection with claims practices; requiring a report; proposing coding for new law in Minnesota

Statutes, chapter 604.

Referred to the Committee on Judiciary.

**Senator Robling introduced—**

**S.F. No. 2174:** A bill for an act relating to state government; designating the Department of Administration as the lead agency for certain purposes; amending Minnesota Statutes 2006, section 16B.055, subdivision 1; repealing Minnesota Statutes 2006, section 16B.055, subdivisions 2, 3.

Referred to the Committee on State and Local Government Operations and Oversight.

**Senator Vickerman introduced—**

**S.F. No. 2175:** A bill for an act relating to retirement; providing for certain pension benefits upon privatization of the Lakefield Nursing Home; amending Minnesota Statutes 2006, section 353F.02, subdivision 4.

Referred to the Committee on State and Local Government Operations and Oversight.

**Senators Carlson, Marty, Neuville, Anderson and Doll introduced—**

**S.F. No. 2176:** A bill for an act relating to child support; adding a requirement for full compliance with payment agreements; amending Minnesota Statutes 2006, sections 518A.64; 518A.65; 518A.66; 518A.67; 518A.68; 518A.72, subdivision 1.

Referred to the Committee on Judiciary.

**Senator Jungbauer introduced—**

**S.F. No. 2177:** A bill for an act relating to gambling; authorizing the commissioner of public safety to issue a casino license; providing for regulation and taxation of casino; providing a process for the construction and financing of an entertainment complex located in the city of Eagan that will contain a theme park, casino, convention facility, hotels, as well as an extension of the Hiawatha Light Rail Line from the Mall of America to the site; providing a process for the financing of sports stadiums for the Minnesota Vikings, Minnesota Twins, and the University of Minnesota Football Gophers; providing a process for financing future light rail and commuter rail; amending Minnesota Statutes 2006, sections 272.02, by adding a subdivision; 299L.07, subdivisions 2, 2a; 340A.410, subdivision 5; 349.31, by adding a subdivision; 541.20; 541.21; 609.75, subdivision 3; 609.761, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 349B.

Referred to the Committee on State and Local Government Operations and Oversight.

**Senators Marty and Anderson introduced—**

**S.F. No. 2178:** A bill for an act relating to education finance; authorizing a fund transfer for Independent School District No. 623, Roseville.

Referred to the Committee on Finance.

**Senator Cohen introduced—**

**S.F. No. 2179:** A bill for an act relating to the budget reserve; modifying priorities for additional revenues in general fund forecasts; appropriating money; amending Minnesota Statutes 2006, section 16A.152, subdivision 2.

Referred to the Committee on Finance.

**Senator Anderson introduced—**

**S.F. No. 2180:** A bill for an act relating to county program aid; allowing the commissioner of revenue to withhold payments if certain reporting requirements are not met; appropriating money for counties for individual sewage treatment systems grants; amending Minnesota Statutes 2006, section 477A.014, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

**Senator Michel introduced—**

**S.F. No. 2181:** A bill for an act relating to individual income taxation; reducing tax rates; amending Minnesota Statutes 2006, sections 290.06, subdivision 2c; 290.091, subdivision 1.

Referred to the Committee on Taxes.

**Senators Vickerman, Rosen, Bakk and Olson, M. introduced—**

**S.F. No. 2182:** A bill for an act relating to transportation; increasing gasoline and special fuel tax rates; providing for phase-in of motor vehicle sales tax revenues to transportation; amending Minnesota Statutes 2006, sections 296A.07, subdivision 3; 296A.08, subdivision 2; 297B.09, subdivision 1.

Referred to the Committee on Transportation.

**Senators Skoe, Dille, Langseth, Stumpf and Day introduced—**

**S.F. No. 2183:** A bill for an act relating to traffic regulations; regulating gross vehicle weights and axle weights of vehicles and combinations of vehicles; amending allowable weight limits on certain routes; amending permit fees and requirements; authorizing permits for certain vehicles and combinations of vehicles; making technical changes; amending Minnesota Statutes 2006, sections 169.824, subdivisions 1, 2; 169.826, subdivisions 1a, 1b; 169.8261; 169.828, subdivision 2; 169.86, subdivisions 1a, 5; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Transportation.

**MOTIONS AND RESOLUTIONS - CONTINUED****SPECIAL ORDERS**

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

S.F. Nos. 2054, 2157, 1972 and 276.

**SPECIAL ORDER**

**S.F. No. 2054:** A bill for an act relating to state government; regulating the state budget reserve; amending Minnesota Statutes 2006, section 16A.152, subdivisions 1a, 1b.

Senator Hann moved to amend S.F. No. 2054 as follows:

Page 1, line 11, delete "\$629,000,000" and insert "\$329,000,000"

Page 1, line 15, delete "\$629,000,000" and insert "\$329,000,000"

Page 1, after line 18, insert:

"Sec. 3. **PRIORITY SCHOOL AID.**

Subdivision 1. **Aid.** For fiscal years 2008 and 2009 only, a school district or charter school's priority school aid equals the product of \$182 times the number of pupils enrolled on October 1 of the previous school year.

Subd. 2. **Uses.** The aid may be used for any onetime expenditure purpose for which general education revenue under Minnesota Statutes, section 126C.10 may be used, except permanent salary increases, or it may be used to increase the unreserved general fund balance.

Sec. 4. **APPROPRIATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Priority school aid.** For priority school aid under section 3:

\$	<u>150,000,000</u>	.....	<u>2008</u>
\$	<u>150,000,000</u>	.....	<u>2009</u> "

Amend the title as follows:

Page 1, line 2, before "amending" insert "providing school priority aid;"

**CALL OF THE SENATE**

Senator Pogemiller imposed a call of the Senate for the balance of the proceedings on S.F. No.

2054. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Hann amendment.

The roll was called, and there were yeas 20 and nays 44, as follows:

Those who voted in the affirmative were:

Fischbach	Ingebrigtsen	Limmer	Olson, M.	Rosen
Gerlach	Johnson	Michel	Ortman	Senjem
Gimse	Jungbauer	Neuville	Pariseau	Skogen
Hann	Koch	Olson, G.	Robling	Wergin

Those who voted in the negative were:

Anderson	Day	Langseth	Olseen	Sheran
Bakk	Dibble	Larson	Pappas	Skoe
Berglin	Dille	Latz	Pogemiller	Sparks
Betzold	Doll	Lourey	Prettner Solon	Stumpf
Bonoff	Erickson Ropes	Lynch	Rest	Tomassoni
Carlson	Foley	Marty	Rummel	Torres Ray
Chaudhary	Frederickson	Metzen	Saltzman	Vickerman
Clark	Koering	Moua	Saxhaug	Wiger
Cohen	Kubly	Murphy	Scheid	

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

S.F. No. 2054 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 7, as follows:

Those who voted in the affirmative were:

Bakk	Fischbach	Larson	Olson, M.	Skoe
Betzold	Foley	Latz	Ortman	Skogen
Bonoff	Frederickson	Lourey	Pariseau	Sparks
Carlson	Gerlach	Lynch	Pogemiller	Stumpf
Chaudhary	Gimse	Marty	Robling	Tomassoni
Clark	Ingebrigtsen	Metzen	Rosen	Torres Ray
Cohen	Johnson	Michel	Rummel	Vickerman
Day	Jungbauer	Moua	Saltzman	Wergin
Dibble	Koch	Murphy	Saxhaug	Wiger
Dille	Koering	Neuville	Scheid	
Doll	Kubly	Olseen	Senjem	
Erickson Ropes	Langseth	Olson, G.	Sheran	

Those who voted in the negative were:

Anderson	Hann	Pappas	Rest
Berglin	Limmer	Prettner Solon	

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 2157:** A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; creating the Minnesota

Biomedical Science Research Facilities Authority; authorizing the sale of state bonds; canceling previous appropriations; appropriating money; amending Laws 2005, chapter 20, article 1, sections 7, subdivision 2; 23, subdivision 8; Laws 2005, chapter 156, article 2, section 46; Laws 2006, chapter 258, sections 4, subdivision 4; 7, subdivisions 3, 7, 22; 16, subdivision 4; 21, subdivisions 6, 15; proposing coding for new law in Minnesota Statutes, chapter 137.

Senator Pappas moved to amend S.F. No. 2157 as follows:

Page 14, line 16, before the period, insert "unless eligibility would impact the project's cost effectiveness index"

The motion prevailed. So the amendment was adopted.

### CALL OF THE SENATE

Senator Betzold imposed a call of the Senate for the balance of the proceedings on S.F. No. 2157. The Sergeant at Arms was instructed to bring in the absent members.

Senator Senjem moved to amend S.F. No. 2157 as follows:

Page 11, line 14, delete everything after "simulator"

Page 11, line 15, delete everything before the comma

The motion prevailed. So the amendment was adopted.

Senator Bonoff moved to amend S.F. No. 2157 as follows:

Page 14, line 19, after the colon, insert "along or near marked Interstate Highway 35W/35 from downtown Minneapolis to County Road 50 in Lakeville;"

Page 14, delete lines 28 and 29

Page 14, line 30, delete everything before the semicolon and insert "494 from Maple Grove to a transit station on the Southwest Transitway and continuing to its intersection with marked Interstate Highway 94"

The motion prevailed. So the amendment was adopted.

Senator Murphy moved to amend S.F. No. 2157 as follows:

Page 13, line 7, delete "between" and insert "connecting Chicago, LaCrescent, Winona, Red Wing, and"

Page 13, line 11, delete ", and Chicago"

The motion prevailed. So the amendment was adopted.

S.F. No. 2157 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 56 and nays 9, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Latz	Prettner Solon	Sparks
Bakk	Erickson Ropes	Lourey	Rest	Stumpf
Berglin	Foley	Lynch	Robling	Tomassoni
Betzold	Frederickson	Marty	Rosen	Torres Ray
Bonoff	Gimse	Metzen	Rummel	Vandever
Carlson	Ingebrigtsen	Michel	Saltzman	Vickerman
Chaudhary	Johnson	Moua	Saxhaug	Wergin
Clark	Jungbauer	Murphy	Scheid	Wiger
Cohen	Koering	Olseen	Senjem	
Day	Kubly	Olson, M.	Sheran	
Dibble	Langseth	Pappas	Skoe	
Dille	Larson	Pogemiller	Skogen	

Those who voted in the negative were:

Fischbach	Hann	Limmer	Olson, G.	Pariseau
Gerlach	Koch	Neuville	Ortman	

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

Senator Pogemiller moved that S.F. No. 2157 be laid on the table. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Senator Pogemiller moved that H.F. No. 886 be taken from the table. The motion prevailed.

**H.F. No. 886:** A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; authorizing the sale of state bonds; appropriating money; amending Minnesota Statutes 2006, sections 16A.695, subdivisions 2, 3, by adding subdivisions; 16A.86, subdivision 3; 116R.01, subdivision 6; 116R.02, subdivisions 1, 2, 4, 5; 116R.03; 116R.05, subdivision 2; 116R.11, subdivision 1; 116R.12, by adding a subdivision; 272.01, subdivision 2; 290.06, subdivision 24; 297A.71, subdivision 10; 360.013, subdivision 39; 360.032, subdivision 1; 360.038, subdivision 4; Laws 2005, chapter 20, article 1, sections 7, subdivision 21; 20, subdivision 3; 23, subdivisions 8, 16; Laws 2006, chapter 258, sections 4, subdivision 4; 7, subdivision 11; 21, subdivisions 6, 15; repealing Minnesota Statutes 2006, sections 116R.02, subdivisions 3, 6, 7, 9; 116R.16.

### SUSPENSION OF RULES

Senator Pogemiller moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 886 and that the rules of the Senate be so far suspended as to give H.F. No. 886 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 886 was read the second time.

Senator Langseth moved to amend H.F. No. 886 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 886, and insert the language after the enacting clause, and the title, of S.F. No. 2157, the first engrossment, as amended by the Senate March 28, 2007.

The motion prevailed. So the amendment was adopted.

H.F. 886 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 56 and nays 9, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Latz	Prettner Solon	Sparks
Bakk	Erickson Ropes	Lourey	Rest	Stumpf
Berglin	Foley	Lynch	Robling	Tomassoni
Betzold	Frederickson	Marty	Rosen	Torres Ray
Bonoff	Gimse	Metzen	Rummel	Vandever
Carlson	Ingebrigtsen	Michel	Saltzman	Vickerman
Chaudhary	Johnson	Moua	Saxhaug	Wergin
Clark	Jungbauer	Murphy	Scheid	Wiger
Cohen	Koering	Olseen	Senjem	
Day	Kubly	Olson, M.	Sheran	
Dibble	Langseth	Pappas	Skoe	
Dille	Larson	Pogemiller	Skogen	

Those who voted in the negative were:

Fischbach	Hann	Limmer	Olson, G.	Pariseau
Gerlach	Koch	Neuville	Ortman	

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

### SPECIAL ORDER

**S.F. No. 1972:** A bill for an act relating to judiciary finance; appropriating money for the courts, public defenders, Board on Judicial Standards, and Uniform Laws Commission; adding new judgeships; correcting an unintentional repeal and resuming the payment of certain bail proceeds to the municipalities and subdivisions of government in Hennepin County; amending Minnesota Statutes 2006, section 2.722, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 484.

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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Langseth	Olson, G.	Scheid
Bakk	Fischbach	Larson	Olson, M.	Senjem
Berglin	Foley	Latz	Ortman	Sheran
Betzold	Frederickson	Limmer	Pappas	Skoe
Bonoff	Gerlach	Lourey	Pariseau	Skogen
Carlson	Gimse	Lynch	Pogemiller	Sparks
Chaudhary	Hann	Marty	Prettner Solon	Stumpf
Clark	Ingebrigtsen	Metzen	Rest	Tomassoni
Cohen	Johnson	Michel	Robling	Vandever
Day	Jungbauer	Moua	Rosen	Vickerman
Dibble	Koch	Murphy	Rummel	Wiger
Dille	Koering	Neuville	Saltzman	
Doll	Kubly	Olseen	Saxhaug	

So the bill passed and its title was agreed to.

Senator Pogemiller moved that S.F. No. 1972 be laid on the table. The motion prevailed.

### SPECIAL ORDER

**S.F. No. 276:** A bill for an act relating to insurance; creating a statewide health insurance pool for school district employees; appropriating money; amending Minnesota Statutes 2006, sections 13.203; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 5; 297I.05, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 62A.

### CALL OF THE SENATE

Senator Hann imposed a call of the Senate for the balance of the proceedings on S.F. No. 276. The Sergeant at Arms was instructed to bring in the absent members.

Senator Hann moved that S.F. No. 276 be re-referred to the Committee on Education.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

Bonoff	Gerlach	Koch	Olson, G.	Saltzman
Day	Gimse	Koering	Ortman	Senjem
Dille	Hann	Limmer	Pariseau	Sheran
Doll	Ingebrigtsen	Lynch	Robling	Vandeveer
Fischbach	Johnson	Michel	Rosen	Wergin
Frederickson	Jungbauer	Neuville	Rummel	Wiger

Those who voted in the negative were:

Anderson	Cohen	Lourey	Pappas	Skogen
Bakk	Dibble	Marty	Pogemiller	Sparks
Berglin	Erickson Ropes	Metzen	Prettner Solon	Stumpf
Betzold	Foley	Moua	Rest	Tomassoni
Carlson	Langseth	Murphy	Saxhaug	Torres Ray
Chaudhary	Larson	Olseen	Scheid	Vickerman
Clark	Latz	Olson, M.	Skoe	

The motion did not prevail.

Senator Berglin moved to amend S.F. No. 276 as follows:

Page 3, lines 30 and 33, delete "approved" and insert "reviewed"

Page 4, line 4, delete "approve" and insert "review"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Berglin	Betzold	Carlson	Chaudhary
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Clark	Koering	Lourey	Olson, M.	Saxhaug
Cohen	Kubly	Marty	Pappas	Stumpf
Dibble	Langseth	Metzen	Pogemiller	Tomassoni
Erickson Ropes	Larson	Moua	Prettner Solon	Torres Ray
Foley	Latz	Olseen	Rest	Vickerman

Those who voted in the negative were:

Bakk	Gerlach	Limmer	Pariseau	Sheran
Bonoff	Gimse	Lynch	Robling	Skoe
Day	Hann	Michel	Rosen	Skogen
Dille	Ingebrigtsen	Murphy	Rummel	Sparks
Doll	Johnson	Neuville	Saltzman	Vandever
Fischbach	Jungbauer	Olson, G.	Scheid	Wergin
Frederickson	Koch	Ortman	Senjem	Wiger

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

Senator Wergin moved to amend S.F. No. 276 as follows:

Page 3, line 14, after "(c)" insert "Except as otherwise provided in paragraph (d),"

Page 3, after line 22, insert:

"(d) Effective July 1, 2009, a contract entered into between an eligible employer and an eligible employee or the exclusive representative of an eligible employee must contain fixed dollar amounts per month for employer contributions for health plans for individual coverage, family coverage, or other levels of coverage specified in that contract. Employer contributions may not be specified as floating amounts or as a percentage of the premium cost. The portion of the premium not contributed by the eligible employer shall be borne by the eligible employee and be paid by payroll deduction."

Page 3, line 23, delete "(d)" and insert "(e)"

Page 4, line 1, delete "(e)" and insert "(f)"

Page 4, line 6, delete "(f)" and insert "(g)"

Page 4, line 9, delete "(g)" and insert "(h)"

Page 4, line 12, delete "(h)" and insert "(i)"

Page 4, delete lines 18 to 23

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 40, as follows:

Those who voted in the affirmative were:

Day	Gimse	Koch	Olson, G.	Senjem
Dille	Hann	Koering	Ortman	Skoe
Fischbach	Ingebrigtsen	Limmer	Pariseau	Vandever
Frederickson	Johnson	Michel	Robling	Wergin
Gerlach	Jungbauer	Neuville	Rosen	Wiger

Those who voted in the negative were:

Anderson	Betzold	Chaudhary	Dibble	Foley
Bakk	Bonoff	Clark	Doll	Kubly
Berglin	Carlson	Cohen	Erickson Ropes	Langseth

Larson	Metzen	Pappas	Saltzman	Sparks
Latz	Moua	Pogemiller	Saxhaug	Stumpf
Lourey	Murphy	Prettner Solon	Scheid	Tomassoni
Lynch	Olseen	Rest	Sheran	Torres Ray
Marty	Olson, M.	Rummel	Skogen	Vickerman

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

Senator Wergin moved to amend S.F. No. 276 as follows:

Page 3, line 12, delete everything after the comma and insert "the employer may, subject to subdivision 5, elect coverage provided or purchased through the health plans or health benefit plans offered by the board."

Page 3, delete line 13

Page 4, after line 26, insert:

"Subd. 5. **Election to participate.** Beginning May 15, 2009, and every five years thereafter, the board shall direct each bargaining unit of eligible employees to, by majority vote of its membership, elect or not elect to have their health coverage provided or purchased through health plans or health benefit plans offered by the board and to certify the election results and deliver them to the board. If a bargaining unit elects to participate, and the school board of the eligible employer agrees to the election by resolution, the election is effective for a period of five years from the date of enrollment of those eligible employees in health plans or health benefit plants offered by the board."

Page 4, line 27, delete "Subd. 5." and insert "Subd. 6."

Page 4, line 31, delete "Subd. 6." and insert "Subd. 7."

Page 5, line 1, delete "Subd. 7." and insert "Subd. 8."

Page 5, line 4, delete "Subd. 8." and insert "Subd. 9."

Page 5, line 12, delete "Subd. 9." and insert "Subd. 10."

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Bonoff	Hann	Limmer	Robling	Skoe
Day	Ingebrigtsen	Lynch	Rosen	Vandever
Fischbach	Johnson	Michel	Rummel	Wergin
Frederickson	Koch	Neuville	Saltzman	Wiger
Gerlach	Koering	Olson, G.	Senjem	
Gimse	Latz	Pariseau	Sheran	

Those who voted in the negative were:

Anderson	Dibble	Larson	Ortman	Sparks
Bakk	Dille	Lourey	Pappas	Stumpf
Berglin	Doll	Marty	Pogemiller	Tomassoni
Betzold	Erickson Ropes	Metzen	Prettner Solon	Torres Ray
Carlson	Foley	Moua	Rest	Vickerman
Chaudhary	Jungbauer	Murphy	Saxhaug	
Clark	Kubly	Olseen	Scheid	
Cohen	Langseth	Olson, M.	Skogen	

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

S.F. No. 276 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 42 and nays 23, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Langseth	Pappas	Skogen
Bakk	Doll	Larson	Pogemiller	Sparks
Berglin	Erickson Ropes	Lourey	Prettner Solon	Stumpf
Betzold	Foley	Marty	Rest	Tomassoni
Carlson	Frederickson	Metzen	Rosen	Torres Ray
Chaudhary	Gimse	Moua	Saxhaug	Vickerman
Clark	Jungbauer	Murphy	Scheid	
Cohen	Koering	Olseen	Senjem	
Dibble	Kubly	Olson, M.	Sheran	

Those who voted in the negative were:

Bonoff	Ingebrigtsen	Lynch	Pariseau	Vandev eer
Day	Johnson	Michel	Robling	Wergin
Fischbach	Koch	Neuville	Rummel	Wiger
Gerlach	Latz	Olson, G.	Saltzman	
Hann	Limmer	Ortman	Skoe	

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

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

### REPORTS OF COMMITTEES

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

#### **Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 2171:** A bill for an act relating to state government; making changes to health and human services programs; modifying health policy; changing licensing provisions; altering provisions for mental and chemical health; modifying child care provisions; amending children and family services provisions; changing continuing care provisions; amending MinnesotaCare; adjusting child care assistance eligibility; establishing family stabilization services; enacting federal compliance requirements; expanding medical assistance coverage; providing rate increases for certain providers; modifying fees; appropriating money for human services, health, veterans nursing homes boards, the Emergency Medical Services Regulatory Board; health care boards, the Council on Disability, the ombudsman for mental health and developmental disabilities, and the ombudsman for families; requiring reports; amending Minnesota Statutes 2006, sections 16A.724, subdivision 2, by adding subdivisions; 47.58, subdivision 8; 62E.02, subdivision 7; 62J.07, subdivisions 1, 3;

62J.495; 62J.692, subdivisions 1, 4, 5, 8; 62J.82; 62L.02, subdivision 11; 62Q.165, subdivisions 1, 2; 62Q.80, subdivisions 3, 4, 13, 14, by adding a subdivision; 69.021, subdivision 11; 103I.101, subdivision 6; 103I.208, subdivisions 1, 2; 103I.235, subdivision 1; 119B.011, by adding a subdivision; 119B.035, subdivision 1; 119B.05, subdivision 1; 119B.09, subdivision 1; 119B.12, by adding a subdivision; 119B.13, subdivisions 1, 7; 144.123; 144.125, subdivisions 1, 2; 144.3345; 144D.03, subdivision 1; 148.5194, by adding a subdivision; 148.6445, subdivisions 1, 2; 148C.11, subdivision 1; 149A.52, subdivision 3; 149A.97, subdivision 7; 153A.14, subdivision 4a; 153A.17; 169A.70, subdivision 4; 245.465, by adding a subdivision; 245.4874; 245.771, by adding a subdivision; 245.98, subdivision 2; 245A.035; 245A.10, subdivision 2; 245A.16, subdivisions 1, 3; 245C.02, by adding a subdivision; 245C.04, subdivision 1; 245C.05, subdivisions 1, 4, 5, 7, by adding a subdivision; 245C.08, subdivisions 1, 2; 245C.10, by adding a subdivision; 245C.11, subdivisions 1, 2; 245C.12; 245C.16, subdivision 1; 245C.17, by adding a subdivision; 245C.21, by adding a subdivision; 245C.23, subdivision 2; 246.54, subdivisions 1, 2; 252.27, subdivision 2a; 252.32, subdivision 3; 253B.185, by adding a subdivision; 254B.02, subdivision 3; 256.01, subdivision 2b, by adding subdivisions; 256.482, subdivisions 1, 8; 256.969, subdivisions 3a, 9, 27, by adding a subdivision; 256.975, subdivision 7; 256B.056, subdivision 10; 256B.0621, subdivision 11; 256B.0622, subdivision 2; 256B.0623, subdivision 5; 256B.0625, subdivisions 17, 18a, 20, 30, by adding subdivisions; 256B.0631, subdivisions 1, 3; 256B.0911, subdivisions 1a, 3a, 3b, by adding a subdivision; 256B.0913, by adding a subdivision; 256B.0915, by adding a subdivision; 256B.0943, subdivision 8; 256B.0945, subdivision 4; 256B.095; 256B.0951, subdivision 1; 256B.15, by adding a subdivision; 256B.199; 256B.431, subdivisions 2e, 41; 256B.434, by adding a subdivision; 256B.437, by adding a subdivision; 256B.441, subdivisions 1, 2, 5, 6, 10, 11, 13, 14, 17, 20, 24, 30, 31, 34, 38, 46, by adding subdivisions; 256B.5012, by adding a subdivision; 256B.69, subdivisions 2, 4, 5g, 5h; 256B.75; 256B.76; 256B.763; 256D.03, subdivisions 3, 4; 256I.04, subdivision 3; 256I.05, by adding subdivisions; 256J.01, by adding a subdivision; 256J.02, by adding a subdivision; 256J.021; 256J.08, subdivision 65; 256J.20, subdivision 3; 256J.32, subdivision 6; 256J.425, subdivisions 3, 4; 256J.49, subdivision 13; 256J.521, subdivisions 1, 2; 256J.53, subdivision 2; 256J.55, subdivision 1; 256J.626, subdivisions 1, 2, 3, 4, 5, 6; 256L.01, subdivisions 1, 4; 256L.03, subdivisions 1, 3, 5; 256L.035; 256L.04, subdivisions 1a, 7, 10; 256L.05, subdivisions 1, 1b, 2, 3a; 256L.07, subdivisions 1, 2, 3, 6; 256L.09, subdivision 4; 256L.11, subdivision 7; 256L.12, subdivision 9a; 256L.15, subdivisions 1, 2, 4; 256L.17, subdivisions 2, 3, 7; 259.20, subdivision 2; 259.29, subdivision 1; 259.41; 259.53, subdivision 2; 259.57, subdivision 2; 259.67, subdivision 4; 260C.209; 260C.212, subdivision 2; 462A.05, by adding a subdivision; 518A.56, by adding a subdivision; 609.115, subdivisions 8, 9; Laws 2005, chapter 98, article 3, section 25; Laws 2005, First Special Session chapter 4, article 9, section 3, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 16C; 144; 145; 149A; 245; 245C; 252; 254A; 256; 256B; 256C; 256J; 256L; repealing Minnesota Statutes 2006, sections 62A.301; 62J.692, subdivision 10; 256B.0631, subdivision 4; 256B.441, subdivisions 12, 16, 21, 26, 28, 42, 45; 256J.24, subdivision 6; 256J.29; 256J.37, subdivisions 3a, 3b; 256J.626, subdivisions 7, 9; 256L.035; 256L.07, subdivision 2a; Laws 2004, chapter 288, article 6, section 22; Minnesota Rules, parts 4610.2800; 9585.0030.

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

Page 6, line 8, strike "Not less than once every two years" and insert "Every year"

Page 8, line 26, delete "new training" and insert "trainings"

Page 25, line 5, delete "job counseling" and insert "employment services"

Page 25, line 34, delete "30 days" and insert "benefit month"

Page 26, line 12, after "agency" insert "or employment services provider"

Page 28, line 1, after "agency" insert "or employment services provider"

Page 29, line 20, after "MFIP" insert "cash assistance"

Page 29, lines 28 and 29, delete the new language and insert ", including case management"

Page 32, line 30, delete "(7)" and insert "(6)"

Page 32, line 31, delete "(8)" and insert "(7)"

Page 33, line 18, strike "(7)" and insert "(6)"

Page 33, line 20, strike "through (h)" and insert "and (c)"

Page 33, line 22, strike "through (h)" and before the period, insert "and (c)"

Page 60, line 23, before "medical" insert "eligible"

Page 60, line 24, after "groups" insert "and clinics"

Page 60, line 26, after the period, insert "The commissioner may receive any federal matching money that is made available through the medical assistance program for managed care oversight contracted through vendors, including consumer surveys, studies, and external quality reviews as required by the federal Balanced Budget Act of 1997, Code of Federal Regulations, title 42, part 438-managed care, subpart E-external quality review. Any federal money received for managed care oversight is appropriated to the commissioner for this purpose. The commissioner may expend the federal money received in either year of the biennium."

Page 64, line 4, delete the second "and"

Page 64, line 6, delete the period and insert "; and"

Page 64, after line 6, insert:

"(4) the total number of appointments resulting in visits completed and number of patients continuing services with the referring clinic."

Page 70, after line 23, insert:

"Sec. 10. Minnesota Statutes 2006, section 256B.04, subdivision 14, is amended to read:

Subd. 14. **Competitive bidding.** (a) When determined to be effective, economical, and feasible, the commissioner may utilize volume purchase through competitive bidding and negotiation under the provisions of chapter 16C, to provide items under the medical assistance program including but not limited to the following:

(1) eyeglasses;

(2) oxygen. The commissioner shall provide for oxygen needed in an emergency situation on a

short-term basis, until the vendor can obtain the necessary supply from the contract dealer;

(3) hearing aids and supplies; and

(4) durable medical equipment, including but not limited to:

(i) hospital beds;

(ii) commodes;

(iii) glide-about chairs;

(iv) patient lift apparatus;

(v) wheelchairs and accessories;

(vi) oxygen administration equipment;

(vii) respiratory therapy equipment;

(viii) electronic diagnostic, therapeutic and life support systems;

(5) special nonemergency medical transportation services level of need determinations, disbursement of public transportation passes and tokens, and volunteer and recipient mileage and parking reimbursements; and

(6) drugs.

(b) Rate changes under this chapter and chapters 256D and 256L do not affect contract payments under this subdivision unless specifically identified.

(c) The commissioner may not utilize volume purchase through competitive bidding and negotiation for special transportation services under the provisions of chapter 16C.

Sec. 11. Minnesota Statutes 2006, section 256B.04, is amended by adding a subdivision to read:

Subd. 14a. **Level of need determination.** Nonemergency medical transportation level of need determinations must be performed by a physician, a registered nurse working under direct supervision of a physician, a physician's assistant, a nurse practitioner, a licensed practical nurse, or a discharge planner. Nonemergency medical transportation level of need determinations must not be performed more than semiannually on any individual, unless the individual's circumstances have sufficiently changed so as to require a new level of need determination. Individuals residing in licensed nursing facilities and individuals requiring stretcher transportation are exempt from a level of need determination and are eligible for special transportation services until the individual no longer resides in a licensed nursing facility or no longer requires stretcher transportation."

Page 73, lines 25, 26, and 27, delete the new language and reinstate the stricken language

Page 73, after line 27, insert:

"(e) Effective July 1, 2007, the alternative payment methodology in paragraph (d) is adjusted to exclude the productivity standards and the Medicare limits."

Page 73, line 35, after "experience" insert "with an enrolled physician or advanced practice

registered nurse"

Page 74, line 4, delete "provider" and insert "physician or advanced practice registered nurse"

Page 77, line 19, delete "and conduct"

Page 77, line 26, delete "and implemented by" and insert a period

Page 77, delete line 27 and insert "The biennial report established in subdivision 5 shall include recommendations on statewide and regional reports of the survey results that, if published, would be useful to"

Page 77, line 28, delete "for use by"

Page 78, line 12, delete everything after the second "on" and insert "development and field testing of the annual survey, appropriations necessary to implement an annual survey of service recipients once field testing is completed,"

Page 85, line 31, delete "Prior to"

Page 85, delete lines 32 to 34

Page 88, after line 14, insert:

"EFFECTIVE DATE. This section is effective January 1, 2009."

Page 92, line 2, before the period, insert ", or upon federal approval, whichever is later"

Page 94, after line 6, insert:

"EFFECTIVE DATE. For parents and relative caretakers, this section is effective July 1, 2007, or upon federal approval, whichever is later. For single adults and households with no children, this section is effective January 1, 2008."

Page 95, after line 5, insert:

"EFFECTIVE DATE. For parents and relative caretakers, this section is effective July 1, 2007, or upon federal approval, whichever is later. For single adults and households with no children, this section is effective January 1, 2008."

Sec. 35. Minnesota Statutes 2006, section 256L.04, subdivision 1, is amended to read:

Subdivision 1. **Families with children.** (a) Families with children with family income equal to or less than 275 percent of the federal poverty guidelines for the applicable family size shall be eligible for MinnesotaCare according to this section. All other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers to enrollment under section 256L.07, shall apply unless otherwise specified.

(b) Parents who enroll in the MinnesotaCare program must also enroll their children, if the children are eligible. Children may be enrolled separately without enrollment by parents. However, if one parent in the household enrolls, both parents must enroll, unless other insurance is available. If one child from a family is enrolled, all children must be enrolled, unless other insurance is available. If one spouse in a household enrolls, the other spouse in the household must also enroll, unless other insurance is available. Families cannot choose to enroll only certain uninsured members.

(c) Beginning October 1, 2003, the dependent sibling definition no longer applies to the MinnesotaCare program. These persons are no longer counted in the parental household and may apply as a separate household.

~~(d) Beginning July 1, 2003, or upon federal approval, whichever is later, parents are not eligible for MinnesotaCare if their gross income exceeds \$50,000."~~

Page 95, after line 19, insert:

"EFFECTIVE DATE. This section is effective January 1, 2008."

Page 95, after line 26, insert:

"EFFECTIVE DATE. This section is effective January 1, 2008."

Page 95, line 31, after "nonimmigrants" insert "ages 21 and over"

Page 95, line 32, delete the new language

Page 96, after line 9, insert:

"EFFECTIVE DATE. Paragraph (a) is effective January 1, 2008. Paragraph (c) is effective July 1, 2007."

Page 97, after line 29, insert:

"EFFECTIVE DATE. This section is effective July 1, 2007, or upon federal approval, whichever is later."

Page 98, line 11, after the period, insert "Beginning January 1, 2008,"

Page 98, after line 29, insert:

"EFFECTIVE DATE. This section is effective July 1, 2007, or upon federal approval, whichever is later."

Page 99, after line 21, insert:

"EFFECTIVE DATE. This section is effective July 1, 2007, or upon federal approval, whichever is later."

Page 100, after line 22, insert:

"EFFECTIVE DATE. This section is effective July 1, 2007, or upon federal approval, whichever is later."

Page 103, line 11, before the period, insert ", or upon federal approval, whichever is later"

Page 103, after line 18, insert:

"EFFECTIVE DATE. This section is effective January 1, 2009."

Page 103, after line 30, insert:

"EFFECTIVE DATE. This section is effective July 1, 2007, or upon federal approval,

whichever is later."

Page 107, after line 22, insert:

"EFFECTIVE DATE. This section is effective January 1, 2009.

**Sec. 56. REINVESTMENT FOR COUNTY-BASED HEALTH CARE PROGRAMS.**

Any county that realizes savings from electing to provide health care services through a county-based purchasing plan under Minnesota Statutes, section 256B.692, must reinvest the savings into health care services or programs."

Page 109, line 6, delete "effective July 1, 2007"

Page 109, line 7, delete everything after "effective" and insert "October 1, 2009."

Page 109, delete line 8

Page 116, line 6, delete everything after "(a)"

Page 116, delete lines 7 and 8

Page 116, line 9, delete everything before the period and insert "Housing with services establishments offering or providing assisted living under chapter 144G shall inform all prospective residents of the availability of and contact information for transitional consultation services under this subdivision prior to executing a lease or contract with the prospective resident"

Page 120, after line 31, insert:

"Sec. 19. Minnesota Statutes 2006, section 256B.434, subdivision 4, is amended to read:

**Subd. 4. Alternate rates for nursing facilities.** (a) For nursing facilities which have their payment rates determined under this section rather than section 256B.431, the commissioner shall establish a rate under this subdivision. The nursing facility must enter into a written contract with the commissioner.

(b) A nursing facility's case mix payment rate for the first rate year of a facility's contract under this section is the payment rate the facility would have received under section 256B.431.

(c) A nursing facility's case mix payment rates for the second and subsequent years of a facility's contract under this section are the previous rate year's contract payment rates plus an inflation adjustment and, for facilities reimbursed under this section or section 256B.431, an adjustment to include the cost of any increase in Health Department licensing fees for the facility taking effect on or after July 1, 2001. The index for the inflation adjustment must be based on the change in the Consumer Price Index-All Items (United States City average) (CPI-U) forecasted by the commissioner of finance's national economic consultant, as forecasted in the fourth quarter of the calendar year preceding the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined. For the rate years beginning on July 1, 1999, July 1, 2000, July 1, 2001, July 1, 2002, July 1, 2003, July 1, 2004, July 1, 2005, July 1, 2006, July 1, 2007, and July 1, 2008, July 1, 2009, and July 1, 2010, this paragraph shall apply only to the property-related payment rate, except that adjustments to include the cost of any increase in Health Department licensing

fees taking effect on or after July 1, 2001, shall be provided. Beginning in 2005, adjustment to the property payment rate under this section and section 256B.431 shall be effective on October 1. In determining the amount of the property-related payment rate adjustment under this paragraph, the commissioner shall determine the proportion of the facility's rates that are property-related based on the facility's most recent cost report.

(d) The commissioner shall develop additional incentive-based payments of up to five percent above a facility's operating payment rate for achieving outcomes specified in a contract. The commissioner may solicit contract amendments and implement those which, on a competitive basis, best meet the state's policy objectives. The commissioner shall limit the amount of any incentive payment and the number of contract amendments under this paragraph to operate the incentive payments within funds appropriated for this purpose. The contract amendments may specify various levels of payment for various levels of performance. Incentive payments to facilities under this paragraph may be in the form of time-limited rate adjustments or onetime supplemental payments. In establishing the specified outcomes and related criteria, the commissioner shall consider the following state policy objectives:

- (1) successful diversion or discharge of residents to the residents' prior home or other community-based alternatives;
- (2) adoption of new technology to improve quality or efficiency;
- (3) improved quality as measured in the Nursing Home Report Card;
- (4) reduced acute care costs; and
- (5) any additional outcomes proposed by a nursing facility that the commissioner finds desirable."

Page 123, line 34, delete "four" and insert "five" and delete "2011" and insert "2012"

Page 124, line 1, delete "2012" and insert "2013"

Page 129, delete section 40

Page 132, line 29, delete everything after the second comma and insert "to October 1, 2012, the"

Page 132, line 33, delete "23.5" and insert "23.6"

Page 132, line 34, delete "76.5" and insert "76.4"

Page 133, line 2, delete "61.9" and insert "40" and delete "38.1" and insert "60"

Page 133, line 4, delete "80" and insert "60"

Page 133, line 5, delete "20" and insert "40"

Page 133, line 6, delete everything after the period and insert "For the rate year beginning October 1, 2011, the operating cost payment rate for each facility shall be 80 percent of the operating cost payment rate from this section, and 20 percent of the operating cost payment rate from section 256B.434. For the rate year beginning October 1, 2012, the"

Page 133, line 12, delete everything after "2008,"

Page 133, line 13, delete everything before the fifth comma and insert "to October 1, 2012"

Page 133, after line 20, insert:

"Sec. 52. Minnesota Statutes 2006, section 256B.49, subdivision 11, is amended to read:

Subd. 11. **Authority.** (a) The commissioner is authorized to apply for home and community-based service waivers, as authorized under section 1915(c) of the Social Security Act to serve persons under the age of 65 who are determined to require the level of care provided in a nursing home and persons who require the level of care provided in a hospital. The commissioner shall apply for the home and community-based waivers in order to:

- (i) promote the support of persons with disabilities in the most integrated settings;
- (ii) expand the availability of services for persons who are eligible for medical assistance;
- (iii) promote cost-effective options to institutional care; and
- (iv) obtain federal financial participation.

(b) The provision of waived services to medical assistance recipients with disabilities shall comply with the requirements outlined in the federally approved applications for home and community-based services and subsequent amendments, including provision of services according to a service plan designed to meet the needs of the individual. For purposes of this section, the approved home and community-based application is considered the necessary federal requirement.

(c) The commissioner shall provide interested persons serving on agency advisory committees and task forces, the Centers for Independent Living, and others upon who request, with to be on a list to receive notice of, and an opportunity to comment on, at least 30 days before any effective dates, (1) any substantive changes to the state's disability services provider manual or (2) changes or amendments to the federally approved applications for home and community-based waivers, prior to their submission to the federal Centers for Medicare and Medicaid Services.

(d) The commissioner shall seek approval, as authorized under section 1915(c) of the Social Security Act, to allow medical assistance eligibility under this section for children under age 21 without deeming of parental income or assets.

(e) The commissioner shall seek approval, as authorized under section 1915(c) of the Social Act, to allow medical assistance eligibility under this section for individuals under age 65 without deeming the spouse's income or assets.

Sec. 53. Minnesota Statutes 2006, section 256B.49, subdivision 16, is amended to read:

Subd. 16. **Services and supports.** (a) Services and supports included in the home and community-based waivers for persons with disabilities shall meet the requirements set out in United States Code, title 42, section 1396n. The services and supports, which are offered as alternatives to institutional care, shall promote consumer choice, community inclusion, self-sufficiency, and self-determination.

(b) Beginning January 1, 2003, the commissioner shall simplify and improve access to home and community-based waived services, to the extent possible, through the establishment of a common service menu that is available to eligible recipients regardless of age, disability type, or waiver

program.

(c) Consumer directed community support services shall be offered as an option to all persons eligible for services under subdivision 11, by January 1, 2002.

(d) Services and supports shall be arranged and provided consistent with individualized written plans of care for eligible waiver recipients.

(e) A transitional supports allowance shall be available to all persons under a home and community-based waiver who are moving from a licensed setting to a community setting. "Transitional supports allowance" means a onetime payment of up to \$3,000, to cover the costs, not covered by other sources, associated with moving from a licensed setting to a community setting. Covered costs include:

- (1) lease or rent deposits;
- (2) security deposits;
- (3) utilities set-up costs, including telephone;
- (4) essential furnishings and supplies; and
- (5) personal supports and transports needed to locate and transition to community settings.

(f) The state of Minnesota and county agencies that administer home and community-based waived services for persons with disabilities, shall not be liable for damages, injuries, or liabilities sustained through the purchase of supports by the individual, the individual's family, legal representative, or the authorized representative with funds received through the consumer-directed community support service under this section. Liabilities include but are not limited to: workers' compensation liability, the Federal Insurance Contributions Act (FICA), or the Federal Unemployment Tax Act (FUTA).

(g) The commissioner shall seek federal approval for Medicaid reimbursement of: independent living skills, supported employment, structured day, prevocational, and adult day care services under the home and community-based waiver for persons with a traumatic brain injury (TBI), the community alternatives for disabled individuals (CADI) waiver, and the community alternative care (CAC) waiver when the provider demonstrates evidence of its capacity to meet basic health, safety, and protection standards through one of the following methods:

(1) the provider is licensed to provide services under chapter 245B and agrees to apply these standards to services funded through the TBI, CADI, or CAC home and community-based waivers;  
or

(2) the local agency contracting for the services certifies on a form provided by the commissioner that the provider has the capacity to meet the individual needs as identified in each person's individual service plan. When certifying that the service provider meets the necessary provider qualifications, the local agency shall verify that the provider has policies and procedures governing the following:

- (i) protection of the consumer's rights and privacy;
- (ii) risk assessment and planning;

(iii) record keeping and reporting of incidents and emergencies with documentation of corrective action if needed;

(iv) service outcomes, regular reviews of progress, and periodic reports;

(v) complaint and grievance procedures;

(vi) service termination or suspension; and

(vii) necessary training and supervision of direct care staff that includes:

(A) documentation in personnel files of 20 hours of orientation training in providing training related to service provision;

(B) training in recognizing the symptoms and effects of certain disabilities, health conditions, and positive behavioral supports and interventions; and

(C) a minimum of five hours of related training annually; and

(viii) when applicable:

(A) safe medication administration;

(B) proper handling of consumer funds; and

(C) compliance with prohibitions and standards developed by the commissioner to satisfy federal requirements regarding the use of restraints and restrictive interventions. The local agency shall review at least annually each service provider's continued compliance with the standards governing basic health, safety, and protection of rights.

(h) The commissioner shall seek federal approval for Medicaid reimbursement of foster care services under the home and community-based waiver for persons with a traumatic brain injury, the community alternatives for disabled individuals waiver, and community alternative care waiver when the provider demonstrates evidence of its capacity to meet basic health, safety, and protection standards. The local agency shall verify that the provider is licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, and certify that the provider has policies and procedures that govern:

(1) compliance with prohibitions and standards developed by the commissioner to meet federal requirements regarding the use of restraints and restrictive interventions; and

(2) documentation of service needs and outcomes, regular reviews of progress, and periodic reports.

The local agency shall review at least annually each service provider's continued compliance with the standards governing basic health, safety, and protection of rights standards.

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

Page 146, lines 5 and 6, before "2.83" insert "at least"

Page 146, line 29, before "A" insert "Effective July 1, 2007,"

Pages 146 to 147, delete sections 60 and 61

Page 158, delete lines 20 to 23 and insert:

"(3) the county social service agency has an existing relationship with an assessor or service provider and elects to enter into a contract with that assessor to provide both assessment and treatment under circumstances specified in the county's contract, provided the county retains responsibility for making placement decisions."

Page 202, line 9, delete "Laboratory service" and delete "laboratory"

Page 202, line 10, delete "service fees" and insert "a fee"

Page 202, line 12, delete "laboratory service"

Page 208, after line 36, insert:

**"Sec. 31. CERVICAL CANCER PREVENTION AND HUMAN PAPILOMA VIRUS VACCINE STUDY.**

The commissioner of health shall reconvene the cervical cancer elimination study required under Laws 2005, First Special Session chapter 4, article 6, section 52, to conduct a study, in collaboration with the Minnesota Immunization Practices Advisory Committee, on the human papilloma virus vaccine, including, but not limited to, the following:

- (1) the risks and benefits of the human papilloma virus vaccine;
- (2) the availability and effectiveness of the vaccine;
- (3) the extent to which health plan companies cover the cost of this vaccination; and
- (4) ways to cover the cost of vaccination for persons without coverage.

The commissioner shall submit a report to the legislature by February 1, 2008, on the findings of the study and recommendations as to whether the human papilloma virus vaccine should be made mandatory statewide."

Page 209, line 5, delete "22" and insert "27"

Page 213, delete lines 4 to 6 and insert:

"(1) three members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, including one member of the minority;"

Page 214, line 13, after "finance" insert ", the Health Care Access Commission,"

Page 215, line 24, delete "5,271,550,000" and delete "5,776,015,000"

Page 215, line 31, delete "4,988,115,000" and insert "513,425,000"

Page 221, delete lines 25 and 26

Page 222, line 6, after "counties" insert "and tribes"

Page 222, lines 18, 20, 22, 26, 30, and 33, after "county" insert "or tribe"

Page 223, line 3, after "counties" insert "and tribes"

Page 224, after line 20, insert:

"At-Home Infant Care Program. No funding shall be allocated to or spent on the at-home infant care program under Minnesota Statutes, section 119B.035."

Page 229, delete lines 30 and 31

Page 233, delete lines 17 and 18

Page 234, line 19, delete "Grants" and insert "Funding"

Page 235, line 17, delete "\$178,000" and insert "\$120,000" and delete "\$130,000" and insert "\$120,000"

Page 235, line 20, delete "\$9,000" and insert "\$39,000"

Page 236, delete lines 17 to 25

Page 238, delete lines 9 to 34

Page 239, delete lines 1 and 2 and insert:

"Adjustment of CADI Allocations. (a) The commissioner shall increase as needed the fiscal year 2007 home and community-based allocations made under Minnesota Statutes, section 256B.49, subdivision 17, paragraph (b), to qualifying counties that transferred persons to the community alternatives for disabled individuals (CADI) waiver in accordance with Laws 2006, chapter 282, article 20, section 35. The increase shall be based on the amount by which allowable funding for CADI waiver services exceeds authorized spending for personal care assistance services as shown in the Medicaid management information system as of March 1, 2007.

(b) Counties that believe they qualify under paragraph (a) may apply to the commissioner and shall provide to the commissioner by June 10, 2007, all necessary information regarding the funding amount to which they believe they are entitled. The commissioner shall increase the county allocation to counties that demonstrate they are entitled to the increase by June 25, 2007.

(c) The amounts provided to counties under this section shall become part of each county's base level state allocation for CADI for the biennium beginning July 1, 2007.

(d) This rider is effective the day following final enactment."

Page 240, delete lines 4 to 34

Page 241, delete lines 1 to 12

Page 241, line 15, delete the second "the"

Page 241, delete line 16

Page 241, line 17, delete "Development" and insert "finance"

Page 244, after line 11, insert:

**"Home Health Reimbursement Study. (1) Of the general fund appropriation, \$100,000 in fiscal year 2008 is to the commissioner to contract with a Minnesota-based, nonprofit quality improvement organization that collaborates with providers and consumers in health improvement activities, for the purpose of conducting an independent analysis of the reimbursement methodologies for home health services provided to enrollees in the Minnesota senior health options and Minnesota disability health options programs.**

(2) The analysis of reimbursement methodologies shall include, at a minimum, a review of:

(i) any limitations on flexibility in services or technology for the home health provider;

(ii) the Medicare program reimbursement methodologies, including possible alternatives, and Medicare benefits;

(iii) potential access issues raised by current reimbursement methodologies; and

(iv) incentives, including episodic care reimbursement methodologies, to promote best practices and achieve identified clinical outcomes.

(3) The analysis and any supporting recommendations shall be presented to the commissioner by December 1, 2007, and to the chairs of the appropriate legislative committees by December 15, 2007. In no event shall the study disclose any specific reimbursement amount or methodologies attributable to an individual health carrier.

(4) In conducting its analysis, the organization described in paragraph (a) shall consult with the commissioner, the Minnesota Home Care Association, managed care organizations, and other interested home health entities and advocates, and shall convene the parties to discuss pertinent issues."

Page 246, delete lines 17 and 18

Page 246, after line 26, insert:

"Internet-Based Resources. The Internet-based resource developed as part of the evidence-based practice for the treatment of methamphetamine abuse at the state-operated services chemical dependency program in Willmar established by Laws 2005, First Special Session chapter 4, article 9, section 2, subdivision 10, shall be transferred from the commissioner of human services to the commissioner of health. The commissioner of health shall maintain the resource."

Page 246, delete lines 32 and 33

Page 247, delete lines 1 to 5

Page 247, line 31, delete "board" and insert "commissioner"

Page 248, line 10, after "commissioner" insert "of finance"

Page 248, line 21, delete "\$5,817,000 of the"

Page 248, delete line 22

Page 248, line 23, delete everything before "to" and insert "The TANF appropriation each year is"

Page 252, delete lines 9 to 13

Page 253, delete lines 24 to 27

Page 253, line 35, after the second "to" insert "augment any appropriation from the remediation fund to"

Page 254, delete lines 23 to 26

Page 254, line 31, delete "\$2,683,000"

Page 254, delete lines 32 and 33

Page 254, line 34, delete "appropriated" and insert "The TANF appropriation each year is"

Page 255, line 5, delete "2" and insert "2a"

Page 255, after line 27, insert:

**"Veterans Homes Special Revenue Account.**  
**The general fund appropriations made to the board may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited, according to Minnesota Statutes, section 198.34, and are appropriated to the board for the operation of board facilities and programs."**

Page 256, after line 17, insert:

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

Page 261, line 18, after "Statutes" insert "2006"

Page 262, line 7, after "technology" insert a comma and after "infrastructure" insert a comma

Re-number the sections in sequence

Amend the title numbers accordingly

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

## **SECOND READING OF SENATE BILLS**

S.F. No. 2171 was read the second time.

## **MOTIONS AND RESOLUTIONS - CONTINUED**

S.F. No. 60 and the Conference Committee Report thereon were reported to the Senate.

**CONFERENCE COMMITTEE REPORT ON S.F. NO. 60**

A bill for an act relating to local government; authorizing the city of Duluth to establish accounts to pay for postemployment benefits owed to retired employees and to generate revenue dedicated to meet certain city obligations; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 11A and 353.

March 24, 2007

The Honorable James P. Metzen  
President of the Senate

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 60 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 60 be further amended as follows:

Delete everything after the enacting clause and insert:

**"Section 1. [11A.235] ACCOUNT FOR INVESTMENT OF CERTAIN DULUTH FUNDS OR ASSETS.**

**Subdivision 1. Establishment.** The State Board of Investment, when requested by the city of Duluth, may invest the funds or assets of the city's community investment trust fund in a special account for that purpose in the combined investment funds established in section 11A.14, subject to the policies and procedures established by the State Board of Investment. Use of the funds in the account is restricted to debt service payments for the city's street improvement program or to any other use approved in accordance with Section 54(E) of the home rule charter of the city of Duluth.

**Subd. 2. Account maintenance and investment.** The city may deposit money in the account and may withdraw money from the account for purposes approved by the Duluth City Council in accordance with Section 54(E) of the home rule charter of the city of Duluth. Such transactions must be at a time and in a manner required by the executive director of the State Board of Investment. Investment earnings must be credited to the account of the city. The account may be terminated by the city at any time.

**EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day following the day on which the chief clerical officer of the city of Duluth timely completes its compliance with Minnesota Statutes, section 645.021, subdivision 3, following approval by the Duluth City Council in compliance with Minnesota Statutes, section 645.021, subdivision 2.

**Sec. 2. [353.95] ACCOUNT FOR DULUTH POSTEMPLOYMENT BENEFITS.**

**Subdivision 1. Establishment.** The Public Employees Retirement Association may administer an account representing the irrevocable trust fund established by the city of Duluth to be used only to fund and pay for the postemployment benefits owed to retired employees in accordance with language contained in labor agreements between the city and its employee bargaining units, or between participating subgroups in the city's health plan and their retirees. The city of Duluth investment committee shall serve as trustee of the irrevocable trust.

Subd. 2. **Definition.** For purposes of this section, "postemployment benefit" means a benefit giving rise to a liability under Statement 45 of the Governmental Accounting Standards Board, and therefore does not include benefits to be paid by a Minnesota public pension plan listed in section 356.20, subdivision 2, or 356.30, subdivision 3, and benefits provided on a defined contribution individual account basis.

Subd. 3. **Account maintenance and investment.** (a) The Public Employees Retirement Association may charge the city fees for reasonable administrative costs, and the amount of those fees is appropriated to the association from the account. The Public Employees Retirement Association may establish other terms and conditions for participation in the account.

(b) The Public Employees Retirement Association must certify all money in the account to the State Board of Investment for investment in the combined investment funds established in section 11A.14, subject to the policies and procedures established by the State Board of Investment. Investment earnings must be credited to the account of the city. At least quarterly, the State Board of Investment shall provide to the city of Duluth the total rate of return for the assets invested by the board for the city of Duluth under this section. The State Board of Investment shall also include in its annual report the annual total rate of return results for those assets.

Subd. 4. **Management and termination of account.** The city may deposit money in the account and may withdraw money from the account as needed for postemployment benefits owed on behalf of retired employees of the city or its subgroups. Such transactions must be at a time and in a manner required by the executive director of the Public Employees Retirement Association. The city of Duluth must ensure that the investment and management of the assets complies with the prudent investor rule in section 501B.151 and that withdrawals comply with the requirements of this section. The account may be terminated only to the extent the city's postemployment benefit actuarial liability is satisfied or otherwise defeased. The city shall file with the state auditor an investment policy statement under section 356.219, subdivision 3, paragraph (a).

Subd. 5. **Status of irrevocable fund.** (a) All money in the account representing the irrevocable fund created in this section is held in trust for the exclusive benefit of retired employees of the city and of subgroups participating in the city's health plan, and is not subject to claims by creditors of the state, the city, the city's subgroups, or the current and former employees of the city or its subgroups.

(b) The irrevocable trust fund underlying the account created in this section must be deemed an arrangement equivalent to a trust for all legal purposes.

**EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day following the day on which the chief clerical officer of the city of Duluth timely completes its compliance with Minnesota Statutes, section 645.021, subdivision 3, following approval by the Duluth City Council in compliance with Minnesota Statutes, section 645.021, subdivision 2.

Sec. 3. **INTENT AND PURPOSE; NO PRECEDENT.**

(a) Sections 1 and 2 are intended to resolve specific expenditure and funding issues that have arisen in the city of Duluth.

(b) Nothing in sections 1 and 2 may be interpreted as establishing a precedent for potential solutions to postemployment benefit expenditure and funding problems in other jurisdictions that may be fashioned by the 2007 legislature."

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

Senate Conferees: (Signed) Yvonne Prettner Solon, Thomas M. Bakk, Dennis R. Frederickson

House Conferees: (Signed) Thomas Huntley, Mary Murphy, Steve Smith

Senator Prettner Solon moved that the foregoing recommendations and Conference Committee Report on S.F. No. 60 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 60 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Larson	Ortman	Sheran
Berglin	Foley	Latz	Pappas	Skoe
Betzold	Frederickson	Limmer	Pariseau	Skogen
Bonoff	Gerlach	Lourey	Pogemiller	Sparks
Carlson	Gimse	Lynch	Prettner Solon	Stumpf
Chaudhary	Hann	Marty	Rest	Tomassoni
Clark	Ingebrigtsen	Metzen	Robling	Torres Ray
Cohen	Johnson	Michel	Rosen	Vandever
Day	Jungbauer	Moua	Rummel	Vickerman
Dibble	Koch	Murphy	Saltzman	Wergin
Dille	Koering	Neuville	Saxhaug	Wiger
Doll	Kubly	Olseen	Scheid	
Erickson Ropes	Langseth	Olson, G.	Senjem	

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

### RECESS

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

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Senator Sheran moved that her name be stricken as a co-author to S.F. No. 14. The motion prevailed.

Senator Marty moved that his name be stricken as chief author, shown as a co-author, and the name of Senator Lourey be shown as chief author to S.F. No. 14. The motion prevailed.

### MEMBERS EXCUSED

Senators Higgins and Sieben were excused from the Session of today. Senator Vandever was

excused from the Session of today from 12:00 noon to 1:05 p.m.

**ADJOURNMENT**

Senator Pogemiller moved that the Senate do now adjourn until 12:00 noon, Thursday, March 29, 2007. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



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