

ONE HUNDRED TWELFTH DAY

St. Paul, Minnesota, Wednesday, May 7, 2008

The Senate met at 3:00 p.m. 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, Rev. Monsignor James D. Habiger.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 22, 2008

The Honorable James P. Metzen
President of the Senate

Dear Senator Metzen:

The following appointments are hereby respectfully submitted to the Senate for confirmation as

required by law:

BOARD OF SCHOOL ADMINISTRATORS

Daniel Sullivan, 535 E. Crystal Lake Rd., Burnsville, in the county of Dakota, effective April 28, 2008, for a term that expires on January 2, 2012.

Louise A. Sundin, 5216 Vincent Ave. S., Minneapolis, in the county of Hennepin, effective April 28, 2008, for a term that expires on January 2, 2012.

Referred to the Committee on Education.

Sincerely,
Tim Pawlenty, Governor

May 1, 2008

The Honorable James P. Metzen
President of the Senate

Dear President Metzen:

Please be advised that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 2775, 2939, 3174, 3331, 2996, 3455 and 3098.

Sincerely,
Tim Pawlenty, Governor

May 1, 2008

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2008 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2008	Date Filed 2008
2775		253	10:18 a.m. May 1	May 1
2939		254	10:19 a.m. May 1	May 1
3174		256	11:05 a.m. May 1	May 1
3331		257	10:16 a.m. May 1	May 1
2996		258	11:07 a.m. May 1	May 1
3455		259	11:08 a.m. May 1	May 1
3098		260	11:10 a.m. May 1	May 1

112TH DAY]

WEDNESDAY, MAY 7, 2008

9585

3657	261	11:12 a.m. May 1	May 1
2837	262	11:13 a.m. May 1	May 1
3066	263	11:14 a.m. May 1	May 1

Sincerely,
Mark Ritchie
Secretary of State

May 5, 2008

The Honorable James P. Metzen
President of the Senate

Dear President Metzen:

Please be advised that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 3443, 2796, 2948, 3256, 3137, 2576, 2988 and 3372.

Sincerely,
Tim Pawlenty, Governor

May 5, 2008

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2008 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2008	Date Filed 2008
3443		265	3:35 p.m. May 4	May 4
2796		266	3:38 p.m. May 4	May 4
2948		267	10:42 a.m. May 5	May 5
3256		268	3:37 p.m. May 4	May 4
3137		269	3:39 p.m. May 4	May 4
2576		270	3:34 p.m. May 4	May 4
2988		271	3:37 p.m. May 4	May 4
3372		272	3:33 p.m. May 4	May 4
	3477	273	3:40 p.m. May 4	May 4
	4075	274	10:12 a.m. May 5	May 5

Sincerely,
Mark Ritchie
Secretary of State

May 5, 2008

The Honorable James P. Metzen
President of the Senate

Dear Senator Metzen:

The following appointment is hereby respectfully submitted to the Senate for confirmation as required by law:

BOARD ON JUDICIAL STANDARDS

Patrick D. Sexton, 5538 Upton Ave. S., Minneapolis, in the county of Hennepin, effective May 12, 2008, for a term that expires on January 2, 2012.

Referred to the Committee on Judiciary.

Sincerely,
Tim Pawlenty, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 3363: A bill for an act relating to state government; improving access to budget information by members of the legislature; specifying the development of budget recommendations and requiring state agencies to provide information; establishing a subcommittee of the Legislative Commission on Planning and Fiscal Policy; requiring disclosure of status of fiscal note requests; providing for appeal of fiscal note conclusions; modifying state budget requirements; incorporating Minnesota Milestones goals and indicators in budget preparation; requiring commissioner of finance to adjust for projected inflation in forecasting state expenditures; requiring a forecast of cash flow for the general fund; providing deadline for modifying budget after February forecast; specifying format for detailed budget estimates of expenditures; imposing deadline for notice of deficiency requests; providing a process to increase the budget reserve; requiring state agencies with certain information and telecommunications technology projects to register with the Office of Enterprise Technology and requiring the office to monitor progress on the projects; requiring the Office of Enterprise Technology to report to the legislature regarding its approval process for state agency technology requests and assistance provided to state agencies in developing agency information systems plans; providing additional whistleblower protection to state employees; providing additional duties for the Sesquicentennial Commission; establishing a working group; eliminating obsolete requirements; amending Minnesota Statutes 2006, sections 3.885, subdivisions

4, 5, by adding subdivisions; 3.98, subdivision 4, by adding a subdivision; 3.987, subdivision 1, as amended; 13.605, subdivision 1; 16A.10, subdivisions 1, 1c, 2, by adding a subdivision; 16A.103, subdivisions 1a, 1b; 16A.11, subdivisions 1, 3, by adding a subdivision; 16E.01, subdivision 3; 16E.03, subdivision 1; 16E.04, subdivision 2; Minnesota Statutes 2007 Supplement, sections 16A.152, subdivision 2; 181.932, subdivision 1; Laws 2005, First Special Session chapter 1, article 4, section 121, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Minnesota Statutes 2006, section 16A.152, subdivision 1b.

There has been appointed as such committee on the part of the House:

Solberg, Simon, Loeffler, Winkler and Tingelstad.

Senate File No. 3363 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 5, 2008

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 3376:

H.F. No. 3376: A bill for an act relating to human services; amending the MFIP work participation program; changing child care assistance provisions; changing the child care assistance sliding fee scale; establishing a child care advisory task force; requiring a mandated report; making technical changes; amending Minnesota Statutes 2006, sections 119B.011, subdivision 17; 119B.03, subdivisions 1, 6; 119B.09, subdivisions 1, 9; 119B.125, by adding a subdivision; 119B.21, subdivision 10; 256E.30, subdivision 1; 256E.35, subdivision 7; 256J.24, subdivision 5; 256J.39, by adding a subdivision; 256J.425, subdivision 1; 256J.521, subdivision 4; 256J.54, subdivisions 2, 5; 256J.545; Minnesota Statutes 2007 Supplement, sections 119B.12; 119B.125, subdivision 2; 119B.13, subdivisions 1, 7; 119B.21, subdivision 5; 119B.231, subdivision 5; 245C.08, subdivision 2; 256E.35, subdivision 2; 256J.20, subdivision 3; 256J.49, subdivision 13; 256J.626, subdivisions 3, 7; 256J.95, subdivision 3; repealing Minnesota Statutes 2006, section 256K.25.

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

Walker, Slawik and Nornes have been appointed as such committee on the part of the House.

House File No. 3376 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 5, 2008

Senator Torres Ray moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 3376, and that a Conference Committee of 3 members be appointed by the

Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2291, 3969 and 3149.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 5, 2008

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 2291: A bill for an act relating to education; modifying provisions governing appeals of graduation test scores; amending Minnesota Statutes 2006, section 120B.36, as amended.

Referred to the Committee on Education.

H.F. No. 3969: A bill for an act relating to state government; authorizing the secretary of state to transfer funds; amending Laws 2007, chapter 148, article 1, section 7.

Referred to the Committee on Finance.

H.F. No. 3149: A bill for an act relating to the financing and operation of state and local government; making policy, technical, administrative, enforcement, collection, refund, clarifying, and other changes to income, franchise, property, sales and use, minerals, wheelage, mortgage, deed, and estate taxes, and other taxes and tax-related provisions; providing for homestead credit state refund; providing for aids to local governments; providing city foreclosure and deed grants; changing and providing property tax exemptions and credits; modifying job opportunity building zone program; modifying green acre eligibility requirements; providing aggregate resource preservation property tax law; providing seasonal recreational property tax deferral program; modifying eligibility for senior citizen tax deferral program; modifying transit taxing district; modifying levies, property valuation procedures, homestead provisions, property tax classes, and class rates; requiring levy limits under certain contingencies; providing for and modifying sales tax exemptions; exempting two-wheel, motorized vehicles from wheelage tax; abolishing the political contribution refund; providing exclusion from income for certain veterans' retirement benefits; providing credits; providing for additional financing of metropolitan area transit and paratransit capital expenditures; authorizing issuance of certain obligations; modifying provision governing bonding for county libraries; changing and authorizing powers, duties, and requirements of local governments and authorities and state departments or agencies; modifying, extending, and authorizing certain tax increment financing districts; authorizing and modifying local sales taxes; prohibiting the imposition of new local sales taxes; providing federal updates; changing accelerated sales tax; creating Surplus Lines Association of Minnesota; creating Iron Range revitalization account; changing provisions related to data practices and debt collection; requiring studies; providing appointments; appropriating money; amending Minnesota Statutes 2006, sections 13.51, subdivision 3; 13.585, subdivision 5; 16D.02, subdivisions 3, 6; 16D.04, subdivision 2, as amended; 60A.196; 163.051, subdivision 1; 168.012, subdivision 1, by adding a subdivision; 168.013,

subdivision 1f; 168A.03, subdivision 1; 169.01, by adding a subdivision; 169.781, subdivision 1; 216B.1612, by adding a subdivision; 216B.1646; 270A.03, subdivision 7; 270A.08, subdivision 1; 270B.15; 270C.33, subdivision 5; 270C.56, subdivisions 1, as amended, 3; 270C.85, subdivision 2; 272.02, subdivisions 13, 20, 21, 27, 31, 38, 49, by adding subdivisions; 272.03, subdivision 3, by adding a subdivision; 273.11, subdivisions 1, 1a, 8, 14a, 14b, by adding subdivisions; 273.111, subdivisions 3, as amended, 4, 8, 9, 11, 11a, by adding a subdivision; 273.121, as amended; 273.124, subdivisions 1, 6, 13, as amended, 21; 273.128, subdivision 1, as amended; 273.13, subdivisions 23, as amended, 24, 25, as amended, 33, 34, as added; 273.1384, subdivisions 1, 2; 274.01, subdivision 3; 274.014, subdivision 3; 274.14; 275.025, subdivisions 1, 2; 275.065, subdivisions 1c, 6, 8, 9, 10, by adding subdivisions; 275.70, by adding a subdivision; 275.71; 276.04, subdivision 2, as amended; 282.08; 287.20, subdivisions 3a, 9, by adding a subdivision; 289A.12, by adding a subdivision; 289A.18, subdivision 1, as amended; 289A.19, subdivision 2, by adding a subdivision; 289A.20, subdivision 4, as amended; 289A.40, subdivision 1; 289A.50, subdivision 1; 289A.55, by adding a subdivision; 289A.60, subdivision 15, as amended, by adding a subdivision; 290.01, subdivisions 6, 6b, 19a, as amended, 29, by adding a subdivision; 290.06, by adding subdivisions; 290.068, subdivisions 1, 3, by adding subdivisions; 290.07, subdivision 1; 290.091, subdivision 2, as amended; 290.21, subdivision 4; 290.92, subdivisions 1, 26, 31, as added; 290A.03, subdivision 13; 290A.04, subdivisions 2h, 3, 4, by adding subdivisions; 290B.03, subdivision 1; 290B.04, subdivisions 1, 3, 4; 290B.05, subdivision 1; 290B.07; 291.03, subdivision 1; 295.50, subdivision 4; 295.52, subdivision 4, as amended; 295.53, subdivision 4a; 296A.07, subdivision 4; 296A.08, subdivision 3; 296A.16, subdivision 2; 297A.61, subdivisions 22, 29; 297A.665, as amended; 297A.67, subdivision 7, as amended; 297A.70, subdivisions 2, 8; 297A.71, subdivision 23, by adding subdivisions; 297A.75; 297A.99, subdivision 1, as amended; 297A.995, subdivision 10, by adding subdivisions; 297B.01, subdivision 7, by adding a subdivision; 297B.03; 297F.01, subdivision 8; 297F.09, subdivision 10, as amended; 297F.21, subdivision 1; 297G.01, subdivision 9; 297G.09, subdivision 9, as amended; 297H.09; 297I.05, subdivision 12; 298.24, subdivision 1, as amended; 298.75, subdivisions 1, 2, 6, 7; 365A.095; 383A.80, subdivision 4; 383A.81, subdivisions 1, 2; 383B.80, subdivision 4; 383E.20; 429.101, subdivision 1; 469.033, subdivision 6; 469.040, subdivision 4; 469.174, subdivision 10b; 469.177, subdivision 1c, by adding a subdivision; 469.1813, subdivision 8; 469.312, by adding a subdivision; 469.319; 469.3201; 473.39, by adding a subdivision; 473.446, subdivisions 2, 8; 477A.011, subdivisions 34, 36, as amended, by adding subdivisions; 477A.0124, subdivision 5; 477A.013, subdivisions 1, 8, as amended, 9, as amended; 477A.03; Minnesota Statutes 2007 Supplement, sections 115A.1314, subdivision 2; 268.19, subdivision 1; 273.1231, subdivision 7, by adding a subdivision; 273.1232, subdivision 1; 273.1233, subdivisions 1, 3; 273.1234; 273.1235, subdivisions 1, 3; 273.124, subdivision 14; 273.1393; 275.065, subdivisions 1, 1a, 3; 290.01, subdivision 19b, as amended; 298.227; Laws 1991, chapter 291, article 8, section 27, subdivisions 3, as amended, 4, as amended; Laws 1995, chapter 264, article 5, section 46, subdivision 2; Laws 2003, chapter 127, article 10, section 31, subdivision 1; Laws 2006, chapter 259, article 10, section 14, subdivision 1; Laws 2008, chapter 154, article 2, section 11; article 3, section 7; article 9, sections 23; 24; proposing coding for new law in Minnesota Statutes, chapters 60A; 116J; 169; 216F; 273; 298; 373; 383C; 383D; 383E; 469; proposing coding for new law as Minnesota Statutes, chapter 290D; repealing Minnesota Statutes 2006, sections 10A.322, subdivision 4; 273.11, subdivision 14; 273.111, subdivision 6; 290.06, subdivision 23; 290.191, subdivision 4; 290A.04, subdivisions 2, 2b; 473.4461; 477A.014, subdivision 5; Minnesota Statutes 2007 Supplement, section 477A.014, subdivision 4; Laws 2005, First Special Session chapter 3, article 5, section 24; Minnesota Rules, parts 8031.0100, subpart 3; 8093.2100.

Senator Betzold, designee of the Chair of the Committee on Rules and Administration, moved that H.F. No. 3149 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

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

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

H.F. No. 3955 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
3955	3673				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 3955 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3955, the third engrossment; and insert the language after the enacting clause of S.F. No. 3673, the second engrossment; further, delete the title of H.F. No. 3955, the third engrossment; and insert the title of S.F. No. 3673, the second engrossment.

And when so amended H.F. No. 3955 will be identical to S.F. No. 3673, and further recommends that H.F. No. 3955 be given its second reading and substituted for S.F. No. 3673, and that the Senate File be indefinitely postponed.

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

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

S.F. No. 3322: A bill for an act relating to human services; improving management of state health care programs; modifying managed care contracting; limiting managed care administrative expenses; modifying county-based purchasing; requiring mandated reports; amending Minnesota Statutes 2006, sections 13.461, by adding a subdivision; 256B.69, subdivision 5a, by adding subdivisions; 256B.692, subdivision 2, by adding a subdivision; 256L.12, subdivision 9; Laws 2005, First Special Session chapter 4, article 8, section 84, as amended.

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 13.461, is amended by adding a subdivision to read:

Subd. 24a. **Managed care plans.** Data provided to the commissioner of human services by managed care plans relating to contracts and provider payment rates are classified under section 256B.69, subdivisions 9a and 9b.

Sec. 2. Minnesota Statutes 2006, section 256B.69, subdivision 5a, is amended to read:

Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and sections 256L.12 and 256D.03, shall be entered into or renewed on a calendar year basis beginning January 1, 1996. Managed care contracts which were in effect on June 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995 through December 31, 1995 at the same terms that were in effect on June 30, 1995. The commissioner may issue separate contracts with requirements specific to services to medical assistance recipients age 65 and older.

(b) A prepaid health plan providing covered health services for eligible persons pursuant to chapters 256B, 256D, and 256L, is responsible for complying with the terms of its contract with the commissioner. Requirements applicable to managed care programs under chapters 256B, 256D, and 256L, established after the effective date of a contract with the commissioner take effect when the contract is next issued or renewed.

(c) Effective for services rendered on or after January 1, 2003, the commissioner shall withhold five percent of managed care plan payments under this section for the prepaid medical assistance and general assistance medical care programs pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. The managed care plan must demonstrate, to the commissioner's satisfaction, that the data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care services and administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, including characteristics of the plan's enrollee population. The withheld funds must be returned no sooner than July of the following year if performance targets in the contract are achieved. The commissioner may exclude special demonstration projects under subdivision 23. A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph that is reasonably expected to be returned.

Sec. 3. Minnesota Statutes 2006, section 256B.69, is amended by adding a subdivision to read:

Subd. 5i. **Administrative expenses.** (a) Managed care plan and county-based purchasing plan administrative costs for a prepaid health plan provided under this section or section 256B.692 must not exceed by more than five percent that prepaid health plan's or county-based purchasing plan's actual calculated administrative spending for the previous calendar year as a percentage of total revenue. The penalty for exceeding this limit must be the amount of administrative spending in excess of 105 percent of the actual calculated amount. The commissioner may waive this penalty if the excess administrative spending is the result of unexpected shifts in enrollment or member needs or new program requirements.

(b) Expenses listed under section 62D.12, subdivision 9a, clause (4), are not allowable

administrative expenses for rate-setting purposes under this section, unless approved by the commissioner.

Sec. 4. Minnesota Statutes 2006, section 256B.69, is amended by adding a subdivision to read:

Subd. 5j. **Treatment of investment earnings.** Capitation rates shall treat investment income and interest earnings as income to the same extent that investment-related expenses are treated as administrative expenditures.

Sec. 5. Minnesota Statutes 2006, section 256B.69, is amended by adding a subdivision to read:

Subd. 9a. **Administrative expense reporting.** The commissioner shall work with the commissioner of health to identify and collect data on administrative spending for state health care programs reported to the commissioner of health by managed care plans under section 62D.08 and county-based purchasing plans under section 256B.692, provided that such data are consistent with guidelines and standards for administrative spending that are developed by the commissioner of health, and reported to the legislature under section 12 of this act. Data provided to the commissioner under this subdivision are nonpublic data as defined under section 13.02.

Sec. 6. Minnesota Statutes 2006, section 256B.69, is amended by adding a subdivision to read:

Subd. 9b. **Reporting provider payment rates.** (a) According to guidelines developed by the commissioner, in consultation with managed care plans and county-based purchasing plans, each managed care plan and county-based purchasing plan must provide to the commissioner, at the commissioner's request, detailed or aggregate information on reimbursement rates paid by the managed care plan under this section or the county-based purchasing plan under section 256B.692 to provider types and vendors for administrative services under contract with the plan.

(b) Data provided to the commissioner under this subdivision are nonpublic data as defined in section 13.02.

EFFECTIVE DATE. This section is effective January 1, 2010.

Sec. 7. Minnesota Statutes 2006, section 256B.692, subdivision 2, is amended to read:

Subd. 2. **Duties of commissioner of health.** (a) Notwithstanding chapters 62D and 62N, a county that elects to purchase medical assistance and general assistance medical care in return for a fixed sum without regard to the frequency or extent of services furnished to any particular enrollee is not required to obtain a certificate of authority under chapter 62D or 62N. The county board of commissioners is the governing body of a county-based purchasing program. In a multicounty arrangement, the governing body is a joint powers board established under section 471.59.

(b) A county that elects to purchase medical assistance and general assistance medical care services under this section must satisfy the commissioner of health that the requirements for assurance of consumer protection, provider protection, and, effective January 1, 2010, fiscal solvency of chapter 62D, applicable to health maintenance organizations, ~~or chapter 62N, applicable to community integrated service networks,~~ will be met, according to the following schedule:

(1) for a county-based purchasing plan approved on or before June 30, 2008, the plan must have in reserve:

(i) at least 50 percent of the minimum amount required under chapter 62D as of January 1, 2010;
(ii) at least 75 percent of the minimum amount required under chapter 62D as of January 1, 2011;
(iii) at least 87.5 percent of the minimum amount required under chapter 62D as of January 1, 2012; and

(iv) at least 100 percent of the minimum amount required under chapter 62D as of January 1, 2013; and

(2) for a county-based purchasing plan first approved after June 30, 2008, the plan must have in reserve:

(i) at least 50 percent of the minimum amount required under chapter 62D at the time the plan begins enrolling enrollees;

(ii) at least 75 percent of the minimum amount required under chapter 62D after the first full calendar year;

(iii) at least 87.5 percent of the minimum amount required under chapter 62D after the second full calendar year; and

(iv) at least 100 percent of the minimum amount required under chapter 62D after the third full calendar year.

(c) Until a plan is required to have reserves equaling at least 100 percent of the minimum amount required under chapter 62D, the plan may demonstrate its ability to cover any losses by satisfying the requirements of chapter 62N. A ~~county~~ county-based purchasing plan must also assure the commissioner of health that the requirements of sections 62J.041; 62J.48; 62J.71 to 62J.73; 62M.01 to 62M.16; all applicable provisions of chapter 62Q, including sections 62Q.075; 62Q.1055; 62Q.106; 62Q.12; 62Q.135; 62Q.14; 62Q.145; 62Q.19; 62Q.23, paragraph (c); 62Q.43; 62Q.47; 62Q.50; 62Q.52 to 62Q.56; 62Q.58; 62Q.68 to 62Q.72; and 72A.201 will be met.

(d) All enforcement and rulemaking powers available under chapters 62D, 62J, 62M, 62N, and 62Q are hereby granted to the commissioner of health with respect to counties that purchase medical assistance and general assistance medical care services under this section.

(e) The commissioner, in consultation with county government, shall develop administrative and financial reporting requirements for county-based purchasing programs relating to sections 62D.041, 62D.042, 62D.045, 62D.08, 62N.28, 62N.29, and 62N.31, and other sections as necessary, that are specific to county administrative, accounting, and reporting systems and consistent with other statutory requirements of counties.

(f) The commissioner shall collect from a county-based purchasing plan under this section the following fees:

(1) fees attributable to the costs of audits and other examinations of plan financial operations. These fees are subject to the provisions of Minnesota Rules, part 4685.2800, subpart 1, paragraph F;

(2) an annual fee of \$21,500; and

(3) for fiscal year 2009 only, a per-enrollee fee of 14.6 cents.

The fees in clauses (2) and (3) are subject to the provisions of Minnesota Rules, part 4685.2800, subpart 2. All fees collected under this paragraph shall be deposited in the state government special revenue fund.

Sec. 8. Minnesota Statutes 2006, section 256B.692, is amended by adding a subdivision to read:

Subd. 4a. **Expenditure of revenues.** (a) A county that has elected to participate in a county-based purchasing plan under this section shall use any excess revenues over expenses that are received by the county and are not needed (1) for capital reserves under subdivision 2, (2) to increase payments to providers, or (3) to repay county investments or contributions to the county-based purchasing plan, for prevention, early intervention, and health care programs, services, or activities.

(b) A county-based purchasing plan under this section is subject to the unreasonable expense provisions of section 62D.19.

Sec. 9. Minnesota Statutes 2006, section 256L.12, subdivision 9, is amended to read:

Subd. 9. **Rate setting; performance withholds.** (a) Rates will be prospective, per capita, where possible. The commissioner may allow health plans to arrange for inpatient hospital services on a risk or nonrisk basis. The commissioner shall consult with an independent actuary to determine appropriate rates.

(b) For services rendered on or after January 1, 2003, to December 31, 2003, the commissioner shall withhold .5 percent of managed care plan payments under this section pending completion of performance targets. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year if performance targets in the contract are achieved. A managed care plan may include as admitted assets under section 62D.044 any amount withheld under this paragraph that is reasonably expected to be returned.

(c) For services rendered on or after January 1, 2004, the commissioner shall withhold five percent of managed care plan payments under this section pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. The managed care plan must demonstrate, to the commissioner's satisfaction, that the data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care services and administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, such as characteristics of the plan's enrollee population. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if performance targets in the contract are achieved. A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph that is reasonably expected to be returned.

Sec. 10. Laws 2005, First Special Session chapter 4, article 8, section 84, as amended by Laws 2006, chapter 264, section 15, is amended to read:

Sec. 84. SOLE-SOURCE OR SINGLE-PLAN MANAGED CARE CONTRACT.

(a) Notwithstanding Minnesota Statutes, section 256B.692, subdivision 6, clause (1), paragraph (c), the commissioner of human services shall approve a county-based purchasing health plan proposal, submitted on behalf of Cass, Crow Wing, Morrison, Todd, and Wadena Counties, that requires county-based purchasing on a single-plan basis contract if the implementation of the single-plan purchasing proposal does not limit an enrollee's provider choice or access to services and all other requirements applicable to health plan purchasing are satisfied. The commissioner shall continue single health plan purchasing arrangements with county-based purchasing entities in the service areas in existence on May 1, 2006, including arrangements for which a proposal was submitted by May 1, 2006, on behalf of Cass, Crow Wing, Morrison, Todd, and Wadena Counties, in response to a request for proposals issued by the commissioner. The commissioner shall continue to use single-health plan, county-based purchasing arrangements for medical assistance and general assistance medical care programs and products for the counties that were in single-health plan, county-based purchasing arrangements on March 1, 2008. This paragraph does not require the commissioner to terminate an existing contract with a noncounty-based purchasing plan that had enrollment in a medical assistance program or product in these counties on March 1, 2008. This paragraph expires on December 31, 2010, or the effective date of a new contract for medical assistance and general assistance medical care managed care programs entered into at the conclusion of the commissioner's next scheduled procurement process for the county-based purchasing entities covered by this paragraph, whichever is later.

(b) The commissioner shall consider, and may approve, contracting on a single-health plan basis with other county-based purchasing plans, or with other qualified health plans that have coordination arrangements with counties, to serve persons with a disability who voluntarily enroll, in order to promote better coordination or integration of health care services, social services and other community-based services, provided that all requirements applicable to health plan purchasing, including those in Minnesota Statutes, section 256B.69, subdivision 23, are satisfied. By January 15, 2007, the commissioner shall report to the chairs of the appropriate legislative committees in the house and senate an analysis of the advantages and disadvantages of using single health plan purchasing to serve persons with a disability who are eligible for health care programs. The report shall include consideration of the impact of federal health care programs and policies for persons who are eligible for both federal and state health care programs and shall consider strategies to improve coordination between federal and state health care programs for those persons. Nothing in this paragraph supersedes or modifies the requirements in paragraph (a).

Sec. 11. REPORT ON FINANCIAL MANAGEMENT OF HEALTH CARE PROGRAMS.

Within the limits of available appropriations, the commissioner of human services shall report to the legislature under Minnesota Statutes, section 3.195, by January 15, 2009, with the following information regarding financial management of health care programs:

(1) a status report on implementation of the cost containment strategies identified in the 2005 "Strategies for Savings" report. The report must include:

- (i) information on progress made towards implementation of cost-saving strategies;
- (ii) an explanation of why certain strategies were not implemented; and
- (iii) where appropriate, alternative strategies to those recommended in 2005 for containing public

health care program costs;

(2) a description of and, to the extent possible, an explanation of recent differences between the health plan net revenue targets established by the commissioner for health plans participating in public health care programs and the actual net revenue realized by the plans from public programs;

(3) the adequacy of public health care program for fee-for-service rates, including an identification of service areas or geographical regions where enrollees have difficulty accessing providers as the result of inadequate provider payments. This report must include recommendations to increase rates as needed to eliminate identified access problems; and

(4) a progress report on implementation of Minnesota Statutes, section 256B.76, paragraph (e), requiring payments for physician and professional services to be based on Medicare relative value units, and an estimated completion date for implementation of this payment system.

Sec. 12. HEALTH PLAN AND COUNTY-BASED PURCHASING PLAN REQUIREMENTS.

The commissioner of health shall develop and report to the legislature under Minnesota Statutes, section 3.195, by January 15, 2009, guidelines to ensure that health plans, and county-based purchasing plans where applicable, have consistent procedures for allocating administrative expenses and investment income across their commercial and public lines of business and across individual public programs. The guidelines shall be consistent with generally accepted accounting principles and principles from the National Association of Insurance Commissioners. The guidelines shall not have the effect of changing allocation for Medicare-related programs as permitted by federal law and the Centers for Medicare and Medicaid Services. The report shall include recommendations and cost estimates for developing detailed standards and procedures for examining the reasonableness of health plan and county-based purchasing plan administrative expenditures for publicly funded programs. These standards and procedures must include a process for detailed examinations of individual programs and functional areas.

Sec. 13. OMBUDSMAN FOR MANAGED CARE STUDY.

Within the limits of available appropriations, the commissioner of human services, in cooperation with the ombudsman for managed care, shall study and report to the legislature under Minnesota Statutes, section 3.195, by January 15, 2009, with recommendations on whether the duties of the ombudsman should be expanded to include advocating on behalf of public health care program fee-for-service enrollees. The report must include:

(1) a comparison of the recourse available to managed care clients versus fee-for-service clients when service problems occur; and

(2) an estimate of any net cost increase from this change in the ombudsman's duties, taking into account any reduction in the commissioner's duties.

Sec. 14. REPORTING MANAGED CARE PERFORMANCE DATA.

The commissioner of human services, in cooperation with the commissioner of health, shall report to the legislature under Minnesota Statutes, section 3.195, by January 15, 2009, with recommendations on the adoption of a single method to compute and publicly report managed health care performance measures in order to avoid confusion about the plans' performance levels.

The study must include recommendations regarding coordinated use by the two agencies of the following data sources:

- (1) Healthcare Effectiveness Data and Information Set (HEDIS) from managed care organizations;
- (2) data that health plans submit to claim reimbursement for health care procedures; and
- (3) data collected from medical record reviews of randomly selected individuals.

Sec. 15. CREDENTIALING METHODOLOGY.

The commissioner of human services shall explore the feasibility of using or coordinating with the credentialing collaborative between Minnesota payers, providers, and hospitals in order to make the provider enrollment process for Minnesota health care programs more efficient. By December 15, 2009, the commissioner shall inform the chairs of the senate and house of representatives policy committees and finance divisions with responsibility for human services of the results of these efforts.

Sec. 16. HEALTH MAINTENANCE ORGANIZATION RENEWAL FEE.

The health maintenance organization renewal fee under Minnesota Rules, part 4685.2800, subpart 2, shall be increased by 14.6 cents from the level in effect on June 30, 2008, for the fiscal year beginning July 1, 2008. The renewal fee shall revert to its previous level for fiscal years beginning on or after July 1, 2009.

Sec. 17. APPROPRIATIONS.

(a) \$261,000 is appropriated from the state government special revenue fund to the commissioner of health for the purposes of this act for fiscal year 2009. Base level funding for this appropriation shall be \$77,000 for fiscal years beginning on or after July 1, 2009.

(b) Of the appropriation in paragraph (a), \$116,000 in fiscal year 2009 is for the study and report required in section 12; and \$145,000 shall be transferred to the general fund in fiscal year 2009, and \$77,000 shall be transferred for each fiscal year beginning on or after July 1, 2009.

(c) \$145,000 is appropriated from the general fund to the commissioner of human services for fiscal year 2009 for the actuarial and other department costs associated with additional reporting requirements for health plans and county-based purchasing plans. Base level funding for this appropriation for fiscal years beginning on or after July 1, 2009, shall be \$135,000 each year.

(d) \$96,000 is appropriated from the general fund to the commissioner of human services for fiscal year 2009 for the study authorized in section 11, clause (3). This appropriation is onetime."

Delete the title and insert:

"A bill for an act relating to human services; improving management of state health care programs; modifying managed care contracting; modifying county-based purchasing; requiring reports; amending Minnesota Statutes 2006, sections 13.461, by adding a subdivision; 256B.69, subdivision 5a, by adding subdivisions; 256B.692, subdivision 2, by adding a subdivision; 256L.12, subdivision 9; Laws 2005, First Special Session chapter 4, article 8, section 84, as amended."

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

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

S.F. No. 3031: A bill for an act relating to human services; revising requirements for county-based purchasing for state health care programs; amending Minnesota Statutes 2007 Supplement, section 256B.69, subdivision 4; Laws 2005, First Special Session chapter 4, article 8, section 84, as amended.

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 2007 Supplement, section 256B.69, subdivision 4, is amended to read:

Subd. 4. **Limitation of choice.** (a) The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6.

(b) The commissioner shall exempt the following persons from participation in the project, in addition to those who do not meet the criteria for limitation of choice:

- (1) persons eligible for medical assistance according to section 256B.055, subdivision 1;
- (2) persons eligible for medical assistance due to blindness or disability as determined by the Social Security Administration or the state medical review team, unless:
 - (i) they are 65 years of age or older; or
 - (ii) they reside in Itasca County or they reside in a county in which the commissioner conducts a pilot project under a waiver granted pursuant to section 1115 of the Social Security Act;
- (3) recipients who currently have private coverage through a health maintenance organization;
- (4) recipients who are eligible for medical assistance by spending down excess income for medical expenses other than the nursing facility per diem expense;
- (5) recipients who receive benefits under the Refugee Assistance Program, established under United States Code, title 8, section 1522(e);
- (6) children who are both determined to be severely emotionally disturbed and receiving case management services according to section 256B.0625, subdivision 20, except children who are eligible for and who decline enrollment in an approved preferred integrated network under section 245.4682;
- (7) adults who are both determined to be seriously and persistently mentally ill and received case management services according to section 256B.0625, subdivision 20;
- (8) persons eligible for medical assistance according to section 256B.057, subdivision 10; and
- (9) persons with access to cost-effective employer-sponsored private health insurance or

persons enrolled in a non-Medicare individual health plan determined to be cost-effective according to section 256B.0625, subdivision 15.

Children under age 21 who are in foster placement may enroll in the project on an elective basis. Individuals excluded under clauses (1), (6), and (7) may choose to enroll on an elective basis. The commissioner may enroll recipients in the prepaid medical assistance program for seniors who are (1) age 65 and over, and (2) eligible for medical assistance by spending down excess income.

(c) The commissioner may allow persons with a one-month spenddown who are otherwise eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay their monthly spenddown to the state.

(d) The commissioner may require those individuals to enroll in the prepaid medical assistance program who otherwise would have been excluded under paragraph (b), clauses (1), (3), and (8), and under Minnesota Rules, part 9500.1452, subpart 2, items H, K, and L.

(e) Before limitation of choice is implemented, eligible individuals shall be notified and after notification, shall be allowed to choose only among demonstration providers. The commissioner may assign an individual with private coverage through a health maintenance organization, to the same health maintenance organization for medical assistance coverage, if the health maintenance organization is under contract for medical assistance in the individual's county of residence. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner. If a demonstration provider ends participation in the project for any reason, a recipient enrolled with that provider must select a new provider but may change providers without cause once more within the first 60 days after enrollment with the second provider.

(f) An infant born to a woman who is eligible for and receiving medical assistance and who is enrolled in the prepaid medical assistance program shall be retroactively enrolled to the month of birth in the same managed care plan as the mother once the child is enrolled in medical assistance unless the child is determined to be excluded from enrollment in a prepaid plan under this section.

(g) For an eligible individual under the age of 65, in the absence of a specific managed care plan choice by the individual, the commissioner shall assign the individual to the county-based purchasing health plan in Olmsted, Winona, Houston, Fillmore, and Mower Counties, if the individual resides in one of these counties. For an eligible individual over the age of 65, the commissioner shall make this default assignment upon the county-based purchasing plan entering into a contract with the commissioner to serve this population and receiving federal approval as a special needs plan.

Sec. 2. STATEMENT OF COSTS; APPROPRIATION.

By June 1, 2009, the commissioner of human services shall submit to Olmsted County an itemized statement of costs incurred by the Department of Human Services for necessary changes to the department's computer system to implement new Minnesota Statutes, section 256B.69, subdivision 4, paragraph (g), along with a bill for the amount of those costs, up to \$18,000. By June 30, 2009, Olmsted County must remit to the commissioner the amount billed. The amount received by the commissioner must be deposited in the state treasury and credited to a special account and is appropriated to the commissioner as reimbursement for the costs billed."

Amend the title numbers accordingly

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

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

S.F. No. 3787: A bill for an act relating to transportation; establishing driver and vehicle services technology account; imposing technology surcharge; adjusting certain fees; amending Minnesota Statutes 2006, sections 168.013, by adding a subdivision; 168A.29, as amended; 299A.705, by adding a subdivision; Minnesota Statutes 2007 Supplement, section 171.06, subdivision 2.

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

Page 1, after line 13, insert:

"EFFECTIVE DATE. This section is effective July 1, 2008, and expires June 30, 2012."

Page 1, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 2006, section 168A.29, as amended by Laws 2007, chapter 143, article 3, section 2, is amended to read:

168A.29 FEES.

Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

(1) for filing an application for and the issuance of an original certificate of title, the sum of \$6.25 of which \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705; until June 30, 2012, a surcharge of \$1.75 must be added to the fee and credited to the driver and vehicle services technology account;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of any assignment thereof and its subsequent release or satisfaction, the sum of \$2, except that no fee is due for a security interest filed by a public authority under section 168A.05, subdivision 8;

(3) for the transfer of the interest of an owner and the issuance of a new certificate of title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705; until June 30, 2012, a surcharge of \$1.75 must be added to the fee and credited to the driver and vehicle services technology account;

(4) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, the sum of \$1;

(5) for issuing a duplicate certificate of title, the sum of \$7.25 of which \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705; until June 30, 2012, a surcharge of \$1.75 must be added to the fee and credited to the driver and vehicle services technology account.

(b) After June 30, 1994, in addition to each of the fees required under paragraph (a), clauses (1) and (3), the department must be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited in the special revenue fund and credited to the public safety motor vehicle account established in section 299A.70.

Subd. 2. **Fee in lieu of other fee.** If a person applies for an original or a new certificate of title to a vehicle, concurrently with an application, as transferee, of registration of the vehicle, the fee prescribed in subdivision 1 must be in lieu of the ~~fee~~ fees prescribed by ~~section~~ sections 168.54 and 168.013, subdivision 21, with respect to any transfer of ownership or registration of the vehicle to the applicant.

Subd. 3. **No certificate issued until fees paid.** Subject to subdivision 2, the department shall not issue a certificate of title to a vehicle until all fees prescribed by ~~sections~~ section 168.54 and ~~168A.10, subdivision 6,~~ with respect to any prior transfer of ownership or registration of the vehicle have been paid."

Page 3, after line 11, insert:

"In addition to each fee required in this paragraph, the commissioner shall collect a surcharge of \$1.75 until June 30, 2012. Surcharges collected under this paragraph must be credited to the driver and vehicle services technology account in the special revenue fund under section 299A.705."

Page 3, delete lines 24 to 27

Page 3, line 32, delete "168D,"

Page 3, line 34, delete "must be used by" and insert "is appropriated to"

Amend the title as follows:

Page 1, line 3, delete "adjusting certain fees" and insert "appropriating money"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 3322, 3031 and 3787 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 3955 was read the second time.

MOTIONS AND RESOLUTIONS

Senators Pappas, Bonoff, Latz and Cohen introduced –

Senate Resolution No. 197: A Senate resolution honoring the 60th anniversary of the establishment of the state of Israel.

Referred to the Committee on Rules and Administration.

Senator Gimse introduced –

Senate Resolution No. 198: A Senate resolution congratulating Matthew Peters for receiving

the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Scheid introduced –

Senate Resolution No. 199: A Senate resolution congratulating Mozart Dennis of Brooklyn Park as a winner of the 2008 ARRM CARES Award.

Referred to the Committee on Rules and Administration.

Senator Metzen introduced –

Senate Resolution No. 200: A Senate resolution congratulating Gregory John Mason of Inver Grove Heights, 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 Michel, Koch, Pappas, Anderson and Pogemiller introduced–

S.F. No. 3868: A bill for an act relating to education; allowing charter school students to participate in extracurricular activities in their resident school district; amending Minnesota Statutes 2006, sections 123B.36, subdivision 1; 123B.49, subdivision 4; 124D.10, subdivision 8.

Referred to the Committee on Education.

Senators Vandever, Limmer, Doll and Ortman introduced–

S.F. No. 3869: A bill for an act relating to waters; requiring watershed districts and water management organizations to submit information to counties; amending Minnesota Statutes 2006, sections 103B.211, subdivision 1; 103B.231, subdivision 14; 103D.351; 103D.911, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Senator Torres Ray introduced–

S.F. No. 3870: A bill for an act relating to housing; requiring heating facilities in rental property; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 504B.

Referred to the Committee on Health, Housing and Family Security.

Senator Stumpf introduced—

S.F. No. 3871: A bill for an act relating to education finance; modifying school debt provisions; amending Minnesota Statutes 2006, sections 123B.14, subdivision 7; 123B.77, subdivision 3; 123B.81, subdivisions 3, 5; Minnesota Statutes 2007 Supplement, section 123B.81, subdivision 4.

Referred to the Committee on Finance.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Senator Betzold moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Senator Metzen in the chair.

After some time spent therein, the committee arose, and Senator Metzen reported that the committee had considered the following:

H.F. No. 3367, which the committee recommends to pass.

H.F. No. 3585, which the committee recommends to pass, subject to the following motion:

Senator Kubly moved that the amendment made to H.F. No. 3585 by the Committee on Rules and Administration in the report adopted May 5, 2008, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 3574, which the committee recommends to pass with the following amendment offered by Senator Bakk:

Page 3, delete lines 7 to 18 and insert:

"(m) Use of ungraded lumber. The code must allow the use of ungraded lumber in geographic areas of the state where the code did not generally apply as of April 1, 2008, to the same extent that ungraded lumber could be used in that area before April 1, 2008.

EFFECTIVE DATE. This section is effective the day following final enactment and the use of ungraded lumber is allowed under paragraph (m) on and after that date regardless of whether the code is amended to conform with paragraph (m)."

Page 6, line 27, delete everything after "commences" and insert "on a date determined by the city that is no less than 90 days nor more than one year after the public hearing."

Page 6, delete line 28

Page 8, after line 10, insert:

"Sec. 6. Minnesota Statutes 2007 Supplement, section 326.87, subdivision 5, is amended to read:

Subd. 5. **Content.** (a) Continuing education consists of approved courses that impart appropriate

and related knowledge in the regulated industries pursuant to sections 326.83 to 326.98. Courses may include relevant materials that are included in licensing exams subject to the limitations imposed in paragraph (e). The burden of demonstrating that courses impart appropriate and related knowledge is upon the person seeking approval or credit.

(b) Course examinations will not be required for continuing education courses unless they are required by the sponsor.

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

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

Continuing education credit in an approved course shall be awarded to presenting instructors on the basis of one credit for each hour of preparation for the initial presentation, which may not exceed three hours total credit for each approved course. Continuing education credit may not be earned if the licensee has previously obtained credit for the same course as a licensee or as an instructor within the three years immediately prior.

(e) The following courses will not be approved for credit:

- (1) courses designed solely to prepare students for a license examination;
- (2) courses in mechanical office or business skills, including typing, speed reading, or other machines or equipment. Computer courses are allowed, if appropriate and related to the regulated industry of the licensee;
- (3) courses in sales promotion, including meetings held in conjunction with the general business of the licensee;
- (4) courses in motivation, salesmanship, psychology, time management, or communication; or
- (5) courses that are primarily intended to impart knowledge of specific products of specific companies, if the use of the product or products relates to the sales promotion or marketing of one or more of the products discussed.

EFFECTIVE DATE. This section is effective September 1, 2008.

Sec. 7. Minnesota Statutes 2007 Supplement, section 326.94, subdivision 2, is amended to read:

Subd. 2. **Insurance.** ~~Licensees must have public liability insurance with limits of at least \$300,000 per occurrence, which must include at least \$10,000 property damage coverage. Each licensee shall have and maintain in effect commercial general liability insurance, which includes premises and operations insurance and products and completed operations insurance, with limits of at least \$100,000 per occurrence, \$300,000 aggregate limit for bodily injury, and property~~

damage insurance with limits of at least \$25,000 or a policy with a single limit for bodily injury and property damage of \$300,000 per occurrence and \$300,000 aggregate limits. The insurance must be written by an insurer licensed to do business in this state. Each licensee shall maintain on file with the commissioner a certificate evidencing the insurance which provides that the insurance shall not be canceled without the insurer first giving 15 days' written notice of cancellation to the commissioner. The commissioner may increase the minimum amount of insurance required for any licensee or class of licensees if the commissioner considers it to be in the public interest and necessary to protect the interests of Minnesota consumers.

EFFECTIVE DATE. This section is effective August 1, 2008.

Sec. 8. DULUTH ENTERTAINMENT AND CONVENTION CENTER AUTHORITY CONSTRUCTION CONTRACT.

The Duluth Entertainment and Convention Center Authority may enter into contracts to design, construct, furnish, equip, and improve the Duluth Entertainment and Convention Center, including a new arena, and may enter into contracts that are, in its judgment, in the best interests of the public for these purposes. Notwithstanding any law to the contrary, the authority may adopt a fair and competitive design and construction procurement process determined by the authority to be in the public interest for the Duluth Entertainment and Convention Center improvements. The authority may enter into a contract that provides for a construction manager at-risk. This contracting authority applies only to the capital improvements and renovations for which appropriations were made pursuant to Laws 2008, chapter 179, section 21, subdivision 7.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

On motion of Senator Pogemiller, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

CALL OF THE SENATE

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

S.F. No. 3396: A bill for an act relating to real property; providing for the Minnesota Subprime Borrower Relief Act of 2008; proposing coding for new law in Minnesota Statutes, chapter 583.

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 37 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Larson	Pappas	Sheran
Bakk	Dahle	Latz	Pogemiller	Sieben
Berglin	Dibble	Lourey	Prettner Solon	Tomassoni
Betzold	Doll	Lynch	Rest	Torres Ray
Bonoff	Erickson Ropes	Marty	Rummel	Wiger
Carlson	Foley	Moua	Saltzman	
Chaudhary	Higgins	Olseen	Saxhaug	
Clark	Langseth	Olson, M.	Scheid	

Those who voted in the negative were:

Day	Hann	Limmer	Robling	Vandever
Dille	Ingebrigtsen	Metzen	Rosen	Vickerman
Fischbach	Johnson	Michel	Senjem	Wergin
Frederickson	Jungbauer	Olson, G.	Skogen	
Gerlach	Koch	Ortman	Sparks	
Gimse	Kubly	Pariseau	Stumpf	

So the bill passed and its title was agreed to.

H.F. No. 3372: A bill for an act relating to health; changing provisions for uniform billing forms and electronic claim filing; establishing compliance procedures for electronic transactions; amending Minnesota Statutes 2006, sections 62J.51, subdivisions 17, 18; 62J.52, subdivision 4; 62J.59; 72A.201, subdivision 4; Minnesota Statutes 2007 Supplement, sections 62J.52, subdivisions 1, 2; 62J.536, subdivision 1, by adding subdivisions; repealing Minnesota Statutes 2006, sections 62J.52, subdivision 5; 62J.58.

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 62 and nays 2, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Limmer	Vandever
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So the bill passed and its title was agreed to.

H.F. No. 3493: A bill for an act relating to state government finance; disaster relief

appropriations; providing for reimbursement to the state under certain conditions; amending Laws 2007, First Special Session chapter 2, article 1, sections 2; 4, subdivision 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 2877: A bill for an act relating to public safety; establishing crime of disarming a peace officer; providing criminal penalties; amending Minnesota Statutes 2006, section 609.50, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609.

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Pogemiller moved that H.F. No. 3149 be taken from the table. The motion prevailed.

H.F. No. 3149: A bill for an act relating to the financing and operation of state and local

government; making policy, technical, administrative, enforcement, collection, refund, clarifying, and other changes to income, franchise, property, sales and use, minerals, wheelage, mortgage, deed, and estate taxes, and other taxes and tax-related provisions; providing for homestead credit state refund; providing for aids to local governments; providing city foreclosure and deed grants; changing and providing property tax exemptions and credits; modifying job opportunity building zone program; modifying green acre eligibility requirements; providing aggregate resource preservation property tax law; providing seasonal recreational property tax deferral program; modifying eligibility for senior citizen tax deferral program; modifying transit taxing district; modifying levies, property valuation procedures, homestead provisions, property tax classes, and class rates; requiring levy limits under certain contingencies; providing for and modifying sales tax exemptions; exempting two-wheel, motorized vehicles from wheelage tax; abolishing the political contribution refund; providing exclusion from income for certain veterans' retirement benefits; providing credits; providing for additional financing of metropolitan area transit and paratransit capital expenditures; authorizing issuance of certain obligations; modifying provision governing bonding for county libraries; changing and authorizing powers, duties, and requirements of local governments and authorities and state departments or agencies; modifying, extending, and authorizing certain tax increment financing districts; authorizing and modifying local sales taxes; prohibiting the imposition of new local sales taxes; providing federal updates; changing accelerated sales tax; creating Surplus Lines Association of Minnesota; creating Iron Range revitalization account; changing provisions related to data practices and debt collection; requiring studies; providing appointments; appropriating money; amending Minnesota Statutes 2006, sections 13.51, subdivision 3; 13.585, subdivision 5; 16D.02, subdivisions 3, 6; 16D.04, subdivision 2, as amended; 60A.196; 163.051, subdivision 1; 168.012, subdivision 1, by adding a subdivision; 168.013, subdivision 1f; 168A.03, subdivision 1; 169.01, by adding a subdivision; 169.781, subdivision 1; 216B.1612, by adding a subdivision; 216B.1646; 270A.03, subdivision 7; 270A.08, subdivision 1; 270B.15; 270C.33, subdivision 5; 270C.56, subdivisions 1, as amended, 3; 270C.85, subdivision 2; 272.02, subdivisions 13, 20, 21, 27, 31, 38, 49, by adding subdivisions; 272.03, subdivision 3, by adding a subdivision; 273.11, subdivisions 1, 1a, 8, 14a, 14b, by adding subdivisions; 273.111, subdivisions 3, as amended, 4, 8, 9, 11, 11a, by adding a subdivision; 273.121, as amended; 273.124, subdivisions 1, 6, 13, as amended, 21; 273.128, subdivision 1, as amended; 273.13, subdivisions 23, as amended, 24, 25, as amended, 33, 34, as added; 273.1384, subdivisions 1, 2; 274.01, subdivision 3; 274.014, subdivision 3; 274.14; 275.025, subdivisions 1, 2; 275.065, subdivisions 1c, 6, 8, 9, 10, by adding subdivisions; 275.70, by adding a subdivision; 275.71; 276.04, subdivision 2, as amended; 282.08; 287.20, subdivisions 3a, 9, by adding a subdivision; 289A.12, by adding a subdivision; 289A.18, subdivision 1, as amended; 289A.19, subdivision 2, by adding a subdivision; 289A.20, subdivision 4, as amended; 289A.40, subdivision 1; 289A.50, subdivision 1; 289A.55, by adding a subdivision; 289A.60, subdivision 15, as amended, by adding a subdivision; 290.01, subdivisions 6, 6b, 19a, as amended, 29, by adding a subdivision; 290.06, by adding subdivisions; 290.068, subdivisions 1, 3, by adding subdivisions; 290.07, subdivision 1; 290.091, subdivision 2, as amended; 290.21, subdivision 4; 290.92, subdivisions 1, 26, 31, as added; 290A.03, subdivision 13; 290A.04, subdivisions 2h, 3, 4, by adding subdivisions; 290B.03, subdivision 1; 290B.04, subdivisions 1, 3, 4; 290B.05, subdivision 1; 290B.07; 291.03, subdivision 1; 295.50, subdivision 4; 295.52, subdivision 4, as amended; 295.53, subdivision 4a; 296A.07, subdivision 4; 296A.08, subdivision 3; 296A.16, subdivision 2; 297A.61, subdivisions 22, 29; 297A.665, as amended; 297A.67, subdivision 7, as amended; 297A.70, subdivisions 2, 8; 297A.71, subdivision 23, by adding subdivisions; 297A.75; 297A.99, subdivision 1, as amended; 297A.995, subdivision 10, by adding subdivisions; 297B.01, subdivision 7, by adding a subdivision; 297B.03;

297F.01, subdivision 8; 297F.09, subdivision 10, as amended; 297F.21, subdivision 1; 297G.01, subdivision 9; 297G.09, subdivision 9, as amended; 297H.09; 297I.05, subdivision 12; 298.24, subdivision 1, as amended; 298.75, subdivisions 1, 2, 6, 7; 365A.095; 383A.80, subdivision 4; 383A.81, subdivisions 1, 2; 383B.80, subdivision 4; 383E.20; 429.101, subdivision 1; 469.033, subdivision 6; 469.040, subdivision 4; 469.174, subdivision 10b; 469.177, subdivision 1c, by adding a subdivision; 469.1813, subdivision 8; 469.312, by adding a subdivision; 469.319; 469.3201; 473.39, by adding a subdivision; 473.446, subdivisions 2, 8; 477A.011, subdivisions 34, 36, as amended, by adding subdivisions; 477A.0124, subdivision 5; 477A.013, subdivisions 1, 8, as amended, 9, as amended; 477A.03; Minnesota Statutes 2007 Supplement, sections 115A.1314, subdivision 2; 268.19, subdivision 1; 273.1231, subdivision 7, by adding a subdivision; 273.1232, subdivision 1; 273.1233, subdivisions 1, 3; 273.1234; 273.1235, subdivisions 1, 3; 273.124, subdivision 14; 273.1393; 275.065, subdivisions 1, 1a, 3; 290.01, subdivision 19b, as amended; 298.227; Laws 1991, chapter 291, article 8, section 27, subdivisions 3, as amended, 4, as amended; Laws 1995, chapter 264, article 5, section 46, subdivision 2; Laws 2003, chapter 127, article 10, section 31, subdivision 1; Laws 2006, chapter 259, article 10, section 14, subdivision 1; Laws 2008, chapter 154, article 2, section 11; article 3, section 7; article 9, sections 23; 24; proposing coding for new law in Minnesota Statutes, chapters 60A; 116J; 169; 216F; 273; 298; 373; 383C; 383D; 383E; 469; proposing coding for new law as Minnesota Statutes, chapter 290D; repealing Minnesota Statutes 2006, sections 10A.322, subdivision 4; 273.11, subdivision 14; 273.111, subdivision 6; 290.06, subdivision 23; 290.191, subdivision 4; 290A.04, subdivisions 2, 2b; 473.4461; 477A.014, subdivision 5; Minnesota Statutes 2007 Supplement, section 477A.014, subdivision 4; Laws 2005, First Special Session chapter 3, article 5, section 24; Minnesota Rules, parts 8031.0100, subpart 3; 8093.2100.

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. 3149 and that the rules of the Senate be so far suspended as to give H.F. No. 3149 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 3149 was read the second time.

Senator Bakk moved to amend H.F. No. 3149 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 3149, and insert the language after the enacting clause, and the title, of S.F. No. 2869, the second engrossment.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 43 and nays 19, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Higgins	Olseen	Saxhaug
Bakk	Dahle	Kubly	Olson, M.	Scheid
Berglin	Day	Langseth	Pappas	Sheran
Betzold	Dibble	Larson	Pariseau	Sieben
Bonoff	Doll	Latz	Pogemiller	Skogen
Carlson	Erickson Ropes	Lourey	Prettner Solon	Sparks
Chaudhary	Foley	Lynch	Rest	Stumpf
Clark	Frederickson	Metzen	Rummel	Tomassoni

Torres Ray Vickerman Wiger

Those who voted in the negative were:

Dille	Hann	Koch	Ortman	Senjem
Fischbach	Ingebrigtsen	Limmer	Robling	Vandever
Gerlach	Johnson	Michel	Rosen	Wergin
Gimse	Jungbauer	Olson, G.	Saltzman	

The motion prevailed. So the amendment was adopted.

Senator Pariseau moved to amend H.F. No. 3149, as amended by the Senate May 7, 2008, as follows:

(The text of the amended House File is identical to S.F. No. 2869.)

Pages 47 and 48, delete sections 34 and 35

Page 51, line 11, after the second semicolon, insert "and"

Page 51, line 12, delete "; and 473.4461"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Senator Bakk imposed a call of the Senate for the balance of the proceedings on H.F. No. 3149. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 17 and nays 47, as follows:

Those who voted in the affirmative were:

Day	Hann	Michel	Robling	Wergin
Dille	Ingebrigtsen	Olson, G.	Rosen	
Fischbach	Jungbauer	Ortman	Senjem	
Gimse	Koch	Pariseau	Vandever	

Those who voted in the negative were:

Anderson	Dibble	Larson	Pogemiller	Skogen
Bakk	Doll	Latz	Prettner Solon	Sparks
Berglin	Erickson Ropes	Lourey	Rest	Stumpf
Betzold	Foley	Lynch	Rummel	Tomassoni
Bonoff	Frederickson	Marty	Saltzman	Torres Ray
Carlson	Gerlach	Metzen	Saxhaug	Vickerman
Chaudhary	Higgins	Moua	Scheid	Wiger
Clark	Johnson	Olseen	Sheran	
Cohen	Kubly	Olson, M.	Sieben	
Dahle	Langseth	Pappas	Skoe	

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

Senator Michel moved to amend H.F. No. 3149, as amended by the Senate May 7, 2008, as follows:

(The text of the amended House File is identical to S.F. No. 2869)

Page 65, after line 15, insert:

"Sec. 5. Minnesota Statutes 2006, section 290.06, subdivision 1, is amended to read:

Subdivision 1. Computation, corporations. (a) For taxable years beginning before January 1, 2010, the franchise tax imposed upon corporations shall be computed by applying to their taxable income the rate of 9.8 percent.

(b) For taxable years beginning after December 31, 2009, the rate listed below applies to taxable years beginning during the calendar year referenced below.

<u>Taxable years beginning during calendar year:</u>	<u>Tax rate</u>
<u>2010</u>	<u>8.8 percent</u>
<u>2011</u>	<u>7.8 percent</u>
<u>2012</u>	<u>6.8 percent</u>
<u>2013</u>	<u>5.8 percent</u>
<u>2014</u>	<u>4.8 percent</u>
<u>2015</u>	<u>3.8 percent</u>
<u>2016</u>	<u>2.8 percent</u>
<u>2017</u>	<u>1.8 percent</u>
<u>2018</u>	<u>0.8 percent</u>
<u>2019 and later years</u>	<u>zero</u>

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2009.

Sec. 6. Minnesota Statutes 2006, section 290.0921, subdivision 1, is amended to read:

Subdivision 1. Tax imposed. (a) In addition to the taxes computed under this chapter without regard to this section, the franchise tax imposed on corporations includes a tax equal to the excess, if any, for the taxable year of:

(1) ~~5.8~~ the percent of Minnesota alternative minimum taxable income under paragraph (b) for the taxable year; over

(2) the tax imposed under section 290.06, subdivision 1, without regard to this section.

(b) For taxable years beginning after December 31, 2009, the rate listed below applies to taxable years beginning during the calendar year referenced below.

<u>Taxable years beginning during calendar year:</u>	<u>Tax rate:</u>
<u>2010</u>	<u>4.6 percent</u>
<u>2011</u>	<u>4.1 percent</u>
<u>2012</u>	<u>3.6 percent</u>

<u>2013</u>	<u>3.0 percent</u>
<u>2014</u>	<u>2.5 percent</u>
<u>2015</u>	<u>2.0 percent</u>
<u>2016</u>	<u>1.5 percent</u>
<u>2017</u>	<u>1.0 percent</u>
<u>2018 and later years</u>	<u>zero</u>

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2009."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Senator Pogemiller moved that those not voting be excused from voting. The motion prevailed.

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

Those who voted in the affirmative were:

Bonoff	Gerlach	Koch	Pariseau	Senjem
Day	Gimse	Limmer	Rest	Sheran
Dille	Hann	Michel	Robling	Skogen
Doll	Ingebrigtsen	Olseen	Rosen	Sparks
Fischbach	Johnson	Olson, G.	Saltzman	Vanderveer
Frederickson	Jungbauer	Ortman	Scheid	Wergin

Those who voted in the negative were:

Anderson	Cohen	Langseth	Moua	Saxhaug
Bakk	Dahle	Larson	Murphy	Sieben
Berglin	Dibble	Latz	Olson, M.	Tomassoni
Betzold	Erickson Ropes	Lourey	Pappas	Torres Ray
Carlson	Foley	Lynch	Pogemiller	Vickerman
Chaudhary	Higgins	Marty	Prettner Solon	Wiger
Clark	Kubly	Metzen	Rummel	

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

Senator Hann moved to amend H.F. No. 3149, as amended by the Senate May 7, 2008, as follows:

(The text of the amended House File is identical to S.F. No. 2869.)

Page 106, after line 22, insert:

"Sec. 19. **GAS TAX HOLIDAY.**

The taxes imposed under Minnesota Statutes, chapter 296A, shall not be imposed or collected on sales and purchases made after June 30, 2008, and before November 1, 2008. The commissioner shall allow the distributor credit or refund of the tax paid on gasoline and special fuels sold in this state during this time period.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2008,

and before November 1, 2008."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 42, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Dibble	Larson	Pappas	Sieben
Bakk	Dille	Latz	Pogemiller	Skogen
Betzold	Doll	Lourey	Prettner Solon	Sparks
Bonoff	Erickson Ropes	Lynch	Rest	Tomassoni
Carlson	Foley	Marty	Rummel	Vickerman
Chaudhary	Frederickson	Metzen	Saltzman	Wiger
Clark	Higgins	Moua	Saxhaug	
Cohen	Kubly	Olseen	Scheid	
Dahle	Langseth	Olson, M.	Sheran	

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

Senator Ortman moved to amend H.F. No. 3149, as amended by the Senate May 7, 2008, as follows:

(The text of the amended House File is identical to S.F. No. 2869.)

Page 59, line 8, delete "and"

Page 59, line 12, strike the period and insert "; and"

Page 59, after line 12, insert:

"(18) to the extent included in federal taxable income, a percentage of compensation received from a pension or other retirement pay from the government for service in the armed forces of the United States. For taxable years beginning after December 31, 2008, and before January 1, 2010, the percentage is 25 percent up to a maximum subtraction of \$7,500; for taxable years beginning after December 31, 2009, and before January 1, 2011, the percentage is 50 percent up to a maximum subtraction of \$15,000; for taxable years beginning after December 31, 2010, and before January 1, 2012, the percentage is 75 percent up to a maximum subtraction of \$22,500; and for taxable years beginning after December 31, 2011, the percentage is 100 percent up to a maximum subtraction of \$30,000."

The question was taken on the adoption of the amendment.

Senator Pogemiller moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 27 and nays 32, as follows:

Those who voted in the affirmative were:

Bonoff	Gerlach	Koch	Ortman	Vickerman
Day	Gimse	Kubly	Pariseau	Wergin
Dille	Hann	Limmer	Robling	Wiger
Erickson Ropes	Ingebrigtsen	Metzen	Senjem	
Fischbach	Johnson	Michel	Skogen	
Frederickson	Jungbauer	Olseen	Vandevveer	

Those who voted in the negative were:

Anderson	Doll	Lynch	Prettner Solon	Sieben
Bakk	Foley	Marty	Rest	Sparks
Betzold	Higgins	Moua	Rummel	Tomassoni
Clark	Langseth	Murphy	Saltzman	Torres Ray
Cohen	Larson	Olson, M.	Saxhaug	
Dahle	Latz	Pappas	Scheid	
Dibble	Lourey	Pogemiller	Sheran	

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

Senator Limmer moved to amend H.F. No. 3149, as amended by the Senate May 7, 2008, as follows:

(The text of the amended House File is identical to S.F. No. 2869.)

Page 59, line 8, delete "and"

Page 59, line 12, strike the period and insert "; and"

Page 59, after line 12, insert:

"(18) to the extent included in federal taxable income, Social Security benefits."

Page 59, line 14, after "2007" insert ", except that clause (18) is effective for taxable years beginning after December 31, 2008, for benefits received after June 30, 2009"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 37, as follows:

Those who voted in the affirmative were:

Dahle	Gerlach	Koch	Ortman	Vandevveer
Day	Gimse	Limmer	Pariseau	Vickerman
Dille	Hann	Metzen	Robling	Wergin
Fischbach	Ingebrigtsen	Michel	Rosen	Wiger
Frederickson	Johnson	Olson, G.	Senjem	

Those who voted in the negative were:

Anderson	Cohen	Larson	Pogemiller	Sieben
Bakk	Dibble	Latz	Prettner Solon	Skogen
Berglin	Doll	Lourey	Rest	Sparks
Betzold	Erickson Ropes	Lynch	Rummel	Tomassoni
Bonoff	Foley	Marty	Saltzman	Torres Ray
Carlson	Higgins	Moua	Saxhaug	
Chaudhary	Kubly	Olson, M.	Scheid	
Clark	Langseth	Pappas	Sheran	

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

Senator Wergin moved to amend H.F. No. 3149, as amended by the Senate May 7, 2008, as follows:

(The text of the amended House File is identical to S.F. No. 2869.)

Page 201, after line 25, insert:

"Section 1. Minnesota Statutes 2006, section 16A.152, subdivision 4, is amended to read:

Subd. 4. **Reduction.** (a) If the commissioner determines that probable receipts for the general fund will be less than anticipated, and that the amount available for the remainder of the biennium will be less than needed, the commissioner shall, with the approval of the governor, and after consulting the Legislative Advisory Commission, transfer from the health care access fund to the general fund the amount of the deficiency, but not more than the commissioner has determined, on the basis of the most recent forecast of health care access fund revenues and expenditures, will be the positive unrestricted balance in the health care access fund at the end of the biennium. The funds transferred must be used exclusively to pay for the costs of health care programs financed by the state of Minnesota.

(b) If the transfer under paragraph (a) is not sufficient to eliminate the deficit in the general fund, the commissioner shall, with the approval of the governor, and after consulting with the Legislative Advisory Commission, reduce the amount in the budget reserve account as needed to balance expenditures with revenue.

~~(b)~~ (c) An additional deficit shall, with the approval of the governor, and after consulting the legislative advisory commission, be made up by reducing unexpended allotments of any prior appropriation or transfer. Notwithstanding any other law to the contrary, the commissioner is empowered to defer or suspend prior statutorily created obligations which would prevent effecting such reductions.

~~(c)~~ (d) If the commissioner determines that probable receipts for any other fund, appropriation, or item will be less than anticipated, and that the amount available for the remainder of the term of the appropriation or for any allotment period will be less than needed, the commissioner shall notify the agency concerned and then reduce the amount allotted or to be allotted so as to prevent a deficit.

~~(d)~~ (e) In reducing allotments, the commissioner may consider other sources of revenue available to recipients of state appropriations and may apply allotment reductions based on all sources of revenue available.

~~(e)~~ (f) In like manner, the commissioner shall reduce allotments to an agency by the amount of any saving that can be made over previous spending plans through a reduction in prices or other cause."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Betzold questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Wergin appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

Senator Pogemiller moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 39 and nays 19, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Larson	Pappas	Sheran
Bakk	Dahle	Latz	Pogemiller	Skogen
Berglin	Doll	Lourey	Prettner Solon	Sparks
Betzold	Erickson Ropes	Lynch	Rest	Tomassoni
Bonoff	Foley	Marty	Rummel	Torres Ray
Carlson	Higgins	Metzen	Saltzman	Vickerman
Chaudhary	Kubly	Moua	Saxhaug	Wiger
Clark	Langseth	Olson, M.	Scheid	

Those who voted in the negative were:

Day	Gerlach	Johnson	Olson, G.	Senjem
Dille	Gimse	Koch	Ortman	Vandever
Fischbach	Hann	Limmer	Robling	Wergin
Frederickson	Ingebrigtsen	Michel	Rosen	

So the ruling of the President was sustained.

Senator Ortman moved to amend H.F. No. 3149, as amended by the Senate May 7, 2008, as follows:

(The text of the amended House File is identical to S.F. No. 2869.)

Page 20, after line 26, insert:

"Sec. 9. Minnesota Statutes 2006, section 273.11, subdivision 5, is amended to read:

Subd. 5. **Boards of review and equalization.** Notwithstanding any other provision of law to the contrary, the limitation contained in subdivisions 1 ~~and~~, 1a, and 26 shall also apply to the authority of the local board of review as provided in section 274.01, the county board of equalization as provided in section 274.13, the State Board of Equalization and the commissioner of revenue as provided in sections 270.11, subdivision 1, 270.12, 270C.92, and 270C.94.

EFFECTIVE DATE. This section is effective for assessment years 2009 and 2010, for taxes payable in 2010 and 2011.

Sec. 10. Minnesota Statutes 2006, section 273.11, is amended by adding a subdivision to read:

Subd. 26. **Valuation increase prohibited.** (a) The taxable market value used for taxes levied in the current year may not exceed the property's taxable market value used for taxes levied in the preceding year.

(b) This subdivision does not apply to any increase in estimated market value attributable to improvements made to the property.

EFFECTIVE DATE. This section is effective for assessment years 2009 and 2010, for taxes payable in 2010 and 2011."

Page 29, after line 35, insert:

"Sec. 20. Minnesota Statutes 2006, section 273.121, as amended by Laws 2008, chapter 154, article 13, section 28, is amended to read:

273.121 VALUATION OF REAL PROPERTY, NOTICE.

Subdivision 1. Notice. Any county assessor or city assessor having the powers of a county assessor, valuing or classifying taxable real property shall in each year notify those persons whose property is to be included on the assessment roll that year if the person's address is known to the assessor, otherwise the occupant of the property. The notice shall be in writing and shall be sent by ordinary mail at least ten days before the meeting of the local board of appeal and equalization under section 274.01 or the review process established under section 274.13, subdivision 1c. Upon written request by the owner of the property, the assessor may send the notice in electronic form or by electronic mail instead of on paper or by ordinary mail. It shall contain: (1) the market value for the current and prior assessment, (2) the limited market value under section 273.11, subdivision 1a, for the current and prior assessment, (3) the qualifying amount of any improvements under section 273.11, subdivision 16, for the current assessment, (4) the amount of any market value increase prohibited under section 273.11, subdivision 26, (5) the market value subject to taxation after subtracting the amount of any qualifying improvements under clause (3) or any valuation freeze amount under clause (4) for the current assessment, ~~(5) (6)~~ the classification of the property for the current and prior assessment, ~~(6) (7)~~ (8) the assessor's office address, and ~~(8) (9)~~ (9) the dates, places, and times set for the meetings of the local board of appeal and equalization, the review process established under section 274.13, subdivision 1c, and the county board of appeal and equalization. The commissioner of revenue shall specify the form of the notice. The assessor shall attach to the assessment roll a statement that the notices required by this section have been mailed. Any assessor who is not provided sufficient funds from the assessor's governing body to provide such notices, may make application to the commissioner of revenue to finance such notices. The commissioner of revenue shall conduct an investigation and, if satisfied that the assessor does not have the necessary funds, issue a certification to the commissioner of finance of the amount necessary to provide such notices. The commissioner of finance shall issue a warrant for such amount and shall deduct such amount from any state payment to such county or municipality. The necessary funds to make such payments are hereby appropriated. Failure to receive the notice shall in no way affect the validity of the assessment, the resulting tax, the procedures of any board of review or equalization, or the enforcement of delinquent taxes by statutory means.

Subd. 2. Availability of data. The notice must state where the information on the property is available, the times when the information may be viewed by the public, and the county's Web site address.

EFFECTIVE DATE. This section is effective for notices prepared in 2009 and thereafter, except clauses (4) and (5) are effective for valuation notices for the 2009 and 2010 assessment."

Page 44, after line 26, insert:

"Sec. 32. Minnesota Statutes 2006, section 276.04, subdivision 2, as amended by Laws 2008, chapter 154, article 2, section 19, is amended to read:

Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and

its contents. The statement must contain a tabulated statement of the dollar amount due to each taxing authority and the amount of the state tax from the parcel of real property for which a particular tax statement is prepared. The dollar amounts attributable to the county, the state tax, the voter approved school tax, the other local school tax, the township or municipality, and the total of the metropolitan special taxing districts as defined in section 275.065, subdivision 3, paragraph (i), must be separately stated. The amounts due all other special taxing districts, if any, may be aggregated except that any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be listed on a separate line directly under the appropriate county's levy. If the county levy under this paragraph includes an amount for a lake improvement district as defined under sections 103B.501 to 103B.581, the amount attributable for that purpose must be separately stated from the remaining county levy amount. In the case of Ramsey County, if the county levy under this paragraph includes an amount for public library service under section 134.07, the amount attributable for that purpose may be separated from the remaining county levy amount. The amount of the tax on homesteads qualifying under the senior citizens' property tax deferral program under chapter 290B is the total amount of property tax before subtraction of the deferred property tax amount. The amount of the tax on contamination value imposed under sections 270.91 to 270.98, if any, must also be separately stated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The amount of market value excluded under section 273.11, subdivision 16, if any, must also be listed on the tax statement.

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the right column with the corresponding information for the previous year in a column on the left:

- (1) the property's estimated market value under section 273.11, subdivision 1;
- (2) the property's taxable market value after reductions under section 273.11, subdivisions 1a and 16, and 26;
- (3) the property's gross tax, before credits;
- (4) for homestead residential and agricultural properties, the credits under section 273.1384;
- (5) any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit received under section 273.135 must be separately stated and identified as "taconite tax relief"; and
- (6) the net tax payable in the manner required in paragraph (a).

(d) If the county uses envelopes for mailing property tax statements and if the county agrees, a taxing district may include a notice with the property tax statement notifying taxpayers when the taxing district will begin its budget deliberations for the current year, and encouraging taxpayers to attend the hearings. If the county allows notices to be included in the envelope containing the property tax statement, and if more than one taxing district relative to a given property decides to

include a notice with the tax statement, the county treasurer or auditor must coordinate the process and may combine the information on a single announcement.

EFFECTIVE DATE. This section is effective for property tax statements for property taxes payable in 2010 and 2011."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Senator Pogemiller moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 17 and nays 42, as follows:

Those who voted in the affirmative were:

Day	Hann	Koch	Ortman	Wergin
Fischbach	Ingebrigtsen	Limmer	Robling	
Gerlach	Johnson	Michel	Senjem	
Gimse	Jungbauer	Olson, G.	Vandever	

Those who voted in the negative were:

Anderson	Dahle	Langseth	Pogemiller	Skogen
Bakk	Dibble	Larson	Prettner Solon	Sparks
Berglin	Dille	Latz	Rest	Tomassoni
Betzold	Doll	Lourey	Rosen	Torres Ray
Bonoff	Erickson Ropes	Lynch	Rummel	Vickerman
Carlson	Foley	Marty	Saltzman	Wiger
Chaudhary	Frederickson	Moua	Saxhaug	
Clark	Higgins	Olson, M.	Scheid	
Cohen	Kubly	Pappas	Sheran	

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

Senator Vandever moved to amend H.F. No. 3149, as amended by the Senate May 7, 2008, as follows:

(The text of the amended House File is identical to S.F. No. 2869.)

Page 41, after line 34, insert:

"Sec. 23. Minnesota Statutes 2006, section 273.1384, subdivision 1, is amended to read:

Subdivision 1. **Residential homestead market value credit.** Each county auditor shall determine a homestead credit for each class 1a, 1b, and 2a homestead property within the county equal to ~~0.4~~ 0.33 percent of the first \$76,000 of market value of the property minus .09 percent of the market value in excess of \$76,000. The credit amount may not be less than zero. In the case of an agricultural or resort homestead, only the market value of the house, garage, and immediately surrounding one acre of land is eligible in determining the property's homestead credit. In the case of a property that is classified as part homestead and part nonhomestead, (i) the credit shall apply only to the homestead portion of the property, but (ii) if a portion of a property is classified as nonhomestead solely because not all the owners occupy the property, not all the owners have qualifying relatives occupying the property, or solely because not all the spouses of owners occupy the property, the credit amount shall be initially computed as if that nonhomestead portion were

also in the homestead class and then prorated to the owner-occupant's percentage of ownership. For the purpose of this section, when an owner-occupant's spouse does not occupy the property, the percentage of ownership for the owner-occupant spouse is one-half of the couple's ownership percentage.

EFFECTIVE DATE. This section is effective for taxes payable in 2009 and thereafter."

Page 46, after line 11, insert:

"Sec. 32. Minnesota Statutes 2006, section 290A.04, subdivision 1, is amended to read:

Subdivision 1. **Refund.** A refund shall be allowed each claimant ~~in the amount that based on the relationship between property taxes payable or rent constituting property taxes exceed the percentage of and~~ the household income of the claimant ~~specified in subdivision 2 or 2a in the year for which the taxes were levied or in the year in which the rent was paid as specified in subdivision 2 or 2a. If the amount of property taxes payable or rent constituting property taxes is equal to or less than the percentage of the household income of the claimant specified in subdivision 2 or 2a in the year for which the taxes were levied or in the year in which the rent was paid, the claimant shall not be eligible for a state refund pursuant to this section.~~

EFFECTIVE DATE. This section is effective for claims filed in 2009 and thereafter based on property taxes payable in 2009 and thereafter.

Sec. 33. Minnesota Statutes 2006, section 290A.04, subdivision 2, is amended to read:

Subd. 2. **Homeowners.** (a) A claimant whose property taxes payable are in excess of the percentage of the household income stated below ~~shall pay an amount is eligible for a refund equal to the excess property taxes payable times the percent of income paid by the state shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of property taxes payable. The state refund equals the amount of property taxes payable that remain, up to the~~ under this paragraph must not exceed the maximum state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant <u>State</u>	Maximum State Refund
\$0 to 1,189	1.0 percent	15 <u>85</u> percent	\$1,450
1,190 to 2,379	1.1 percent	15 <u>85</u> percent	\$1,450
2,380 to 3,589	1.2 percent	15 <u>85</u> percent	\$1,410
3,590 to 4,789	1.3 percent	20 <u>80</u> percent	\$1,410
4,790 to 5,979	1.4 percent	20 <u>80</u> percent	\$1,360
5,980 to 8,369	1.5 percent	20 <u>80</u> percent	\$1,360
8,370 to 9,559	1.6 percent	25 <u>75</u> percent	\$1,310
9,560 to 10,759	1.7 percent	25 <u>75</u> percent	\$1,310
10,760 to 11,949	1.8 percent	25 <u>75</u> percent	\$1,260
11,950 to 13,139	1.9 percent	30 <u>70</u> percent	\$1,260

13,140 to 14,349	2.0 percent	30 <u>70</u> percent	\$1,210
14,350 to 16,739	2.1 percent	30 <u>70</u> percent	\$1,210
16,740 to 17,929	2.2 percent	35 <u>65</u> percent	\$1,160
17,930 to 19,119	2.3 percent	35 <u>65</u> percent	\$1,160
19,120 to 20,319	2.4 percent	35 <u>65</u> percent	\$1,110
20,320 to 25,099	2.5 percent	40 <u>60</u> percent	\$1,110
25,100 to 28,679	2.6 percent	40 <u>60</u> percent	\$1,070
28,680 to 35,849	2.7 percent	40 <u>60</u> percent	\$1,070
35,850 to 41,819	2.8 percent	45 <u>55</u> percent	\$ 970
41,820 to 47,799	3.0 percent	45 <u>55</u> percent	\$ 970
47,800 to 53,779	3.2 percent	45 <u>55</u> percent	\$ 870
53,780 to 59,749	3.5 percent	50 percent	\$ 780
59,750 to 65,729	4.0 percent	50 percent	\$ 680
65,730 to 69,319	4.0 percent	50 percent	\$ 580
69,320 to 71,719	4.0 percent	50 percent	\$ 480
71,720 to 74,619	4.0 percent	50 percent	\$ 390
74,620 to 77,519	4.0 percent	50 percent	\$ 290

(b) A claimant shall be eligible for a refund equal to the amount that the claimant's property taxes payable, net of any refund determined under paragraph (a), exceed five percent of household income.

(c) A claimant's property tax refund shall be the sum of the refund amount determined under paragraph (a) and the refund amount determined under paragraph (b).

~~The payment made to a claimant shall be the amount of the state refund calculated under this subdivision.~~

(d) No payment is allowed if the claimant's household income is \$77,520 or more.

EFFECTIVE DATE. This section is effective for claims filed in 2009 and thereafter based on property taxes payable in 2009 and thereafter."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Senator Pogemiller moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 18 and nays 37, as follows:

Those who voted in the affirmative were:

Day	Gerlach	Johnson	Olson, M.	Vandever
Dille	Gimse	Jungbauer	Pappas	Wergin
Fischbach	Hann	Koch	Rosen	
Frederickson	Ingebrigtsen	Michel	Senjem	

Those who voted in the negative were:

Bakk	Dahle	Larson	Prettner Solon	Sparks
Berglin	Dibble	Lourey	Rummel	Tomassoni
Betzold	Doll	Lynch	Saltzman	Torres Ray
Bonoff	Erickson Ropes	Marty	Saxhaug	Vickerman
Carlson	Foley	Metzen	Scheid	Wiger
Chaudhary	Higgins	Moua	Sheran	
Clark	Kubly	Olseen	Sieben	
Cohen	Langseth	Pogemiller	Skogen	

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

Senator Sparks moved to amend H.F. No. 3149, as amended by the Senate May 7, 2008, as follows:

(The text of the amended House File is identical to S.F. No. 2869.)

Page 17, after line 4, insert:

"Sec. 2. Minnesota Statutes 2007 Supplement, section 126C.21, subdivision 3, is amended to read:

Subd. 3. **County apportionment deduction.** Each year the amount of money apportioned to a district for that year pursuant to ~~sections~~ section 127A.34, subdivision 2, ~~and 272.029, subdivision 6,~~ must be deducted from the general education aid earned by that district for the same year or from aid earned from other state sources.

EFFECTIVE DATE. This section is effective the day following final enactment for revenue for fiscal year 2009."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 30, as follows:

Those who voted in the affirmative were:

Bonoff	Frederickson	Kubly	Rest	Vandever
Dahle	Gerlach	Limmer	Rosen	Vickerman
Day	Gimse	Lynch	Saltzman	Wergin
Dibble	Ingebrigtsen	Metzen	Scheid	
Dille	Johnson	Michel	Senjem	
Doll	Jungbauer	Olson, G.	Skogen	
Fischbach	Koch	Olson, M.	Sparks	

Those who voted in the negative were:

Bakk	Chaudhary	Foley	Larson	Olseen
Berglin	Clark	Hann	Lourey	Ortman
Betzold	Cohen	Higgins	Marty	Pappas
Carlson	Erickson Ropes	Langseth	Moua	Pogemiller

Prettner Solon
Robling

Rummel
Saxhaug

Sheran
Sieben

Skoe
Tomassoni

Torres Ray
Wiger

The motion prevailed. So the amendment was adopted.

H.F. No. 3149 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 35 and nays 27, as follows:

Those who voted in the affirmative were:

Bakk	Dahle	Larson	Olson, M.	Skoe
Berglin	Dibble	Lourey	Pappas	Skogen
Betzold	Doll	Lynch	Pogemiller	Sparks
Carlson	Erickson Ropes	Metzen	Prettner Solon	Tomassoni
Chaudhary	Higgins	Moua	Saxhaug	Torres Ray
Clark	Kubly	Murphy	Sheran	Vickerman
Cohen	Langseth	Olseen	Sieben	Wiger

Those who voted in the negative were:

Bonoff	Gerlach	Koch	Rest	Senjem
Day	Gimse	Limmer	Robling	Vandever
Dille	Hann	Marty	Rosen	Wergin
Fischbach	Ingebrigtsen	Michel	Rummel	
Foley	Johnson	Olson, G.	Saltzman	
Frederickson	Jungbauer	Ortman	Scheid	

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12, Senator Murphy moved that the following members be excused for a Conference Committee on H.F. No. 3800 from 5:15 to 5:50 p.m.:

Senators Murphy, Dibble, Sieben, Jungbauer and Olseen. The motion prevailed.

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 Messages From the House and First Reading of House Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 3096: A bill for an act relating to energy; creating programs for government energy

conservation investments; removing rulemaking requirement for certain loan and grant programs; establishing microenergy loan program; authorizing issuance of state revenue bonds; modifying provision allowing guaranteed energy savings contracts; requiring a report; appropriating money; amending Minnesota Statutes 2006, section 216C.09; Minnesota Statutes 2007 Supplement, section 471.345, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 16B; 216C; repealing Laws 2007, chapter 57, article 2, section 30.

Senate File No. 3096 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 7, 2008

Senator Dibble moved that the Senate do not concur in the amendments by the House to S.F. No. 3096, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 3172, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 3172 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 1, 2008

CONFERENCE COMMITTEE REPORT ON H. F. NO. 3172

A bill for an act relating to elections; changing certain ballot delivery, election judge, mail election, special election and special primary, school district election, and postelection review procedures; authorizing continued use of certain applications; amending Minnesota Statutes 2006, sections 203B.06, subdivision 3; 203B.11, subdivision 4; 204B.21; 204B.46; 204D.19, subdivision 2; 204D.23, subdivision 2; 204D.27, by adding a subdivision; 205.075, by adding a subdivision; 205A.03, subdivision 1; 205A.06, subdivision 1a; 205A.10, subdivision 2; 205A.12, by adding a subdivision; 206.89, subdivision 5.

April 30, 2008

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 3172 report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendments and that H. F. No. 3172 be further amended as follows:

Page 6, line 4, before "visual" insert "professionally produced"

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

House Conferees: (Signed) Gene Pelowski Jr., Will Morgan, Laura Brod

Senate Conferees: (Signed) Ann H. Rest, Dan Larson, Chris Gerlach

Senator Rest moved that the foregoing recommendations and Conference Committee Report on H.F. No. 3172 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.

H.F. No. 3172 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 3539 and 3783.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 7, 2008

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 3539: A bill for an act relating to health; providing an exception to hospital construction moratorium; amending Minnesota Statutes 2006, section 144.551, subdivision 1.

Referred to the Committee on Health, Housing and Family Security.

H.F. No. 3783: A bill for an act relating to commerce; regulating insurance fees, coverages, contracts, filings, and forms; regulating financial planners, motor vehicle retail installment sales, service contracts, real estate appraisers, subdivided lands, domestic mutual insurance companies, and collection agencies; merging certain joint underwriting associations; making technical and clarifying changes; amending Minnesota Statutes 2006, sections 53C.01, subdivision 2; 59B.01; 59B.02, subdivision 11, by adding a subdivision; 59B.05, subdivision 5; 60A.71, subdivision 7; 61A.57; 62A.149, subdivision 1; 62A.152, subdivision 2; 62A.44, by adding a subdivision; 62E.10, subdivision 2; 62F.02, by adding a subdivision; 62M.02, subdivision 21; 62Q.47; 62Q.64; 62S.01, by adding subdivisions; 62S.13, subdivision 4; 62S.15; 62S.18, subdivision 2; 62S.20, subdivision 6, by adding subdivisions; 62S.26, subdivision 2; 62S.266, subdivisions 4, 10; 62S.29, by adding subdivisions; 65A.37; 66A.02, subdivision 4; 66A.07, subdivision 2, by adding a subdivision; 66A.41, subdivision 1; 67A.31, subdivision 2; 72A.51, subdivision 2; 79A.06, subdivision 5; 79A.22, subdivisions 3, 4; 79A.23, subdivision 2; 82B.23, subdivision 1; 83.25, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 61A.257, subdivision 1; 62A.30, subdivision 2; 62S.23, subdivision 1; 72A.52, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 62S; 332; repealing Minnesota Statutes 2006, sections 62A.149, subdivision 2; 65B.29; Laws 2006, chapter 255, section 26.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3467, now on the Calendar.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Stumpf moved that the name of Senator Wiger be added as a co-author to S.F. No. 3871. The motion prevailed.

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.

APPOINTMENTS

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

H.F. No. 3376: Senators Torres Ray, Wergin and Berglin.

S.F. No. 3096: Senators Dibble, Rosen and Anderson.

S.F. No. 2876: Senator Dille replaces Senator Limmer.

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

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.

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 3337 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 3337

A bill for an act relating to energy; creating coordinated process for reducing greenhouse gas emissions; proposing coding for new law in Minnesota Statutes, chapter 216H.

May 5, 2008

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. 3337 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 3337 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1**UTILITIES**

Section 1. Minnesota Statutes 2006, section 115C.04, subdivision 3, is amended to read:

Subd. 3. **Agency Cost recovery; subrogation.** Reasonable and necessary expenses incurred by the agency in taking a corrective action, including costs of investigating a release, administrative and legal expenses, and reimbursement costs described in subdivision 1, paragraph (b), may be recovered in a civil action in district court brought by the attorney general on behalf of the board against a responsible person. The agency's certification of expenses is prima facie evidence that the expenses are reasonable and necessary. If the responsible person has petroleum tank leakage or spill insurance coverage that insures against the liability provided in this section, the agency board is

subrogated to the rights of the responsible person with respect to that insurance coverage, to the extent of the expenses incurred by the agency and described in this subdivision. The agency board may request the attorney general to bring an action in district court against the insurer to enforce this subrogation right. Expenses that are recovered under this section must be deposited in the fund.

Sec. 2. Minnesota Statutes 2006, section 115C.09, subdivision 3h, is amended to read:

Subd. 3h. **Reimbursement; aboveground tanks in bulk plants.** (a) As used in this subdivision, "bulk plant" means an aboveground or underground tank facility with a storage capacity of more than 1,100 gallons but less than 1,000,000 gallons that is used to dispense petroleum into cargo tanks for transportation and sale at another location.

~~(b) Notwithstanding any other provision in this chapter and any rules adopted pursuant to this chapter, the board shall reimburse 90 percent of an applicant's cost for bulk plant upgrades or closures completed between June 1, 1998, and November 1, 2003, to comply with Minnesota Rules, chapter 7151, provided that the board determines the costs were incurred and reasonable. The reimbursement may not exceed \$10,000 per bulk plant. The board may provide reimbursement under this paragraph for work completed after November 1, 2003, if the work was contracted for prior to that date and was not completed by that date as a result of an unanticipated situation, provided that an application for reimbursement under this paragraph, which may be a renewal of an application previously denied, is submitted prior to December 31, 2005.~~

~~(e) For corrective action at a bulk plant located on what is or was railroad right-of-way, the board shall reimburse 90 percent of total reimbursable costs on the first \$40,000 of reimbursable costs and 100 percent of any remaining reimbursable costs when the applicant can document that more than one bulk plant was operated on the same section of right-of-way, as determined by the commissioner of commerce.~~

Sec. 3. Minnesota Statutes 2006, section 115C.09, is amended by adding a subdivision to read:

Subd. 3k. **PVC piping at residential locations.** (a) This subdivision is to assist homeowners who have installed PVC fill piping as part of the heating oil system at their residences. Replacement of the PVC piping with metal piping is intended to avoid the catastrophic release of heating oil, as well as the ensuing cleanup costs, that can occur at residences where the PVC piping fails.

(b) As used in this subdivision:

(1) "residential locations" means a storage tank and appurtenances for heating oil that are used to heat a single-family residence; and

(2) "qualified person" means someone who is registered as a contractor under section 115C.11 and, as part of their trade or business, installs or repairs nonpressure piping, heating systems, air conditioning systems, or storage tank systems.

(c) Notwithstanding any other provision of this chapter or any rules adopted under this chapter, the board shall reimburse a qualified person 90 percent of the cost for replacing PVC fill piping with metal piping at residential locations between May 1, 2008, and September 1, 2011, provided that the board determines the costs were incurred and reasonable. The reimbursement may not exceed \$250 per residential location. The maximum expenditure from the fund may not exceed \$1,500,000.

(d) A heating oil vendor is not a responsible person for a heating oil spill inside a residential

location if the spill was caused solely by the failure of a tank or appurtenance to a tank owned by the homeowner.

Sec. 4. [117.054] COPIES OF APPRAISAL TO LANDOWNER.

A public utility, municipal utility, cooperative electric association, natural gas pipeline or crude oil or petroleum products pipeline company must provide the property owner with a copy of each appraisal it has obtained for a property before presenting a petition under section 117.055 to acquire the property.

EFFECTIVE DATE. This section is effective August 1, 2008, and applies to eminent domain proceedings commenced on or after October 1, 2008.

Sec. 5. Minnesota Statutes 2006, section 216B.16, subdivision 7b, is amended to read:

Subd. 7b. **Transmission cost adjustment.** (a) Notwithstanding any other provision of this chapter, the commission may approve a tariff mechanism for the automatic annual adjustment of charges for the Minnesota jurisdictional costs of: (i) new transmission facilities that have been separately filed and reviewed and approved by the commission under section 216B.243 or are certified as a priority project or deemed to be a priority transmission project under section 216B.2425; and (ii) charges incurred by a utility that accrue from other transmission owners' regionally planned transmission projects that have been determined by the Midwest Independent System Operator to benefit the utility, as provided for under a federally approved tariff.

(b) Upon filing by a public utility or utilities providing transmission service, the commission may approve, reject, or modify, after notice and comment, a tariff that:

(1) allows the utility to recover on a timely basis the costs net of revenues of facilities approved under section 216B.243 or certified or deemed to be certified under section 216B.2425 or exempt from the requirements of section 216B.243;

(2) allows the charges incurred by a utility that accrue from other transmission owners' regionally planned transmission projects that have been determined by the Midwest Independent System Operator to benefit the utility, as provided for under a federally approved tariff. These charges must be reduced or offset by revenues received by the utility and by amounts the utility charges to other regional transmission owners, to the extent those revenues and charges have not been otherwise offset;

(3) allows a return on investment at the level approved in the utility's last general rate case, unless a different return is found to be consistent with the public interest;

~~(3)~~ (4) provides a current return on construction work in progress, provided that recovery from Minnesota retail customers for the allowance for funds used during construction is not sought through any other mechanism;

~~(4)~~ (5) allows for recovery of other expenses if shown to promote a least-cost project option or is otherwise in the public interest;

~~(5)~~ (6) allocates project costs appropriately between wholesale and retail customers;

~~(6)~~ (7) provides a mechanism for recovery above cost, if necessary to improve the overall economics of the project or projects or is otherwise in the public interest; and

~~(7)~~(8) terminates recovery once costs have been fully recovered or have otherwise been reflected in the utility's general rates.

(c) A public utility may file annual rate adjustments to be applied to customer bills paid under the tariff approved in paragraph (b). In its filing, the public utility shall provide:

- (1) a description of and context for the facilities included for recovery;
- (2) a schedule for implementation of applicable projects;
- (3) the utility's costs for these projects;
- (4) a description of the utility's efforts to ensure the lowest costs to ratepayers for the project; and
- (5) calculations to establish that the rate adjustment is consistent with the terms of the tariff established in paragraph (b).

(d) Upon receiving a filing for a rate adjustment pursuant to the tariff established in paragraph (b), the commission shall approve the annual rate adjustments provided that, after notice and comment, the costs included for recovery through the tariff were or are expected to be prudently incurred and achieve transmission system improvements at the lowest feasible and prudent cost to ratepayers.

Sec. 6. Minnesota Statutes 2006, 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

~~(2)~~(3) develop renewable energy sources from the account required in section 116C.779.

Sec. 7. Minnesota Statutes 2006, 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 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. 8. Minnesota Statutes 2007 Supplement, section 216B.1645, subdivision 2a, is amended to read:

Subd. 2a. **Cost recovery for owned renewable facilities.** (a) 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 facilities constructed, owned, or operated by a utility to satisfy the requirements of section 216B.1691, provided those facilities were previously approved by the commission under section 216B.2422 or 216B.243, or were determined by the commission to be reasonable and prudent under section 216B.243, subdivision 9. The commission may approve, or approve as modified, a rate schedule that:

(1) allows a utility to recover directly from customers on a timely basis the costs of qualifying renewable energy projects, including:

- (i) return on investment;
- (ii) depreciation;
- (iii) ongoing operation and maintenance costs;
- (iv) taxes; and

(v) costs of transmission and other ancillary expenses directly allocable to transmitting electricity generated from a project meeting the specifications of this paragraph;

(2) provides a current return on construction work in progress, provided that recovery of these costs from Minnesota ratepayers is not sought through any other mechanism;

(3) allows recovery of other expenses incurred that are directly related to a renewable energy project, including expenses for energy storage, provided that the utility demonstrates to the commission's satisfaction that the expenses improve project economics, ensure project implementation, or facilitate coordination with the development of transmission necessary to transport energy produced by the project to market;

(4) allocates recoverable costs appropriately between wholesale and retail customers;

(5) terminates recovery when costs have been fully recovered or have otherwise been reflected in a utility's rates.

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

- (1) a description of the facilities for which costs are to be recovered;
- (2) an implementation schedule for the facilities;
- (3) the utility's costs for the facilities;

(4) a description of the utility's efforts to ensure that costs of the facilities are reasonable and were prudently incurred; and

(5) a description of the benefits of the project in promoting the development of renewable energy in a manner consistent with this chapter.

Sec. 9. Minnesota Statutes 2007 Supplement, section 216B.241, is amended by adding a subdivision to read:

Subd. 5a. **Qualifying solar energy project.** (a) A utility or association may include in its conservation plan programs for the installation of qualifying solar energy projects as defined by section 216B.2411 to the extent of the spending allowed for generation projects by section 216B.2411. The cost-effectiveness of a qualifying solar energy project may be determined by a different standard than for other energy conservation improvements under this section if the commissioner determines it is in the public interest to do so to encourage solar energy projects. Energy savings from qualifying solar energy projects may not be counted toward the minimum energy savings goal of at least one percent for energy conservation improvements required under subdivision 1c, but may, if the conservation plan is approved:

(1) be counted toward energy savings above that minimum percentage; and

(2) be considered when establishing performance incentives under section 216B.241, subdivision 2c.

(b) Qualifying solar energy projects may not be considered when establishing demand-side management targets under sections 216B.2422, 216B.243, or any other section of this chapter.

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

Sec. 10. Minnesota Statutes 2007 Supplement, section 216B.2411, subdivision 1, is amended to read:

Subdivision 1. **Generation projects.** (a) Any municipality or rural electric association providing electric service and subject to section 216B.241 ~~that is meeting the objectives under section 216B.1691~~ may, and each public utility may, use five percent of the total amount to be spent on energy conservation improvements under section 216B.241, on:

(1) projects in Minnesota to construct an electric generating facility that utilizes eligible renewable energy sources as defined in subdivision 2, such as methane or other combustible gases derived from the processing of plant or animal wastes, biomass fuels such as short-rotation woody or fibrous agricultural crops, or other renewable fuel, as its primary fuel source; ~~or~~

(2) projects in Minnesota to install a distributed generation facility of ten megawatts or less of interconnected capacity that is fueled by natural gas, renewable fuels, or another similarly clean fuel; or

(3) projects in Minnesota to install a qualifying solar energy project as defined in subdivision 2.

(b) For public utilities, as defined under section 216B.02, subdivision 4, projects under this section must be considered energy conservation improvements as defined in section 216B.241. For cooperative electric associations and municipal utilities, projects under this section must be considered load-management activities described in section 216B.241, subdivision 1.

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

Sec. 11. Minnesota Statutes 2006, section 216B.2411, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision and section 216B.241, subdivision 1, have the meanings given them.

(b) "Eligible renewable energy sources" means fuels and technologies to generate electricity through the use of any of the resources listed in section 216B.1691, subdivision 1, paragraph (a), clause (1), except that the term "biomass" has the meaning provided under paragraph (c), and "solar" must be from a qualified solar energy project as defined in paragraph (d).

(c) "Biomass" includes:

- (1) methane or other combustible gases derived from the processing of plant or animal material;
- (2) alternative fuels derived from soybean and other agricultural plant oils or animal fats;
- (3) combustion of barley hulls, corn, soy-based products, or other agricultural products;
- (4) wood residue from the wood products industry in Minnesota or other wood products such as short-rotation woody or fibrous agricultural crops; and
- (5) landfill gas, mixed municipal solid waste, and refuse-derived fuel from mixed municipal solid waste.

(d) "Qualifying solar energy project" means a qualifying solar thermal project or qualifying solar electric project.

(e) "Qualifying solar thermal project" means a flat plate or evacuated tube that meets the requirements of section 216C.25 with a fixed orientation that collects the sun's radiant energy and transfers it to a storage medium for distribution as energy to heat or cool air or water, but does not include equipment used to heat water at a residential property (1) for domestic use if less than one-half of the energy used for that purpose is derived from the sun or (2) for use in a hot tub or swimming pool.

(f) "Qualifying solar electric project" means solar electric equipment that meets the requirements of section 216C.25 with a total peak generating capacity of 100 kilowatts or less used for generating electricity primarily for use in a residential property or small business to reduce the effective electric load for that residence or small business.

(g) "Residential property" means the principal residence of a homeowner at the time the solar equipment is placed in service.

(h) "Small business" has the meaning given to it in section 645.445.

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

Sec. 12. Minnesota Statutes 2006, section 216B.2424, subdivision 1, is amended to read:

Subdivision 1. **Farm-grown closed-loop biomass.** (a) For the purposes of this section, "farm-grown closed-loop biomass" means biomass, as defined in section 216C.051, subdivision 7 herbaceous crops, trees, agricultural waste, and aquatic plant matter that is used to generate

electricity, but does not include mixed municipal solid waste, as defined in section 115A.03, and that:

(1) is intentionally cultivated, harvested, and prepared for use, in whole or in part, as a fuel for the generation of electricity;

(2) when combusted, releases an amount of carbon dioxide that is less than or approximately equal to the carbon dioxide absorbed by the biomass fuel during its growing cycle; and

(3) is fired in a new or substantially retrofitted electric generating facility that is:

(i) located within 400 miles of the site of the biomass production; and

(ii) designed to use biomass to meet at least 75 percent of its fuel requirements.

(b) The legislature finds that the negative environmental impacts within 400 miles of the facility resulting from transporting and combusting the biomass are offset in that region by the environmental benefits to air, soil, and water of the biomass production.

(c) Among the biomass fuel sources that meet the requirements of paragraph (a), clauses (1) and (2), are poplar, aspen, willow, switch grass, sorghum, alfalfa, cultivated prairie grass, and sustainably managed woody biomass.

(d) For the purpose of this section, "sustainably managed woody biomass" means:

(1) brush, trees, and other biomass harvested from within designated utility, railroad, and road rights-of-way;

(2) upland and lowland brush harvested from lands incorporated into brushland habitat management activities of the Minnesota Department of Natural Resources;

(3) upland and lowland brush harvested from lands managed in accordance with Minnesota Department of Natural Resources "Best Management Practices for Managing Brushlands";

(4) logging slash or waste wood that is created by harvest, by precommercial timber stand improvement to meet silvicultural objectives, or by fire, disease, or insect control treatments, and that is managed in compliance with the Minnesota Forest Resources Council's "Sustaining Minnesota Forest Resources: Voluntary Site-Level Forest Management Guidelines for Landowners, Loggers and Resource Managers" as modified by the requirement of this subdivision; and

(5) trees or parts of trees that do not meet the utilization standards for pulpwood, posts, bolts, or sawtimber as described in the Minnesota Department of Natural Resources Division of Forestry Timber Sales Manual, 1998, as amended as of May 1, 2005, and the Minnesota Department of Natural Resources Timber Scaling Manual, 1981, as amended as of May 1, 2005, except as provided in paragraph (a), clause (1), and this paragraph, clauses (1) to (3).

Sec. 13. Minnesota Statutes 2006, section 216B.243, is amended by adding a subdivision to read:

Subd. 9. **Renewable energy standard facilities.** The requirements of this section do not apply to a wind energy conversion system or a solar electric generation facility that is intended to be used to meet or exceed the obligations of section 216B.1691; provided that, after notice and comment, the commission determines that the facility is a reasonable and prudent approach to

meeting a utility's obligations under that section. When making this determination, the commission may consider the size of the facility relative to a utility's total need for renewable resources and alternative approaches for supplying the renewable energy to be supplied by the proposed facility, and must consider the facility's ability to promote economic development, as required under section 216B.1691, subdivision 9, maintain electric system reliability and consider impacts on ratepayers, and other criteria as the commission may determine are relevant.

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

Sec. 14. Minnesota Statutes 2006, section 216C.051, as amended by Laws 2007, chapter 57, article 2, sections 24 and 25, is amended to read:

216C.051 LEGISLATIVE ~~ELECTRIC ENERGY TASK FORCE~~ COMMISSION.

Subd. 2. **Establishment.** (a) There is established a Legislative ~~Electric Energy Task Force~~ Commission to study ~~future electric energy sources and costs~~ and to make recommendations for legislation for an environmentally and economically sustainable and advantageous electric energy supply concerning issues related to its duties under subdivision 3.

(b) The ~~task force~~ commission consists of:

(1) ten members of the house of representatives including the chairs of the Environment and Natural Resources Committee and the Energy Finance and Policy Division and eight members to be appointed by the speaker of the house, four of whom must be from the minority caucus appointed by the speaker of the house of representatives, four of whom must be from the minority caucus, and including the chair of the committee with primary jurisdiction over energy policy; the chair or another member of each of the committees with primary jurisdiction over environmental policy, agricultural policy, and transportation policy; and a legislator who is a member of the NextGen Energy Board; and

~~(2) ten members of the senate including the chairs of the Environment, Energy and Natural Resources Budget Division and Energy, Utilities, Technology and Communications committees and eight members to be appointed by the Subcommittee on Committees, four of whom must be from the minority caucus.~~

(2) ten members of the senate to be appointed by the Subcommittee on Committees, four of whom must be from the minority caucus, and including the chair of the committee with primary jurisdiction over energy policy; the chair or another member of each of the committees with primary jurisdiction over environmental policy, agricultural policy, and transportation policy; and a legislator who is a member of the NextGen Energy Board.

(c) The ~~task force~~ commission may employ full-time and part-time staff, contract for consulting services, and may reimburse the expenses of persons requested to assist it in its duties other than state employees or employees of electric utilities. The director of the Legislative Coordinating Commission shall assist the ~~task force~~ commission in administrative matters. The ~~task force~~ commission shall elect cochairs, one member of the house and one member of the senate from among the committee and subcommittee chairs named to the ~~committee~~ commission. The ~~task force~~ commission members from the house shall elect the house cochair, and the ~~task force~~ commission members from the senate shall elect the senate cochair.

Subd. 2a. **Subcommittees.** The commission may establish subcommittees as necessary to

perform its duties.

Subd. 3. ~~Technical and economic considerations, analyses, and recommendations~~ Duties.
(a) ~~In light of the electric energy guidelines established in subdivision 7 and utility resource plans and competitive bidding dockets before the commission, the task force shall gather information and make recommendations to the legislature regarding potential electric energy resources. The task force may contract with one or more energy policy experts and energy economists to assist it in its analysis. The task force may not contract for service nor employ any person who was involved in any capacity in any portion of any proceeding before the Public Utilities Commission, the administrative law judge, the state Court of Appeals, or the United States Nuclear Regulatory Commission related to the dry cask storage proposal on Prairie Island. The task force must gather information on at least the following electric energy resources, but may expand its inquiry as warranted by the information collected:~~

- ~~(1) wind energy;~~
- ~~(2) hydrogen as a fuel carrier produced from renewable and fossil fuel resources;~~
- ~~(3) biomass;~~
- ~~(4) decomposition gases produced by solid waste management facilities;~~
- ~~(5) solid waste as a direct fuel or refuse-derived fuel; and~~
- ~~(6) clean coal technology.~~

~~(b) In evaluating these electric energy resources, the task force must consider at least the following:~~

~~(1) to the best of forecasting abilities, how much electric generation capacity and demand for electric energy is necessary to maintain a strong economy and a high quality of life in the state over the next 15 to 20 years; how is this demand level affected by achievement of the maximum reasonably feasible and cost-effective demand-side management and generation and distribution efficiencies;~~

~~(2) what alternative forms of energy can provide a stable supply of energy and are producible and sustainable in the state and at what cost;~~

~~(3) what are the costs to the state and ratepayers to ensure that new electric energy generation utilizes less environmentally damaging sources; how do those costs change as the time frame for development and implementation of new generation sources is compressed;~~

~~(4) what are the implications for delivery systems for energy produced in areas of the state that do not now have high volume transmission capability; are new transmission technologies being developed that can address some of the concerns with transmission; can a more dispersed electric generation system lessen the need for long distance transmission;~~

~~(5) what are the actual costs and benefits of purchasing electricity and fuel to generate electricity from outside the state; what are the present costs to the state's economy of exporting a large percentage of the state's energy dollars and what is the future economic impact of continuing to do so;~~

~~(6) are there benefits to be had from a large immediate investment in quickly implementing alternative electric energy sources in terms of developing an exportable technology and/or commodity; is it feasible to turn around the flow of dollars for energy so that the state imports dollars and exports energy and energy technology; what is a reasonable time frame for the shift if it is possible;~~

~~(7) are there taxation or regulatory barriers to developing more sustainable and less problematic electric energy generation; what are they specifically and how can they be specifically addressed;~~

~~(8) can an approach be developed that moves quickly to development and implementation of alternative energy sources that can be forgiving of interim failures but that is also sufficiently deliberate to ensure ultimate success on a large scale; and~~

~~(9) in what specific ways can the state assist regional energy suppliers to accelerate phasing out energy production processes that produce wastes or emissions that must necessarily be carefully controlled and monitored to minimize adverse effects on the environment and human health and to assist in developing and implementing base load energy production that both prevents or minimizes by its nature adverse environmental and human health effects and utilizes resources that are available or producible in the state.~~

~~(e) The task force must study issues related to the transportation of spent nuclear fuel from this state to interim or permanent repositories outside this state. The task force must also gather information on at least the following factors, but may expand its inquiry as warranted by the information collected:~~

~~(1) Minnesota's actual and projected electricity demand;~~

~~(2) electricity export potential;~~

~~(3) inventory of energy resources currently used to generate all electricity sold in Minnesota and an analysis of the social, economic, and environmental benefits and burdens associated with each energy resource;~~

~~(4) electricity demand savings from greater efficiency; and~~

~~(5) job growth and economic development potential.~~

(a) The commission shall continuously evaluate the energy policies of this state and the degree to which they promote an environmentally and economically sustainable energy future. The commission shall monitor the state's progress in achieving its goals to develop renewable sources of electric energy under section 216B.1691, subdivision 2a, and the progress of energy-related sectors in reducing greenhouse gas emissions under the state's greenhouse gas emissions-reductions goals established in section 216H.02, subdivision 1. The commission may review proposed energy legislation and may recommend legislation. The commission shall when feasible solicit and consider public testimony regarding the economic, environmental, and social implications of state energy plans and policies. Notwithstanding any other law to the contrary the commission's evaluations and reviews under this subdivision shall include new and existing technologies for nuclear power.

~~(d)~~ (b) The commission may study, analyze, hold hearings, and make legislative recommendations regarding the following issues:

- (1) the generation, transmission, and distribution of electricity;
- (2) the reduction of greenhouse gas emissions;
- (3) the conservation of energy;
- (4) alternative energy sources available to replace dwindling fossil fuel and other nonrenewable fuel sources;
- (5) the development of renewable energy supplies;
- (6) the economic development potential associated with issues described in clauses (1) to (5);
and
- (7) other energy-related subjects the commission finds significant.

Subd. 3a. **Nuclear report.** The public utility that owns the Prairie Island and Monticello nuclear generation facilities shall update the reports required under section 116C.772, subdivisions 3 to 5, and shall submit those updates periodically to the Public Utilities Commission with the utility's resource plan filing under section 216B.2422 and to the ~~task force~~ commission.

~~Subd. 4a. **Report and recommendations.** By January 15, 2005, and every two years thereafter, the task force shall submit a report to the chairs of the committees in the house of representatives and the senate that have responsibility for energy and for environmental and natural resources issues that contains an overview of information gathered and analyses that have been prepared, and specific recommendations, if any, for legislative action that will ensure development and implementation of electric energy policy that will provide the state with adequate, renewable, and economic electric power for the long term. The report shall also identify issues that must be addressed to provide Minnesotans with adequate electricity from in-state renewable energy sources for the long term and export to adjacent states.~~

~~Subd. 6. **Assessment; appropriation.** On request by the cochairs of the Legislative Task Force and after approval of the Legislative Coordinating Commission, the commissioner of commerce shall assess from all public utilities, generation and transmission cooperative electric associations, and municipal power agencies providing electric or natural gas services in Minnesota, in addition to assessments made under section 216B.62, the amount requested for the operation of the task force not to exceed \$250,000 in a fiscal year. The amount assessed under this section is appropriated to the director of the Legislative Coordinating Commission for those purposes, and is available until expended. The department shall apportion those costs among all energy utilities in proportion to their respective gross operating revenues from the sale of gas or electric service within the state during the last calendar year. For the purposes of administrative efficiency, the department shall assess energy utilities and issue bills in accordance with the billing and assessment procedures provided in section 216B.62, to the extent that these procedures do not conflict with this subdivision.~~

~~Subd. 7. **Guidelines; preferred electric generation sources; definitions.** (a) The Legislative Task Force on Electric Energy shall undertake its responsibilities in light of the guidelines specified in this subdivision.~~

~~(b) The highest priority in electric energy production and consumption is conservation of electric energy and management of demand by all segments of the community.~~

~~(c) The following energy sources for generating electric power distributed in the state, listed in their descending order of preference, based on minimizing long term negative environmental, social, and economic burdens imposed by the specific energy sources, are:~~

~~(1) wind and solar;~~

~~(2) biomass and low head or refurbished hydropower;~~

~~(3) decomposition gases produced by solid waste management facilities, natural gas fired cogeneration, and waste materials or byproducts combined with natural gas;~~

~~(4) natural gas, hydropower that is not low head or refurbished hydropower, and solid waste as a direct fuel or refuse derived fuel; and~~

~~(5) coal and nuclear power.~~

~~(d) For the purposes of paragraph (c) within each clause, the more efficient an energy source is in generating electricity or the more efficient a technology is that utilizes an energy source, the more preferred it is for use in generating electricity for distribution and consumption in the state.~~

~~(e) For the purposes of paragraph (c), clauses (3) and (4), the use of waste materials and byproducts for generating electric power must be limited to those waste materials and byproducts that are necessarily generated or produced by efficient processes and systems. Preventing and minimizing waste and byproducts are preferred in every situation to relying on the continued generation or production of waste materials and byproducts.~~

~~(f) For the purposes of this section, "preferred" or "renewable" energy sources are those described in paragraph (c), clauses (1) to (3), and "subordinate" or "traditional" energy sources are those described in paragraph (c), clauses (4) and (5).~~

~~(g) For the purposes of this section:~~

~~(1) "biomass" means herbaceous crops, trees, agricultural waste, and aquatic plant matter, excluding mixed municipal solid waste, as defined in section 115A.03, used to generate electricity; and~~

~~(2) "low head hydropower" means a hydropower facility that has a head of less than 66 feet.~~

~~Subd. 8. **Subpoena power.** The task force commission may issue a subpoena under section 3.153 to any person for production of information held by that person that is relevant to the work of the task force commission.~~

~~Subd. 8a. **Manitoba Hydro information.** (a) By January 1, 2008, and each year thereafter, the task force shall request the Manitoba Hydro Electric Board to provide the following information for each community that is a signatory to the Northern Flood Agreement, including South Indian Lake:~~

~~(1) median household income and number of residents employed full time and part time;~~

~~(2) the number of outstanding claims filed against Manitoba Hydro by individuals and communities and the number of claims settled by Manitoba Hydro; and~~

~~(3) the amount of shoreline damaged by flooding and erosion and the amount of shoreline restored and cleaned.~~

~~(b) Nothing in this section shall be construed as a directive to the government of Canada or the province of Manitoba.~~

~~(c) For the purposes of this subdivision, "Northern Flood Agreement" means the agreement entered into by the Northern Flood Committee, Incorporated, the Manitoba Hydro Electric Board, the province of Manitoba, and the government of Canada on December 16, 1977.~~

~~Subd. 9. **Expiration.** This section is repealed June 30, 2010.~~

Subd. 10. **Data from state agencies.** A state agency shall reply promptly to a request for data from the commission, subject to the requirements of chapter 13 and section 15.17.

Subd. 11. **Assessment; appropriation.** (a) Upon request by the cochairs of the commission, the commissioner of commerce shall assess the amount requested for the operation of the commission, not to exceed \$250,000 in a fiscal year, from the following sources:

(1) all public utilities, municipal utilities, electric cooperative associations, generation and transmission cooperative electric associations, and municipal power agencies providing electric or natural gas services in Minnesota; and

(2) all bulk terminals located in this state from which petroleum products and liquid petroleum gas are dispensed for sale in this state.

(b) The commissioner of commerce shall apportion the assessment amount requested among the entities in paragraph (a), clauses (1) and (2), in proportion to their respective gross operating revenues from energy sold within the state during the most recent calendar year, while ensuring that wholesale and retail sales are not double counted.

(c) The entities in paragraph (a), clauses (1) and (2), must provide information to the commissioner of commerce to allow for calculation of the assessment.

(d) The assessments under this subdivision are in addition to assessments made under section 216B.62. The amount assessed under this section is appropriated to the director of the Legislative Coordinating Commission for the purposes of this section, and is available until expended. Utilities selling gas and electric service at retail must be assessed and billed in accordance with the procedures provided in section 216B.62, to the extent that these procedures do not conflict with this subdivision.

EFFECTIVE DATE. This section is effective January 3, 2009.

Sec. 15. Minnesota Statutes 2006, section 216E.03, is amended by adding a subdivision to read:

Subd. 3a. **Project notice.** At least 90 days before filing an application with the commission, the applicant shall provide notice to each local unit of government within which a route may be proposed. The notice must describe the proposed project and the opportunity for a preapplication consultation meeting with local units of government as provided in subdivision 3b.

EFFECTIVE DATE. This section is effective September 1, 2008.

Sec. 16. Minnesota Statutes 2006, section 216E.03, is amended by adding a subdivision to read:

Subd. 3b. **Preapplication consultation meetings.** Within 30 days of receiving a project notice, local units of government may request the applicant to hold a consultation meeting with local units

of government. Upon receiving notice from a local unit of government requesting a preapplication consultation meeting, the applicant shall arrange the meeting at a location chosen by the local units of government. A single public meeting for which each local government unit requesting a meeting is given notice satisfies the meeting requirement of this subdivision.

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

Sec. 17. Minnesota Statutes 2006, section 216E.03, subdivision 4, is amended to read:

Subd. 4. **Notice of Application notice.** Within 15 days after submission of an application to the commission, the applicant shall publish notice of the application in a legal newspaper of general circulation in each county in which the site or route is proposed and send a copy of the application by certified mail to any regional development commission, county, incorporated municipality, and ~~township~~ town in which any part of the site or route is proposed. Within the same 15 days, the applicant shall also send a notice of the submission of the application and description of the proposed project to each owner whose property is on or adjacent to any of the proposed sites for the power plant or along any of the proposed routes for the transmission line. The notice ~~shall~~ must identify a location where a copy of the application can be reviewed. For the purpose of giving mailed notice under this subdivision, owners ~~shall be~~ are those shown on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer; but other appropriate records may be used for this purpose. The failure to give mailed notice to a property owner, or defects in the notice, ~~shall~~ does not invalidate the proceedings, provided a bona fide attempt to comply with this subdivision has been made. Within the same 15 days, the applicant shall also send the same notice of the submission of the application and description of the proposed project to those persons who have requested to be placed on a list maintained by the commission for receiving notice of proposed large electric generating power plants and high voltage transmission lines.

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

Sec. 18. **[216F.012] SIZE ELECTION.**

(a) A wind energy conversion system of less than 25 megawatts of nameplate capacity as determined under section 216F.011 is a small wind energy conversion system if, by July 1, 2009, the owner so elects in writing and submits a completed application for zoning approval and the written election to the county or counties in which the project is proposed to be located. The owner must notify the Public Utilities Commission of the election at the time the owner submits the election to the county.

(b) Notwithstanding paragraph (a), a wind energy conversion system with a nameplate capacity exceeding five megawatts that is proposed to be located wholly or partially within a wind access buffer adjacent to state lands that are part of the outdoor recreation system, as enumerated in section 86A.05, is a large wind energy conversion system. The Department of Natural Resources shall negotiate in good faith with a system owner regarding siting and may support the system owner in seeking a variance from the system setback requirements if it determines that a variance is in the public interest.

(c) The public utilities commission shall issue an annual report to the chairs and ranking minority members of the house of representatives and senate committees with primary jurisdiction over energy policy and natural resource policy regarding any variances applied for and not granted

for systems subject to paragraph (b).

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

Sec. 19. [216F.09] WECS AGGREGATION PROGRAM.

Subdivision 1. **Program established.** The entity selected to provide rural wind development assistance under Laws 2007, chapter 57, article 2, section 3, subdivision 6, shall also establish a wind energy conversion system (WECS) aggregation program. The purpose of the program is to create a clearinghouse to coordinate and arrange umbrella sales arrangements for groups of individuals, farmstead property owners, farmers' cooperative associations, community-based energy project developers, school districts, and other political subdivisions to aggregate small-volume purchases, as a group, in order to place large orders for wind energy conversion systems with WECS manufacturers.

Subd. 2. **Responsibilities.** The entity shall:

(1) provide application procedures for participation in the program;

(2) set minimum standards for wind energy conversion systems to be considered for purchase through the program, which may include price, quality and installation standards, timely delivery schedules and arrangements, performance and reliability ratings, and any other factors considered necessary or desirable for participants;

(3) set eligibility considerations and requirements for purchasers, including availability to the applicant of land authorized for installation and use of WECS, likelihood of a permit being approved by the commission or a county under this chapter, documentation of adequate financing, and other necessary or usual financial or business practices or requirements;

(4) provide a minimal framework for soliciting or contacting manufacturers on behalf of participants; and

(5) coordinate purchase agreements between the manufacturer and participants.

Subd. 3. **Report.** By February 1 of 2009, and each year thereafter, the commissioner of commerce shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy on the activities and results of the program, including the number of participants and the number of purchases made.

Subd. 4. **Assessment; appropriation.** Annual costs of the program, up to \$100,000, must be assessed under section 216C.052, subdivision 2, paragraph (c), clause (1). The assessment is appropriated to the commissioner of commerce to be used by the director of the Office of Energy Security for a grant to the entity to carry out the purposes of this section.

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

Sec. 20. [216H.07] GREENHOUSE GAS EMISSION REDUCTION ATTAINMENT; POLICY DEVELOPMENT PROCESS.

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

(b) "Reductions" means the greenhouse gas emissions reductions goals specified in section 216H.02, subdivision 1.

Subd. 2. **Purpose.** This section is intended to create a nonexclusive, regular, mandated process for the state to develop policies to attain the greenhouse gas reduction goals specified in section 216H.02.

Subd. 3. **Biennial reduction progress report.** By January 15 of each odd-numbered year, the commissioners of commerce and the Pollution Control Agency shall jointly report to the chairs and ranking minority members of the legislative committees with primary policy jurisdiction over energy and environmental issues the most recent and best available evidence identifying the level of reductions already achieved and the level necessary to achieve the reductions timetable in section 216H.02. The report must be in easily understood nontechnical terms.

Subd. 4. **Annual legislative proposal.** The commissioners of commerce and the Pollution Control Agency shall annually by January 15 provide to the chairs of the legislative committees with primary policy jurisdiction over energy and environmental issues proposed legislation the commissioners determine appropriate to achieve the reductions. The legislation must be based on the principles in subdivision 5. If the commissioners determine no legislation is appropriate, they shall report that determination to the chairs along with an explanation of the determination.

Subd. 5. **Reduction principles.** Legislation proposed under subdivision 4 must be based on the following principles:

(1) the greenhouse gas emission reduction goals specified in section 216H.02, subdivision 1, must be attained;

(2) the reductions must be attained on a schedule that keeps pace with the reduction timetable required by section 216H.02, subdivision 1;

(3) conservation, including ceasing some activities, doing some activities less, and doing some activities more energy efficiently, is the first choice for reduction;

(4) public education is a key component;

(5) all levels of government should lead by example;

(6) strategies that may lead to economic dislocation should be phased in and should be coupled with strategies that address the dislocation; and

(7) there must be coordination with other federal and regional greenhouse gas emission reduction requirements so that the state benefits and is not penalized from its reduction activities.

Sec. 21. **[216H.10] DEFINITIONS.**

Subdivision 1. **Applicability.** For purposes of sections 216H.10 to 216H.15, the following terms have the meanings given.

Subd. 2. **Agency.** "Agency" means the Pollution Control Agency.

Subd. 3. **Carbon dioxide equivalent.** "Carbon dioxide equivalent" means the quantity of carbon dioxide that has the same global warming potential as a given amount of another greenhouse gas.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of the Pollution Control Agency.

Subd. 5. **Global warming.** "Global warming" means the observed and predicted increase in the temperature of the atmosphere near the earth's surface and the oceans.

Subd. 6. **Global warming potential or GWP.** "Global warming potential" or "GWP" means a quantitative measure of the potential of an emission of a greenhouse gas to contribute to global warming over a 100-year period expressed in terms of the equivalent emission of carbon dioxide needed to produce the same 100-year warming effect, as reported in Fourth Assessment Report: Climate Change 2007, Intergovernmental Panel on Climate Change.

Subd. 7. **High-GWP greenhouse gas.** "High-GWP greenhouse gas" means hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

Subd. 8. **Mobile air conditioner.** "Mobile air conditioner" means mechanical vapor compression refrigeration equipment used to cool the passenger compartment of a motor vehicle.

Subd. 9. **Motor vehicle.** "Motor vehicle" has the meaning given in section 168.011, subdivision 4.

Subd. 10. **New motor vehicle.** "New motor vehicle" has the meaning given in section 80E.03, subdivision 7.

Subd. 11. **Refrigerant.** "Refrigerant" means a substance used, sold for use, or designed and intended for use in a mobile air conditioner to transfer heat out of the space being cooled.

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

Sec. 22. **[216H.11] HIGH-GWP GREENHOUSE GAS REPORTING.**

Subdivision 1. **Gas manufacturers.** Beginning October 1, 2008, and each year thereafter, a manufacturer of a high-GWP greenhouse gas must report to the agency the total amount of each high-GWP greenhouse gas sold to a purchaser in this state during the previous year.

Subd. 2. **Purchases.** Beginning October 1, 2008, and each year thereafter, a person in this state who purchases 500 metric tons or more carbon dioxide equivalent of a high-GWP greenhouse gas must report to the agency, on a form prescribed by the commissioner, the total amount of each high-GWP greenhouse gas purchased during the previous year and the purpose for which the gas was used.

Subd. 3. **Acceptance of federal filing.** With the approval of the commissioner, this section may be satisfied by filing with the commissioner a copy of a greenhouse gas emissions report filed with a federal agency.

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

Sec. 23. **[216H.12] MOBILE AIR CONDITIONER LEAKAGE RATES; DISCLOSURE.**

Subdivision 1. **Leakage disclosure.** Beginning January 1, 2009, a manufacturer selling or offering for sale a new motor vehicle in this state containing a mobile air conditioner that uses the high-GWP greenhouse gas HFC-134a (1,1,1,2-tetrafluoroethane) as a refrigerant must, 90 days

prior to the initial sale or offer for sale, report to the commissioner the leakage rate, in grams of refrigerant per year, for the type of mobile air conditioner contained in that make, model, and model year. The leakage rate must be calculated using the information provided in the most recently published version of the SAE International document J2727, "HFC-134a Mobile Air Conditioning System Emission Chart." The method by which the leakage rate is calculated, accounting for each component of the air conditioning unit, must also be reported to the commissioner.

Subd. 2. **Posting.** Beginning January 1, 2009, the agency and the Office of the Attorney General must post on their Web sites:

(1) the leakage rate disclosed by a manufacturer under subdivision 1 for each model and make of new motor vehicle sold or offered for sale in this state; and

(2) the following statement: "Vehicle air conditioning systems may leak refrigerants. Information provided in the chart compares the potential global warming effects of refrigerant leakage from different makes and models of vehicles."

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

Sec. 24. **[216H.15] ENFORCEMENT.**

Sections 216H.10 to 216H.12 may be enforced under section 116.072.

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

Sec. 25. Minnesota Statutes 2007 Supplement, section 500.30, subdivision 2, is amended to read:

Subd. 2. **Like any conveyance.** Any property owner may grant a solar or wind easement in the same manner and with the same effect as a conveyance of an interest in real property. The easements shall be created in writing and shall be filed, duly recorded, and indexed in the office of the recorder of the county in which the easement is granted. No duly recorded easement shall be unenforceable on account of lack of privity of estate or privity of contract; such easements shall run with the land or lands benefited and burdened and shall constitute a perpetual easement, except that an easement may terminate upon the conditions stated therein or pursuant to the provisions of section 500.20. A ~~wind easement, easement to install wind turbines on real property, option, or lease of wind rights shall also terminate after seven years from the date the easement is created or lease is entered into, if a wind energy project on the property to which the easement or lease applies does not begin commercial operation within the seven-year period.~~

EFFECTIVE DATE. This section is effective June 1, 2010.

Sec. 26. **REPORT.**

By February 1, 2009, the commissioner of the Pollution Control Agency shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over environmental policy that identifies the uses and emissions sources of hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride in this state and suggests options for reducing or eliminating those uses and emissions and the costs of implementing those options. The options for reducing emissions must include phasing out specific consumer products containing high global warming potential gases where that is cost-effective.

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

Sec. 27. SOLAR RATING AND CERTIFICATION LABORATORY.

The director of the Office of Energy Security shall convene technical stakeholders who are expert in the design, manufacture, installation, and operation of solar energy systems to develop criteria and characteristics for a Minnesota-based solar rating and certification laboratory. The criteria shall include, but not be limited to, consideration of durability, cold-weather operations, and indoor air quality. The director shall develop and, by September 15, 2008, issue a request for proposals for the development of a plan, based on the criteria and characteristics developed by the stakeholder group, for a solar rating and certification laboratory in the state, including cost estimates. By January 15, 2009, the director shall submit a report to the chairs of the house and senate committees with jurisdiction over energy finance issues, detailing the responses to the request and making recommendations, including draft legislation.

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

Sec. 28. SIZE ELECTION STAKEHOLDER GROUP.

(a) By July 30, 2008, the commissioner of commerce shall convene a Size Election Stakeholder Group to evaluate the effect of new Minnesota Statutes, section 216F.012, on the process for obtaining a site permit for wind energy conversion systems with a combined nameplate capacity between five and 25 megawatts. The Department of Commerce shall provide staff and administrative support to the group.

(b) The stakeholder group must consist of 13 members, as follows:

(1) two legislators from the house of representatives, one from the majority party and one from the minority party, appointed by the speaker of the house;

(2) two legislators from the senate, one from the majority party and one from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration; and

(3) nine members, jointly appointed by the chairs of the senate and house of representatives committees with primary jurisdiction over energy policy. Four of the nine members must have experience developing or owning wind energy conversion systems in Minnesota with a combined nameplate capacity between five and 25 megawatts; one must represent the Department of Commerce; one must represent the Department of Natural Resources; one must represent counties or county associations; one must represent a nonprofit organization with experience in wind energy conversion system development issues; and one must represent a wildlife conservation organization. The members shall select one legislator each from the senate and house of representatives to serve as co-chairs of the stakeholder group.

(c) The stakeholder group shall collect and analyze data regarding site permits for wind energy conversion systems with a combined nameplate capacity between five and 25 megawatts and submit a report based on that analysis, by January 15, 2009, to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy, including recommendations as to whether Minnesota Statutes, section 216F.012, should be amended.

(d) Members of the stakeholder group are eligible for reimbursement of expenses, which the commissioner of commerce shall pay from the assessment under Minnesota Statutes, section 216C.052, subdivision 2, paragraph (c), clause (1).

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

Sec. 29. **STATE VIDEO FRANCHISING STUDY.**

Subdivision 1. **Study contents.** The Department of Commerce shall contract with the University of Minnesota for a study of the impact of legislation enacted in at least three states that requires franchises for video service to be issued by a state agency. The contractor conducting the study shall, prior to its initiation, consult with associations representing municipalities and communities of color. The study shall contain, at a minimum, the following information:

- (1) the number of new video service providers that have applied for a state video franchise;
- (2) the number of incumbent video service providers that have elected to terminate an existing franchise agreement and apply for a state video franchise;
- (3) the amount of capital invested by new video service providers to furnish video service;
- (4) the number of communities in which new video service providers intend to offer video services, as reflected in their application;
- (5) the number of communities with an incumbent video provider in which new providers intend to offer video services;
- (6) the number of communities with no incumbent video service provider in which new video service providers intend to offer video services;
- (7) the effect on video service prices in communities with an incumbent video provider in which new video service providers offer video services;
- (8) the effect on franchise fee revenues received by municipalities from video service providers;
- (9) the effect on the number of PEG channels available to communities;
- (10) the effect on the amount of revenues received by municipalities to support the provision of PEG programming in communities;
- (11) the effect on the amount of PEG programming available in communities;
- (12) the progress of new video providers in meeting any build-out requirements in the law; and
- (13) the effect on municipal services provided to communities by video service providers.

Subd. 2. **Report.** The department shall submit the report described in subdivision 1 to the chairs and ranking minority members of the senate and house committees with primary jurisdiction over telecommunications policy by February 1, 2009.

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

Sec. 30. **BROADBAND MAPPING PROJECT.**

Subdivision 1. **Project.** The commissioner of commerce shall contract with a nonprofit organization that has significant experience working with broadband providers to develop geographical information system maps displaying levels of broadband service by connection speed and type of technology used and integrating the maps with demographic information to produce a

comprehensive statewide inventory and mapping of existing broadband service and capability.

Subd. 2. **Mapping.** Data must be collected from broadband providers and entered into a geographic information system to produce maps that, for the state of Minnesota and any defined geographical entity within it, clearly convey the following information:

- (1) areas unserved by any broadband provider;
- (2) areas served by a single broadband provider;
- (3) the location of towers used to transmit and receive broadband signals;
- (4) actual upstream and downstream transmission speeds at the county level of detail;
- (5) areas served by multiple broadband providers; and
- (6) the types of technology used to provide broadband service.

The data used to produce the maps must be capable of being integrated with demographic data from other sources including, but not limited to, population density and household income to allow for the production of maps that measure, down to the census block level of detail, various characteristics of residents in areas receiving different levels of broadband services and utilizing different technologies. Data provided by a broadband provider to the contractor under this subdivision is nonpublic data under Minnesota Statutes, section 13.02, subdivision 9. Maps produced under this subdivision are public data under Minnesota Statutes, section 13.03.

For the purposes of this section, "technology" or "technologies" means different methods of connecting to the Internet including, but not limited to, cable modem, DSL, ADSL, VDSL, and fiber optics.

The initial maps must be provided to the commissioner of commerce by February 1, 2009.

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

Sec. 31. WIND PROPERTY INTEREST MEDIATION AND REPORT.

The commissioner of commerce shall, by July 1, 2008, convene a work group of interested parties to mediate differences concerning the termination of property interests related to wind energy systems developments. The commissioner must investigate and determine whether there is a factual basis for concerns that wind energy development may be hindered if termination of those property interests is not required by law if development has not occurred over some specified period of time. The commissioner shall, by January 15, 2009, report to the chairs and ranking minority members of the committees of the legislature with primary jurisdiction over energy issues on the results of the factual investigation and any legislative recommendations related to termination of those property interests.

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

Sec. 32. APPROPRIATION; DEPARTMENT OF COMMERCE.

(a) \$175,000 is appropriated for fiscal year 2009 from the telecommunication access Minnesota fund account in the special revenue fund to the commissioner of commerce for the purpose of section 30. This is a onetime appropriation.

(b) \$85,000 is appropriated for fiscal year 2009 from the telecommunication access Minnesota fund account in the special revenue fund to the commissioner of commerce for the purpose of section 29. This is a onetime appropriation.

Sec. 33. **AUTHORIZATION.**

The director of the Legislative Coordinating Commission may expend money appropriated for the use of the Legislative Electric Energy Task Force for the purposes of the Legislative Energy Commission established in Minnesota Statutes, section 3.8851, and those funds are available until expended and the money is appropriated to the director for that purpose.

EFFECTIVE DATE. This section is effective January 3, 2009.

Sec. 34. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall recodify Minnesota Statutes, section 216C.051, as section 3.8851.

Sec. 35. **REPEALER.**

Minnesota Statutes 2006, section 115C.09, subdivision 3j, is repealed.

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

ARTICLE 2

OUTDOOR LIGHTING

Section 1. Minnesota Statutes 2007 Supplement, section 16B.328, is amended by adding a subdivision to read:

Subd. 3. **Standards for state-funded outdoor lighting fixtures.** (a) An outdoor lighting fixture may be installed or replaced using state funds only if:

(1) the new or replacement outdoor lighting fixture is a cutoff luminaire if the rated output of the outdoor lighting fixture is greater than 1,800 lumens;

(2) the minimum illuminance adequate for the intended purpose is used with consideration given to nationally recognized standards;

(3) for lighting of a designated highway of the state highway system, the Department of Transportation determines that the purpose of the outdoor lighting fixture cannot be achieved by the installation of reflective road markers, lines, warning or informational signs, or other effective passive methods; and

(4) full consideration has been given to energy conservation and savings, reducing glare, minimizing light pollution, and preserving the natural night environment.

(b) Paragraph (a) does not apply if:

(1) a federal law, rule, or regulation preempts state law;

(2) the outdoor lighting fixture is used on a temporary basis because emergency personnel require additional illumination for emergency procedures;

(3) the outdoor lighting fixture is used on a temporary basis for nighttime work;

(4) special events or situations require additional illumination, provided that the illumination installed shields the outdoor lighting fixtures from direct view and minimizes upward lighting and light pollution;

(5) the outdoor lighting fixture is used solely to highlight the aesthetic aspects of a single object or distinctive building; or

(6) a compelling safety interest exists that cannot be addressed by another method.

(c) This subdivision does not apply to the operation and maintenance of lights or lighting systems purchased or installed, or for which design work is completed, before August 1, 2008.

(d) This section does not apply if a state agency or local unit of government determines that compliance with this section would:

(1) require an increased use of electricity;

(2) increase the construction cost of a lighting system more than 15 percent over the construction cost of a lighting system that does not comply with this section;

(3) increase the cost of operation and maintenance of the lighting system more than ten percent over the cost of operating and maintaining the existing lighting system over the life of the lighting system; or

(4) result in a negative safety impact."

Delete the title and insert:

"A bill for an act relating to utilities; providing standards for state-funded outdoor lighting fixtures; modifying Petrofund program; providing for replacement of PVC piping in heating oil systems in residential locations; providing that certain eminent domain appraisal and negotiation requirements apply to public service corporations; modifying cost recovery provisions for electric transmission and renewable energy facilities; providing for solar-generated electricity under a utility's renewable energy standard; allowing utilities to fund certain solar energy products under the conservation improvement program; exempting certain wind and solar projects from the requirement to obtain a certificate of need; modifying and adding provisions relating to notice to and meetings with local units of government for siting large electric generating plant or high-voltage transmission line; allowing size election for certain wind energy conversion systems and creating Size Election Stakeholder Group; creating a wind project aggregation program; requiring reports on reducing greenhouse gas emissions; requiring reporting of emissions or leakage of greenhouse gases with high global warming potential; providing for wind and solar easements; requiring development of plan for solar rating and certification laboratory; requiring studies and reports; appropriating money; amending Minnesota Statutes 2006, sections 115C.04, subdivision 3; 115C.09, subdivision 3h, by adding a subdivision; 216B.16, subdivision 7b; 216B.1645, subdivisions 1, 2; 216B.2411, subdivision 2; 216B.2424, subdivision 1; 216B.243, by adding a subdivision; 216C.051, as amended; 216E.03, subdivision 4, by adding subdivisions; Minnesota Statutes 2007 Supplement, sections 16B.328, by adding a subdivision; 216B.1645, subdivision 2a; 216B.241, by adding a subdivision; 216B.2411, subdivision 1; 500.30, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 117; 216F; 216H; repealing

Minnesota Statutes 2006, section 115C.09, subdivision 3j."

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

Senate Conferees: (Signed) Yvonne Prettner Solon, John Doll, Julie A. Rosen, Ellen R. Anderson, Dan Sparks

House Conferees: (Signed) Bill Hilty, Sheldon Johnson, Brita Sailer, Kathy Brynaert, Torrey Westrom

Senator Prettner Solon moved that the foregoing recommendations and Conference Committee Report on S.F. No. 3337 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.

CALL OF THE SENATE

Senator Pogemiller imposed a call of the Senate for the balance of the proceedings on S.F. No. 3337. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 3337 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 51 and nays 13, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Day	Ingebrigtsen	Koch	Ortman	Wergin
Gerlach	Johnson	Limmer	Robling	
Hann	Jungbauer	Olson, G.	Vanderveer	

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 3683 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 3683

A bill for an act relating to the operation of state government; changing certain provisions and programs related to agriculture; creating a livestock investment grant program; modifying pesticide and fertilizer regulation; changing certain payment provisions for certain agricultural chemical corrective action costs; changing certain food sanitary provisions; changing certain fee provisions; defining certain terms; regulating egg sales and handling; increasing the somatic cell count limit for goat milk; providing for control of bovine tuberculosis; adding a member to the NextGen Energy Board; modifying the expiration date for the NextGen Energy Board; modifying the expiration date for the Minnesota Agriculture Education Leadership Council; establishing requirements for practicing animal chiropractic care; recognizing a Program for the Assessment of Veterinary Education Equivalence certification; limiting use of certain drugs; changing certain requirements; regulating prescription of veterinary drugs; modifying definition of biodiesel; increasing minimum biodiesel content; creating a tiered biodiesel content goal; requiring counties to consider natural heritage data in adopting or amending comprehensive plans; requiring local governments to consider comprehensive plans to limit development on agricultural, forest, wildlife, and open space land; regulating certain racetracks; modifying 2007 appropriation language; creating the Veterans Health Care Advisory Council; changing certain provisions and programs related to veterans; providing for certain medallions; authorizing the placement of a plaque in the court of honor on the Capitol grounds by Minnesota's Mexican-American veterans to honor all Minnesota veterans who have served at any time in the United States armed forces; appropriating money; amending Minnesota Statutes 2006, sections 18B.07, subdivision 2; 18D.305, subdivision 2; 18E.04, subdivision 2; 28A.03, by adding a subdivision; 28A.08; 28A.082, by adding a subdivision; 28A.09, subdivision 1; 29.23; 31.05; 31.171; 41D.01, subdivision 4; 148.01, subdivision 1, by adding subdivisions; 156.001, by adding a subdivision; 156.02, subdivisions 1, 2; 156.04; 156.072, subdivision 2; 156.073; 156.12, subdivisions 2, 4, 6; 156.15, subdivision 2; 156.16, subdivisions 3, 10; 156.18, subdivisions 1, 2; 156.19; 168.1255, subdivisions 1, 3, by adding subdivisions; 196.021; 196.03; 197.236; 198.32, subdivision 1; 239.77, as amended; 240.06, subdivision 5a, by adding a subdivision; 240.13, subdivision 6; 394.232, subdivision 6; 462.355, subdivision 1; 462.357, by adding subdivisions; Minnesota Statutes 2007 Supplement, sections 31.175; 35.244; 41A.105; 296A.01, subdivision 8a; 394.23; Laws 2007, chapter 45, article 1, section 3, subdivisions 3, 4; proposing coding for new law in Minnesota Statutes, chapters 17; 18C; 32; 148; 196; 394; repealing Minnesota Statutes 2006, sections 198.001, subdivisions 6, 9; 198.002, subdivisions 1, 3, 6; 198.003, subdivisions 5, 6; 198.004, subdivision 2; Minnesota Statutes 2007 Supplement, sections 198.002, subdivision 2; 198.004, subdivision 1; Minnesota Rules, part 9050.0040, subpart 15.

May 6, 2008

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. 3683 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 3683 be further amended as

follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

AGRICULTURE POLICY

Section 1. [17.118] LIVESTOCK INVESTMENT GRANT PROGRAM.

Subdivision 1. **Establishment.** The commissioner may award a livestock investment grant to a person who raises livestock in this state equal to ten percent of the first \$500,000 of qualifying expenditures, provided the person makes qualifying expenditures of at least \$4,000. The commissioner may award multiple livestock investment grants to a person over the life of the program as long as the cumulative amount does not exceed \$50,000.

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Livestock" means beef cattle, dairy cattle, swine, poultry, goats, mules, farmed cervidae, ratitae, bison, sheep, horses, and llamas.

(c) "Qualifying expenditures" means the amount spent for:

(1) the acquisition, construction, or improvement of buildings or facilities for the production of livestock or livestock products;

(2) the development of pasture for use by livestock including, but not limited to, the acquisition, development, or improvement of:

(i) lanes used by livestock that connect pastures to a central location;

(ii) watering systems for livestock on pasture including water lines and booster pumps well installations;

(iii) livestock stream crossing stabilization; and

(iv) fences; or

(3) the acquisition of equipment for livestock housing, confinement, feeding, and waste management including, but not limited to, the following:

(i) freestall barns;

(ii) watering facilities;

(iii) feed storage and handling equipment;

(iv) milking parlors;

(v) robotic equipment;

(vi) scales;

(vii) milk storage and cooling facilities;

(viii) bulk tanks;

(ix) computer hardware and software and associated equipment used to monitor the productivity and feeding of livestock;

(x) manure pumping and storage facilities;

(xi) swine farrowing facilities;

(xii) swine and cattle finishing barns;

(xiii) calving facilities;

(xiv) digesters;

(xv) equipment used to produce energy;

(xvi) on-farm processing facilities equipment;

(xvii) fences; and

(xviii) livestock pens and corrals and sorting, restraining, and loading chutes.

Except for qualifying pasture development expenditures under clause (2), qualifying expenditures only include amounts that are allowed to be capitalized and deducted under either section 167 or 179 of the Internal Revenue Code in computing federal taxable income. Qualifying expenditures do not include an amount paid to refinance existing debt.

(d) "Qualifying period" means, for a grant awarded during a fiscal year, that full calendar year of which the first six months precede the first day of the current fiscal year. For example, an eligible person who makes qualifying expenditures during calendar year 2008 is eligible to receive a livestock investment grant between July 1, 2008, and June 30, 2009.

Subd. 3. **Eligibility.** (a) To be eligible for a livestock investment grant, a person must:

(1) be a resident of Minnesota or an entity specifically defined in section 500.24, subdivision 2, that is eligible to own farmland and operate a farm in this state under section 500.24;

(2) be the principal operator of the farm;

(3) hold a feedlot registration, if required; and

(4) apply to the commissioner on forms prescribed by the commissioner including a statement of the qualifying expenditures made during the qualifying period along with any proof or other documentation the commissioner may require.

(b) The \$50,000 maximum grant applies at the entity level for partnerships, S corporations, C corporations, trusts, and estates as well as at the individual level. In the case of married individuals, the grant is limited to \$50,000 for a married couple.

Subd. 4. **Process.** The commissioner, in consultation with the chairs and ranking minority members of the house and senate committees with jurisdiction over agriculture finance, shall develop competitive eligibility criteria and may allocate grants on a needs basis. The commissioner shall certify eligible applications up to the amount appropriated for a fiscal year. The commissioner

must place any additional eligible applications on a waiting list and, notwithstanding subdivision 2, paragraph (c), give them priority during the next fiscal year. The commissioner shall notify in writing any applicant who applies for a grant and is ineligible under the provisions of this section as well as any applicant whose application is received or reviewed after the fiscal year funding limit has been reached.

Sec. 2. Minnesota Statutes 2007 Supplement, section 18B.065, subdivision 1, is amended to read:

Subdivision 1. **Collection and disposal.** The commissioner of agriculture shall establish and operate a program to collect and dispose of waste pesticides. The program must be made available to ~~agriculture~~ agricultural and residential pesticide end users whose waste generating activity occurs in this state.

EFFECTIVE DATE. This section is effective July 1, 2008, and applies to all cooperative agreements entered into by the commissioner of agriculture and local units of government for waste pesticide collection and disposal after that date.

Sec. 3. Minnesota Statutes 2006, section 18B.065, subdivision 2, is amended to read:

Subd. 2. **Implementation.** (a) The commissioner may obtain a United States Environmental Protection Agency hazardous waste identification number to manage the waste pesticides collected.

(b) The commissioner may not limit the type and quantity of waste pesticides accepted for collection and may not assess pesticide end users for portions of the costs incurred.

Sec. 4. Minnesota Statutes 2007 Supplement, section 18B.065, subdivision 2a, is amended to read:

Subd. 2a. **Disposal site requirement.** (a) For agricultural waste pesticides, the commissioner must designate a place in each county of the state that is available at least every ~~other~~ year for persons to dispose of unused portions of agricultural pesticides ~~in accordance with subdivision 4~~. The commissioner shall consult with the person responsible for solid waste management and disposal in each county to determine an appropriate location and to advertise each collection event.

(b) For residential waste pesticides, the commissioner must provide periodic disposal opportunities each year in each county. As provided under subdivision 7, the commissioner may enter into agreements with county or regional solid waste management entities to provide these collections and shall provide these entities with funding for reasonable costs incurred including, but not limited to, related supplies, transportation, advertising, and disposal costs as well as reasonable overhead costs.

(c) A person who collects waste pesticide under paragraph (a) or (b) shall record information on each waste pesticide product collected including, but not limited to, the product name, active ingredient or ingredients, quantity, and the United States Environmental Protection Agency registration number, on a form provided by the commissioner. The person must submit this information to the commissioner at least annually.

EFFECTIVE DATE. This section is effective July 1, 2008, and applies to all cooperative agreements entered into by the commissioner of agriculture and local units of government for waste pesticide collection and disposal after that date.

Sec. 5. Minnesota Statutes 2006, section 18B.065, subdivision 7, is amended to read:

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

Sec. 6. Minnesota Statutes 2006, section 18B.07, subdivision 2, is amended to read:

Subd. 2. **Prohibited pesticide use.** (a) A person may not use, store, handle, distribute, or dispose of a pesticide, rinsate, pesticide container, or pesticide application equipment in a manner:

- (1) that is inconsistent with a label or labeling as defined by FIFRA;
- (2) that endangers humans, damages agricultural products, food, livestock, fish, or wildlife; or
- (3) that will cause unreasonable adverse effects on the environment.

(b) A person may not direct a pesticide onto property beyond the boundaries of the target site. A person may not apply a pesticide resulting in damage to adjacent property.

(c) A person may not directly apply a pesticide on a human by overspray or target site spray, except when:

- (1) the pesticide is intended for use on a human;
- (2) the pesticide application is for mosquito control operations;

(3) the pesticide application is for control of gypsy moth, forest tent caterpillar, or other pest species, as determined by the commissioner, and the pesticide used is a biological agent; or

(4) the pesticide application is for a public health risk, as determined by the commissioner of health, and the commissioner of health, in consultation with the commissioner of agriculture, determines that the application is warranted based on the commissioner's balancing of the public health risk with the risk that the pesticide application poses to the health of the general population, with special attention to the health of children.

(d) For pesticide applications under paragraph (c), clause (2), the following conditions apply:

- (1) no practicable and effective alternative method of control exists;
- (2) the pesticide is among the least toxic available for control of the target pest; and

(3) notification to residents in the area to be treated is provided at least 24 hours before application through direct notification, posting daily on the treating organization's Web site, if any, and by sending a broadcast e-mail to those persons who request notification of such, of those areas to be treated by adult mosquito control techniques during the next calendar day. For control operations related to human disease, notice under this paragraph may be given less than 24 hours in advance.

(e) For pesticide applications under paragraph (c), clauses (3) and (4), the following conditions apply:

- (1) no practicable and effective alternative method of control exists;
- (2) the pesticide is among the least toxic available for control of the target pest; and
- (3) notification of residents in the area to be treated is provided by direct notification and through publication in a newspaper of general circulation within the affected area.

(f) For purposes of this subdivision, "direct notification" may include mailings, public meetings, posted placards, neighborhood newsletters, or other means of contact designed to reach as many residents as possible. Public meetings held to meet this requirement for adult mosquito control, under paragraph (d), must be held within each city or town where the pesticide treatments are to be made, at a time and location that is convenient for residents of the area where the treatments will occur.

(g) A person may not apply a pesticide in a manner so as to expose a worker in an immediately adjacent, open field.

(h) Notwithstanding that the application is done in a manner consistent with the label or labeling, it is a violation of this chapter to directly apply a pesticide to a site where an application has not been: (1) requested, ordered, contracted for, or permitted; or (2) performed pursuant to paragraph (c), clause (2), (3), or (4).

Sec. 7. Minnesota Statutes 2007 Supplement, section 18B.26, subdivision 3, is amended to read:

Subd. 3. **Application fee.** (a) A registrant shall pay an annual application fee for each pesticide to be registered, and this fee is set at 0.4 percent of annual gross sales within the state and annual gross sales of pesticides used in the state, with a minimum nonrefundable fee of \$250. The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under paragraph (c), and fees shall be paid by the registrant based upon those reported sales. Sales of pesticides in the state for use outside of the state are exempt from the application fee in this paragraph if the registrant properly documents the sale location and distributors. A registrant paying more than the minimum fee shall pay the balance due by March 1 based on the gross sales of the pesticide by the registrant for the preceding calendar year. The fee for disinfectants and sanitizers shall be the minimum. The minimum fee is due by December 31 preceding the year for which the application for registration is made. ~~The commissioner shall spend at least \$400,000, not including the commissioner's administrative costs, per fiscal year from the pesticide regulatory account for the purposes of the waste pesticide collection program.~~ In each fiscal year, the commissioner shall allocate from the pesticide regulatory account a sum sufficient to collect and dispose of waste pesticides under section 18B.065. However, notwithstanding section 18B.065, if the commissioner determines that the balance in the pesticide regulatory account at the end of the fiscal year will be less than \$500,000, the commissioner may suspend waste pesticide collections or provide partial payment to a person for waste pesticide collection. The commissioner must notify as soon as possible and no later than August 1 a person under contract to collect waste pesticides of an anticipated suspension or payment reduction.

(b) An additional fee of \$100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

(c) A registrant must annually report to the commissioner the amount and type of each registered pesticide sold, offered for sale, or otherwise distributed in the state. The report shall be filed by March 1 for the previous year's registration. The commissioner shall specify the form of the report and require additional information deemed necessary to determine the amount and type of pesticides annually distributed in the state. The information required shall include the brand name, amount, and formulation of each pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report.

(d) A registrant who is required to pay more than the minimum fee for any pesticide under paragraph (a) must pay a late fee penalty of \$100 for each pesticide application fee paid after March 1 in the year for which the license is to be issued.

EFFECTIVE DATE. This section is effective July 1, 2008, and applies to all cooperative agreements entered into by the commissioner of agriculture and local units of government for waste pesticide collection and disposal after that date.

Sec. 8. Minnesota Statutes 2006, section 18D.305, subdivision 2, is amended to read:

Subd. 2. **Revocation and suspension.** (a) The commissioner may, after written notice and hearing, revoke, suspend, or refuse to grant or renew a registration, permit, license, or certification if a person violates a provision of this chapter or has a history within the last three years of violations of this chapter.

(b) The commissioner may refuse to accept an application for a registration, permit, license, or certification, and may revoke or suspend a previously issued registration, permit, license, or certification of a person from another state if that person has:

(1) had a registration, permit, license, or certification denied, revoked, or suspended by another state for an offense reasonably related to the requirements, qualifications, or duties of a registration, permit, license, or certification issued under chapter 18B or 18C; or

(2) been convicted of a violation, had a history of violations, or been subject to a final order imposing civil penalties authorized under the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA), as amended.

Sec. 9. Minnesota Statutes 2006, section 18E.04, subdivision 2, is amended to read:

Subd. 2. **Payment of corrective action costs.** (a) On request by an eligible person, the board may pay the eligible person for the reasonable and necessary cash disbursements for corrective action costs incurred by the eligible person as provided under subdivision 4 if the board determines:

(1) the eligible person pays the first \$1,000 of the corrective action costs;

(2) the eligible person provides the board with a sworn affidavit and other convincing evidence that the eligible person is unable to pay additional corrective action costs;

(3) the eligible person continues to assume responsibility for carrying out the requirements of corrective action orders issued to the eligible person or that are in effect;

(4) the incident was reported as required in chapters 18B, 18C, and 18D; and

(5) the eligible person submits an application for payment or reimbursement to the department, along with associated invoices, within three years of (i) incurring eligible corrective action costs performance of the eligible work, or (ii) approval of a the related corrective action design or plan for that work, whichever is later.

~~(b) The eligible person must submit an application for payment or reimbursement of eligible cost incurred prior to July 1, 2001, no later than June 1, 2004.~~

~~(e)~~ An eligible person is not eligible for payment or reimbursement and must refund amounts paid or reimbursed by the board if false statements or misrepresentations are made in the affidavit or other evidence submitted to the commissioner to show an inability to pay corrective action costs.

~~(d)~~ (c) The board may pay the eligible person and one or more designees by multiparty check.

Sec. 10. Minnesota Statutes 2006, section 28A.03, is amended by adding a subdivision to read:

Subd. 10. **Vending machine.** "Vending machine" means a self-service device that, upon insertion of a coin, paper currency, token, card, or key, dispenses unit servings of food in bulk or in packages without the necessity of replenishing the device between each vending operation.

Sec. 11. Minnesota Statutes 2006, section 28A.05, is amended to read:

28A.05 CLASSIFICATION.

All persons required to have a license under section 28A.04 shall be classified into one of the following classes of food handlers, according to their principal mode of business.

(a) Retail food handlers are persons who sell or process and sell food directly to the ultimate consumer or who custom process meat or poultry. The term includes a person who sells food directly to the ultimate consumer through the use of ~~coin-actuated~~ vending machines, and a person who sells food for consumption on-site or off-site if the sale is conducted on the premises that are part of a grocery or convenience store operation.

(b) Wholesale food handlers are persons who sell to others for resale. A person who handles food in job lots (jobbers) is included in this classification.

(c) Wholesale food processors or manufacturers are persons who process or manufacture raw materials and other food ingredients into food items, or who reprocess food items, or who package food for sale to others for resale, or who commercially slaughter animals or poultry. Included herein are persons who can, extract, ferment, distill, pickle, bake, freeze, dry, smoke, grind, mix, stuff, pack, bottle, recondition, or otherwise treat or preserve food for sale to others for resale, cold storage warehouse operators as defined in section 28.01, subdivision 3, salvage food processors as defined in section 31.495, subdivision 1, dairy plants as defined in section 32.01, subdivision 6, and nonresident manufacturers of frozen foods as described in section 32.59.

(d) A food broker is a person who buys and sells food and who negotiates between a buyer and a seller of food, but who at no time has custody of the food being bought and sold.

Sec. 12. Minnesota Statutes 2006, section 28A.08, is amended to read:

28A.08 LICENSE FEES; PENALTIES.

Subdivision 1. **General.** License fees, penalties for late renewal of licenses, and penalties for not obtaining a license before conducting business in food handling that are set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. The penalties may be waived by the commissioner. Fees for all new licenses must be based on the anticipated future gross annual food sales. If a firm is found to be operating for multiple years without paying license fees, the state may collect the appropriate fees and penalties for each year of operation.

Subd. 3. **Fees effective July 1, 2003.**

Type of food handler	License Fee Effective July 1, 2003	Penalties	
		Late Renewal	No License
1. Retail food handler			
(a) Having gross sales of only prepackaged nonperishable food of less than \$15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner	\$ 50	\$ 17	\$ 33
(b) Having under \$15,000 gross sales or service including food preparation or having \$15,000 to \$50,000 gross sales or service for the immediately previous license or fiscal year	\$ 77	\$ 25	\$ 51
(c) Having \$50,001 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$155	\$ 51	\$102
(d) Having \$250,001 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year	\$276	\$ 91	\$ 182
(e) Having \$1,000,001 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$799	\$264	\$527
(f) Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,162	\$383	\$767
(g) Having \$10,000,001 to \$15,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,376	\$454	\$908
(h) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,607	\$530	\$1,061

(i) Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,847	\$610	\$1,219
(j) Having over \$25,000,001 gross sales or service for the immediately previous license or fiscal year	\$2,001	\$660	\$1,321
2. Wholesale food handler			
(a) Having gross sales or service of less than \$25,000 for the immediately previous license or fiscal year	\$ 57	\$ 19	\$ 38
(b) Having \$25,001 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$284	\$ 94	\$187
(c) Having \$250,001 to \$1,000,000 gross sales or service from a mobile unit without a separate food facility for the immediately previous license or fiscal year	\$444	\$147	\$293
(d) Having \$250,001 to \$1,000,000 gross sales or service not covered under paragraph (c) for the immediately previous license or fiscal year	\$590	\$195	\$389
(e) Having \$1,000,001 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$769	\$254	\$508
(f) Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year	\$920	\$304	\$607
(g) Having \$10,000,001 to \$15,000,000 gross sales or service for the immediately previous license or fiscal year	\$990	\$327	\$653
(h) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,156	\$381	\$763
(i) Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,329	\$439	\$877
(j) Having over \$25,000,001 or more gross sales or service for the immediately previous license or fiscal year	\$1,502	\$496	\$991
3. Food broker	\$150	\$ 50	\$ 99
4. Wholesale food processor or manufacturer			

(a) Having gross sales <u>or service</u> of less than \$125,000 for the immediately previous license or fiscal year	\$169	\$ 56	\$112
(b) Having \$125,001 to \$250,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$392	\$129	\$259
(c) Having \$250,001 to \$1,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$590	\$195	\$389
(d) Having \$1,000,001 to \$5,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$769	\$254	\$508
(e) Having \$5,000,001 to \$10,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$920	\$304	\$607
(f) Having \$10,000,001 to \$15,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,377	\$454	\$909
(g) Having \$15,000,001 to \$20,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,608	\$531	\$1,061
(h) Having \$20,000,001 to \$25,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,849	\$610	\$1,220
(i) Having \$25,000,001 to \$50,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$2,090	\$690	\$1,379
(j) Having \$50,000,001 to \$100,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$2,330	\$769	\$1,538
(k) Having \$100,000,000 or more gross sales <u>or service</u> for the immediately previous license or fiscal year	\$2,571	\$848	\$1,697
5. Wholesale food processor of meat or poultry products under supervision of the U.S. Department of Agriculture			
(a) Having gross sales <u>or service</u> of less than \$125,000 for the immediately previous license or fiscal year	\$112	\$ 37	\$ 74

(b) Having \$125,001 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$214	\$ 71	\$141
(c) Having \$250,001 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year	\$333	\$110	\$220
(d) Having \$1,000,001 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$425	\$140	\$281
(e) Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year	\$521	\$172	\$344
(f) Having over \$10,000,001 gross sales or service for the immediately previous license or fiscal year	\$765	\$252	\$505
(g) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year	\$893	\$295	\$589
(h) Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,027	\$339	\$678
(i) Having \$25,000,001 to \$50,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,161	\$383	\$766
(j) Having \$50,000,001 to \$100,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,295	\$427	\$855
(k) Having \$100,000,001 or more gross sales or service for the immediately previous license or fiscal year	\$1,428	\$471	\$942
6. Wholesale food processor or manufacturer operating only at the State Fair	\$125	\$ 40	\$ 50
7. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota Farmstead cheese	\$ 30	\$ 10	\$ 15
8. Nonresident frozen dairy manufacturer	\$200	\$ 50	\$ 75
9. Wholesale food manufacturer processing less than 700,000 pounds per year of raw milk	\$ 30	\$ 10	\$ 15

10. A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer	\$ 50	\$ 15	\$ 25
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Sec. 13. Minnesota Statutes 2006, section 28A.082, is amended by adding a subdivision to read:

Subd. 3. **Disaster areas.** If the governor declares a disaster in an area of the state, the commissioner of agriculture may waive the plan review fee and direct agency personnel to expedite the plan review process.

Sec. 14. Minnesota Statutes 2006, section 28A.09, subdivision 1, is amended to read:

Subdivision 1. **Annual fee; exceptions.** Every coin-operated food vending machine is subject to an annual state inspection fee of \$25 for each nonexempt machine except nut vending machines which are subject to an annual state inspection fee of \$10 for each machine, provided that:

(a) Food vending machines may be inspected by either a home rule charter or statutory city, or a county, but not both, and if inspected by a home rule charter or statutory city, or a county they shall not be subject to the state inspection fee, but the home rule charter or statutory city, or the county may impose an inspection or license fee of no more than the state inspection fee. A home rule charter or statutory city or county that does not inspect food vending machines shall not impose a food vending machine inspection or license fee.

(b) Vending machines dispensing only gum balls, hard candy, unsorted candy, or ice manufactured and packaged by another ~~shall be~~, and water dispensing machines serviced by a cashier, are exempt from the state inspection fee, but may be inspected by the state. A home rule charter or statutory city may impose by ordinance an inspection or license fee of no more than the state inspection fee for nonexempt machines on the vending machines and water dispensing machines described in this paragraph. A county may impose by ordinance an inspection or license fee of no more than the state inspection fee for nonexempt machines on the vending machines and water dispensing machines described in this paragraph which are not located in a home rule charter or statutory city.

(c) Vending machines dispensing only bottled or canned soft drinks are exempt from the state, home rule charter or statutory city, and county inspection fees, but may be inspected by the commissioner or the commissioner's designee.

Sec. 15. Minnesota Statutes 2006, section 29.23, is amended to read:

29.23 GRADING.

Subdivision 1. **Grades, weight classes and standards for quality.** All eggs purchased on the basis of grade by the first licensed buyer shall be graded in accordance with grade and weight classes established by the commissioner. The commissioner shall establish, by rule, and from time to time, may amend or revise, grades, weight classes, and standards for quality. When grades, weight classes, and standards for quality have been fixed by the secretary of the Department of Agriculture of the United States, they ~~may~~ must be accepted and published by the commissioner as definitions or standards for eggs in interstate and intrastate commerce.

Subd. 2. **Equipment.** The commissioner shall also by rule provide for minimum plant and equipment requirements for candling, grading, handling and storing eggs, and shall define candling. Equipment in use by a wholesale food handler before July 1, 1991, that does not meet the design and fabrication requirements of this chapter may remain in use if it is in good repair, capable of being maintained in a sanitary condition, and capable of maintaining a temperature of 45 degrees Fahrenheit (7 degrees Celsius) or less.

Subd. 3. **Egg temperature.** Eggs must be held at a temperature not to exceed 45 degrees Fahrenheit (7 degrees Celsius) after being received by the egg handler except for cleaning, sanitizing, grading, and further processing when they must immediately be placed under refrigeration that is maintained at 45 degrees Fahrenheit (7 degrees Celsius) or below. Eggs offered for ~~retail~~ sale by a retail food handler must be held at a temperature not to exceed 45 41 degrees Fahrenheit (7 degrees Celsius). Equipment in use prior to August 1, 1991, is not subject to this requirement. Shell eggs that have been frozen must not be offered for sale except as approved by the commissioner.

Subd. 4. **Vehicle temperature.** A vehicle used ~~for the transportation of~~ to transport shell eggs from a warehouse, retail store, candling and grading facility, or egg holding facility must have an ambient air temperature of 45 degrees Fahrenheit (7 degrees Celsius) or below.

Sec. 16. Minnesota Statutes 2006, section 31.05, is amended to read:

31.05 EMBARGOES AND CONDEMNATIONS.

Subdivision 1. **Definitions.** As used in this section, "animals" means cattle; swine; sheep; goats; poultry; farmed cervidae, as defined in section 35.153, subdivision 3; llamas, as defined in section 17.455, subdivision 2; ratitae, as defined in section 17.453, subdivision 3; equines; and other large domesticated animals.

Subd. 1a. **Tag or notice.** A duly authorized agent of the commissioner who finds or has probable cause to believe that any food, animal, or consumer commodity is adulterated or so misbranded as to be dangerous or fraudulent, or is in violation of section 31.131 shall affix to such article or animal a tag or other appropriate marking giving notice that such article or animal is, or is suspected of being, adulterated or misbranded and has been detained or embargoed, and warning all persons not to remove or dispose of such article or animal by sale or otherwise until permission for removal or disposal is given by such agent or the court. It shall be unlawful for any person to remove or dispose of such detained or embargoed article or animal by sale or otherwise without such permission.

Subd. 2. **Action for condemnation.** When an article or animal detained or embargoed under subdivision 1 has been found by such agent to be adulterated, or misbranded, the agent shall petition the district court in the county in which the article or animal is detained or embargoed for an order and decree for the condemnation of such article or animal. Any such agent who has found that an article or animal so detained or embargoed is not adulterated or misbranded, shall remove the tag or other marking.

Subd. 3. **Remedies.** If the court finds that a detained or embargoed article or animal is adulterated or misbranded, such article or animal shall, after entry of the decree, be destroyed at the expense of the claimant thereof, under the supervision of such agent, and all court costs and fees, and storage and other proper expenses, shall be taxed against the claimant of such article or animal or the claimant's agent; provided, that when the adulteration or misbranding can be corrected by proper labeling or

processing of the article or animal, the court, after entry of the decree and after such costs, fees, and expenses have been paid and a good and sufficient bond, conditioned that such article or animal shall be so labeled or processed, has been executed, may by order direct that such article or animal be delivered to claimant thereof for such labeling or processing under the supervision of an agent of the commissioner. The expense of such supervision shall be paid by claimant. The article or animal shall be returned to the claimant and the bond shall be discharged on the representation to the court by the commissioner that the article or animal is no longer in violation and that the expenses of such supervision have been paid.

Subd. 4. Duties of commissioner. Whenever the commissioner or any of the commissioner's authorized agents shall find in any room, building, vehicle of transportation or other structure, any meat, seafood, poultry, vegetable, fruit, or other perishable articles of food which are unsound, or contain any filthy, decomposed, or putrid substance, or that may be poisonous or deleterious to health or otherwise unsafe, the same being hereby declared to be a nuisance, the commissioner, or the commissioner's authorized agent, shall forthwith condemn or destroy the same, or in any other manner render the same unsalable as human food, and no one shall have any cause of action against the commissioner or the commissioner's authorized agent on account of such action.

Subd. 5. Emergency response. In the event of an emergency declared by the governor's order under section 12.31, if the commissioner finds or has probable cause to believe that a livestock, food, or a consumer commodity within a specific area is likely to be adulterated because of the emergency or so misbranded as to be dangerous or fraudulent, or is in violation of section 31.131, subdivision 1, the commissioner may embargo a geographic area that is included in the declared emergency. The commissioner shall provide notice to the public and to those with custody of the product in as thorough a manner as is practical under the emergency circumstances.

Sec. 17. Minnesota Statutes 2006, section 31.171, is amended to read:

31.171 EMPLOYMENT OF DISEASED PERSON.

It shall be unlawful for any person to work in or about any place where any fruit or any food products are manufactured, packed, stored, deposited, collected, prepared, produced or sold, whose condition is such that disease may be spread to associates direct, or through the medium of milk, cream, butter, other food or food products, likely to be eaten without being cooked after handling, whether such condition be due to a contagious, or infectious, or ~~veneral~~ disease, in its active or convalescent stage, or to the presence of disease germs, whether accompanied by, or without, any symptoms of the disease itself.

It shall be the duty of the commissioner, or the commissioner's assistant, inspector, or agent, to report to the state commissioner of health for investigation, any person suspected to be dangerous to the public health, as provided for in this section, and immediately to exclude such person from such employment pending investigation and during the period of infectiousness, if such person is certified by the state commissioner of health, or an authorized agent, to be dangerous to the public health.

Sec. 18. Minnesota Statutes 2007 Supplement, section 31.175, is amended to read:

31.175 WATER, PLUMBING, AND SEWAGE.

A person who is required by statutes administered by the Department of Agriculture, or by

rules adopted pursuant to those statutes, to provide a suitable water supply, or plumbing or sewage disposal system, ~~may~~ shall not engage in the business of manufacturing, processing, selling, handling, or storing food at wholesale or retail unless the person's water supply is satisfactory ~~under plumbing codes pursuant to rules adopted by the Department of Health, the person's plumbing is satisfactory pursuant to rules adopted by the Department of Labor and Industry,~~ and the person's sewage disposal system satisfies the rules of the Pollution Control Agency.

Sec. 19. [32.416] SOMATIC CELL COUNT, GOAT MILK.

Notwithstanding any federal standard incorporated by reference in this chapter, the maximum allowable somatic cell count for raw goat milk is 1,500,000 cells per milliliter.

Sec. 20. Minnesota Statutes 2006, section 41A.09, subdivision 3a, is amended to read:

Subd. 3a. **Ethanol producer payments.** (a) The commissioner shall make cash payments to producers of ethanol located in the state that have begun production at a specific location by June 30, 2000. For the purpose of this subdivision, an entity that holds a controlling interest in more than one ethanol plant is considered a single producer. The amount of the payment for each producer's annual production, except as provided in paragraph (c), is 20 cents per gallon for each gallon of ethanol produced at a specific location on or before June 30, 2000, or ten years after the start of production, whichever is later. Annually, within 90 days of the end of its fiscal year, an ethanol producer receiving payments under this subdivision must file a disclosure statement on a form provided by the commissioner. The initial disclosure statement must include a summary description of the organization of the business structure of the claimant, a listing of the percentages of ownership by any person or other entity with an ownership interest of five percent or greater, and a copy of its annual audited financial statements, including the auditor's report and footnotes. The disclosure statement must include information demonstrating what percentage of the entity receiving payments under this section is owned by farmers or other entities eligible to farm or own agricultural land in Minnesota under the provisions of section 500.24. Subsequent annual reports must reflect noncumulative changes in ownership of ten percent or more of the entity. The report need not disclose the identity of the persons or entities eligible to farm or own agricultural land with ownership interests, individuals residing within 30 miles of the plant, or of any other entity with less than ten percent ownership interest, but the claimant must retain information within its files confirming the accuracy of the data provided. This data must be made available to the commissioner upon request. Not later than the 15th day of February in each year the commissioner shall deliver to the chairs of the standing committees of the senate and the house of representatives that deal with agricultural policy and agricultural finance issues an annual report summarizing aggregated data from plants receiving payments under this section during the preceding calendar year. Audited financial statements and notes and disclosure statements submitted to the commissioner are nonpublic data under section 13.02, subdivision 9. Notwithstanding the provisions of chapter 13 relating to nonpublic data, summaries of the submitted audited financial reports and notes and disclosure statements will be contained in the report to the committee chairs and will be public data.

(b) No payments shall be made for ethanol production that occurs after June 30, 2010. A producer of ethanol shall not transfer the producer's eligibility for payments under this section to an ethanol plant at a different location.

(c) If the level of production at an ethanol plant increases due to an increase in the production capacity of the plant, the payment under paragraph (a) applies to the additional increment of

production until ten years after the increased production began. Once a plant's production capacity reaches 15,000,000 gallons per year, no additional increment will qualify for the payment.

(d) Total payments under paragraphs (a) and (c) to a producer in a fiscal year may not exceed \$3,000,000.

(e) By the last day of October, January, April, and July, each producer shall file a claim for payment for ethanol production during the preceding three calendar months. A producer that files a claim under this subdivision shall include a statement of the producer's total ethanol production in Minnesota during the quarter covered by the claim. For each claim and statement of total ethanol production filed under this subdivision, the volume of ethanol production must be examined by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

(f) Payments shall be made November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed. Except as provided in paragraph (g), the total quarterly payment to a producer under this paragraph may not exceed \$750,000.

(g) Notwithstanding the quarterly payment limits of paragraph (f), the commissioner shall make an additional payment in the fourth quarter of each fiscal year to ethanol producers for the lesser of: (1) 20 cents per gallon of production in the fourth quarter of the year that is greater than 3,750,000 gallons; or (2) the total amount of payments lost during the first three quarters of the fiscal year due to plant outages, repair, or major maintenance. Total payments to an ethanol producer in a fiscal year, including any payment under this paragraph, must not exceed the total amount the producer is eligible to receive based on the producer's approved production capacity. The provisions of this paragraph apply only to production losses that occur in quarters beginning after December 31, 1999.

(h) The commissioner shall reimburse ethanol producers for any deficiency in payments during earlier quarters if the deficiency occurred because of unallotment or because appropriated money was insufficient to make timely payments in the full amount provided in paragraph (a). Notwithstanding the quarterly or annual payment limitations in this subdivision, the commissioner shall begin making payments for earlier deficiencies in each fiscal year that appropriations for ethanol payments exceed the amount required to make eligible scheduled payments. Payments for earlier deficiencies must continue until the deficiencies for each producer are paid in full, except the commissioner shall not make a deficiency payment to an entity that no longer produces ethanol on a commercial scale at the location for which the entity qualified for producer payments, or to an assignee of the entity.

(i) The commissioner may make direct payments to producers of rural economic infrastructure with any amount of the annual appropriation for ethanol producer payments and rural economic infrastructure that is in excess of the amount required to make scheduled ethanol producer payments and deficiency payments under paragraphs (a) to (h).

Sec. 21. Minnesota Statutes 2007 Supplement, section 41A.105, is amended to read:

41A.105 NEXTGEN ENERGY.

Subdivision 1. **Purpose.** It is the goal of the state through the Department of Agriculture to research and develop energy sources to displace fossil fuels with renewable technology.

Subd. 2. **NextGen Energy Board.** There is created a NextGen Energy Board consisting of

the commissioners of agriculture, commerce, natural resources, the Pollution Control Agency, and employment and economic development; the chairs of the house and senate committees with jurisdiction over energy finance; the chairs of the house and senate committees with jurisdiction over agriculture finance; one member of the second largest political party in the house, as appointed by the chairs of the house committees with jurisdiction over agriculture finance and energy finance; one member of the second largest political party in the senate, as appointed by the chairs of the senate committees with jurisdiction over agriculture finance and energy finance; and the executive director of the Agricultural Utilization Research Institute. In addition, the governor shall appoint ~~seven~~ eight members: two representing statewide agriculture organizations; two representing statewide environment and natural resource conservation organizations; one representing the University of Minnesota; one representing the Minnesota Institute for Sustainable Agriculture; ~~and~~ one representing the Minnesota State Colleges and Universities system; and one representing the forest products industry.

Subd. 3. **Duties.** The board shall research and report to the commissioner of agriculture and to the legislature recommendations as to how the state can invest its resources to most efficiently achieve energy independence, agricultural and natural resources sustainability, and rural economic vitality. The board shall:

- (1) examine the future of fuels, such as synthetic gases, biobutanol, hydrogen, methanol, biodiesel, and ethanol within Minnesota;
- (2) develop equity grant programs to assist locally owned facilities;
- (3) study the proper role of the state in creating financing and investing and providing incentives;
- (4) evaluate how state and federal programs, including the Farm Bill, can best work together and leverage resources;
- (5) work with other entities and committees to develop a clean energy program; and
- (6) report to the legislature before February 1 each year with recommendations as to appropriations and results of past actions and projects.

Subd. 4. **Commissioner's duties.** The commissioner of agriculture shall administer this section.

Subd. 5. **Expiration.** This section expires June 30, ~~2009~~ 2014.

Sec. 22. Minnesota Statutes 2006, section 41D.01, subdivision 4, is amended to read:

Subd. 4. **Expiration.** This section expires on June 30, ~~2008~~ 2013.

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

Sec. 23. Minnesota Statutes 2006, section 97A.028, subdivision 3, is amended to read:

Subd. 3. **Emergency deterrent materials assistance.** (a) For the purposes of this subdivision, "cooperative damage management agreement" means an agreement between a landowner or tenant and the commissioner that establishes a program for addressing the problem of destruction of the landowner's or tenant's specialty crops or stored forage crops by wild animals, or destruction of agricultural crops by flightless Canada geese.

(b) A landowner or tenant may apply to the commissioner for emergency deterrent materials assistance in controlling destruction of the landowner's or tenant's specialty crops or stored forage crops by wild animals, or destruction of agricultural crops by flightless Canada geese. Subject to the availability of money appropriated for this purpose, the commissioner shall provide suitable deterrent materials when the commissioner determines that:

(1) immediate action is necessary to prevent significant damage from continuing ~~or to prevent the spread of bovine tuberculosis~~; and

(2) a cooperative damage management agreement cannot be implemented immediately.

(c) A person may receive emergency deterrent materials assistance under this subdivision more than once, but the cumulative total value of deterrent materials provided to a person, or for use on a parcel, may not exceed \$3,000 for specialty crops, ~~\$5,000 for measures to prevent the spread of bovine tuberculosis within a five-mile radius of a cattle herd that is infected with bovine tuberculosis as determined by the Board of Animal Health~~, \$750 for protecting stored forage crops, or \$500 for agricultural crops damaged by flightless Canada geese. If a person is a co-owner or cotenant with respect to the specialty crops for which the deterrent materials are provided, the deterrent materials are deemed to be "provided" to the person for the purposes of this paragraph.

(d) As a condition of receiving emergency deterrent materials assistance under this subdivision, a landowner or tenant shall enter into a cooperative damage management agreement with the commissioner. Deterrent materials provided by the commissioner may include repellents, fencing materials, or other materials recommended in the agreement to alleviate the damage problem. If requested by a landowner or tenant, any fencing materials provided must be capable of providing long-term protection of specialty crops. A landowner or tenant who receives emergency deterrent materials assistance under this subdivision shall comply with the terms of the cooperative damage management agreement.

Sec. 24. Minnesota Statutes 2006, section 148.01, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of sections 148.01 to 148.10:

(1) "chiropractic" is defined as the science of adjusting any abnormal articulations of the human body, especially those of the spinal column, for the purpose of giving freedom of action to impinged nerves that may cause pain or deranged function; and

(2) "animal chiropractic diagnosis and treatment" means treatment that includes identifying and resolving vertebral subluxation complexes, spinal manipulation, and manipulation of the extremity articulations of nonhuman vertebrates. Animal chiropractic diagnosis and treatment does not include:

(i) performing surgery;

(ii) dispensing or administering of medications; or

(iii) performing traditional veterinary care and diagnosis.

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

Sec. 25. Minnesota Statutes 2006, section 148.01, is amended by adding a subdivision to read:

Subd. 1a. **Animal chiropractic practice.** A licensed chiropractor may engage in the practice of animal chiropractic diagnosis and treatment if registered to do so by the board, and the animal has been referred to the chiropractor by a veterinarian.

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

Sec. 26. Minnesota Statutes 2006, section 148.01, is amended by adding a subdivision to read:

Subd. 1b. **Scope of practice; animal chiropractic.** Criteria for registration to engage in the practice of animal chiropractic diagnosis and treatment must be set by the board, and must include, but are not limited to: active chiropractic license; education and training in the field of animal chiropractic from an American Veterinary Chiropractic Association, International Veterinary Chiropractic Association, or higher institution-approved course consisting of no less than 210 hours, meeting continuing education requirements; and other conditions and rules set by the board. The board shall consult with the State Board of Veterinary Medicine in preparing proposed rules on animal chiropractic.

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

Sec. 27. Minnesota Statutes 2006, section 148.01, is amended by adding a subdivision to read:

Subd. 1c. **Titles.** Notwithstanding the limitations established in section 156.12, subdivision 4, a doctor of chiropractic properly registered to provide chiropractic care to animals in accordance with this chapter and rules of the board may use the title "animal chiropractor."

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

Sec. 28. Minnesota Statutes 2006, section 148.01, is amended by adding a subdivision to read:

Subd. 1d. **Provisional interim statute.** Upon approval by the board, a licensed chiropractor who has already taken and passed the education and training requirement set forth in subdivision 1b may engage in the practice of animal chiropractic during the time that the rules are being promulgated by the board. Enforcement actions may not be taken against persons who have completed the approved program of study by the American Veterinary Chiropractic Association or the International Veterinary Chiropractic Association until the rules have been adopted by the board.

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

Sec. 29. **[148.032] EDUCATIONAL CRITERIA FOR LICENSURE IN ANIMAL CHIROPRACTIC DIAGNOSIS AND TREATMENT; RECORDS; TREATMENT NOTES.**

(a) The following educational criteria must be applied to any licensed chiropractor who requests registration in animal chiropractic diagnosis and treatment. The criteria must include education and training in the following subjects:

- (1) anatomy;
- (2) anatomy laboratory;
- (3) biomechanics and gait;
- (4) chiropractic educational basics;

(5) animal chiropractic diversified adjusting technique, including:

(i) lecture cervical;

(ii) thoracic;

(iii) lumbosacral;

(iv) pelvic; and

(v) extremity;

(6) animal chiropractic diversified adjusting technique, including:

(i) laboratory cervical;

(ii) thoracic;

(iii) lumbosacral;

(iv) pelvic; and

(v) extremity;

(7) case management and case studies;

(8) chiropractic philosophy;

(9) ethics and legalities;

(10) neurology, neuroanatomy, and neurological conditions;

(11) pathology;

(12) radiology;

(13) research in current chiropractic and veterinary topics;

(14) rehabilitation, current topics, evaluation, and assessment;

(15) normal foot anatomy and normal foot care;

(16) saddle fit and evaluation, lecture, and laboratory;

(17) veterinary educational basics;

(18) vertebral subluxation complex; and

(19) zoonotic diseases.

(b) A licensed chiropractor requesting registration in animal chiropractic diagnosis and treatment must have completed and passed a course of study from an American Veterinary Chiropractic Association, International Veterinary Chiropractic Association, or higher institution-approved program, consisting of no less than 210 hours of education and training as set forth in paragraph (a).

(c) A licensed chiropractor engaged in the practice of animal chiropractic diagnosis and treatment must maintain complete and accurate records and patient files in the chiropractor's office

for at least three years.

(d) A licensed chiropractor engaged in the practice of animal chiropractic diagnosis and treatment must make treatment notes and records available to the patient's owner upon request and must communicate their findings and treatment plan with the referring veterinarian if requested by the patient's owner.

(e) A licensed chiropractor who treats both animal and human patients in the same facility must post a conspicuous sign in the reception area of that facility informing customers that nonhuman patients are treated on the premises.

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

Sec. 30. [148.033] ANIMAL CHIROPRACTIC CONTINUING EDUCATION HOURS.

Any chiropractor engaged in the practice of animal chiropractic diagnosis and treatment applying for renewal of a registration related to animal chiropractic diagnosis and treatment must have completed a minimum of six hours annually of continuing education in animal chiropractic diagnosis and treatment, in addition to the required 20 hours annually of continuing education in human chiropractic under this chapter. The continuing education course attended for purposes of complying with this section must be approved by the board prior to attendance by the chiropractor.

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

Sec. 31. [148.035] SEPARATE TREATMENT ROOM REQUIRED.

A licensed chiropractor who provides animal chiropractic treatment in the same facility where human patients are treated, shall maintain a separate noncarpeted room for the purpose of adjusting animals. The table and equipment used for animals shall not be used for human patients.

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

Sec. 32. Minnesota Statutes 2006, section 156.001, is amended by adding a subdivision to read:

Subd. 10a. Program for the Assessment of Veterinary Education Equivalence; PAVE certificate. A "Program for the Assessment of Veterinary Education Equivalence" or "PAVE" certificate is issued by the American Association of Veterinary State Boards, indicating that the holder has demonstrated knowledge and skill equivalent to that possessed by a graduate of an accredited or approved college of veterinary medicine.

Sec. 33. Minnesota Statutes 2006, section 156.02, subdivision 1, is amended to read:

Subdivision 1. **License application.** Application for a license to practice veterinary medicine in this state shall be made in writing to the Board of Veterinary Medicine upon a form furnished by the board, accompanied by satisfactory evidence that the applicant is at least 18 years of age, is of good moral character, and has one of the following:

- (1) a diploma conferring the degree of doctor of veterinary medicine, or an equivalent degree, from an accredited or approved college of veterinary medicine;
- (2) an ECFVG or PAVE certificate; or
- (3) a certificate from the dean of an accredited or approved college of veterinary medicine stating

that the applicant is a student in good standing expecting to be graduated at the completion of the current academic year of the college in which the applicant is enrolled.

The application shall contain the information and material required by subdivision 2 and any other information that the board may, in its sound judgment, require. The application shall be filed with the board at least 60 days before the date of the examination. If the board deems it advisable, it may require that such application be verified by the oath of the applicant.

Sec. 34. Minnesota Statutes 2006, section 156.02, subdivision 2, is amended to read:

Subd. 2. **Required with application.** Every application shall contain the following information and material:

(1) the application fee set by the board in the form of a check or money order payable to the board, which fee is not returnable in the event permission to take the examination is denied for good cause;

(2) a copy of a diploma from an accredited or approved college of veterinary medicine or a certificate from the dean or secretary of an accredited or approved college of veterinary medicine showing the time spent in the school and the date when the applicant was duly and regularly graduated or will duly and regularly graduate or verification of ECFVG or PAVE certification;

(3) affidavits of at least two veterinarians and three adults who are not related to the applicant setting forth how long a time, when, and under what circumstances they have known the applicant, and any other facts as may be proper to enable the board to determine the qualifications of the applicant; and

(4) if the applicant has served in the armed forces, a copy of discharge papers.

Sec. 35. Minnesota Statutes 2006, section 156.04, is amended to read:

156.04 BOARD TO ISSUE LICENSE.

The Board of Veterinary Medicine shall issue to every applicant who has successfully passed the required examination, who has received a diploma conferring the degree of doctor of veterinary medicine or an equivalent degree from an accredited or approved college of veterinary medicine or an ECFVG or PAVE certificate, and who shall have been adjudged to be duly qualified to practice veterinary medicine, a license to practice.

Sec. 36. Minnesota Statutes 2006, section 156.072, subdivision 2, is amended to read:

Subd. 2. **Required with application.** Such doctor of veterinary medicine shall accompany the application by the following:

(1) a copy of a diploma from an accredited or approved college of veterinary medicine or certification from the dean, registrar, or secretary of an accredited or approved college of veterinary medicine attesting to the applicant's graduation from an accredited or approved college of veterinary medicine, or a certificate of satisfactory completion of the ECFVG or PAVE program.

(2) affidavits of two licensed practicing doctors of veterinary medicine residing in the United States or Canadian licensing jurisdiction in which the applicant is currently practicing, attesting that they are well acquainted with the applicant, that the applicant is a person of good moral character,

and has been actively engaged in practicing or teaching in such jurisdiction for the period above prescribed;

(3) a certificate from the regulatory agency having jurisdiction over the conduct of practice of veterinary medicine that such applicant is in good standing and is not the subject of disciplinary action or pending disciplinary action;

(4) a certificate from all other jurisdictions in which the applicant holds a currently active license or held a license within the past ten years, stating that the applicant is and was in good standing and has not been subject to disciplinary action;

(5) in lieu of clauses (3) and (4), certification from the Veterinary Information Verification Agency that the applicant's licensure is in good standing;

(6) a fee as set by the board in form of check or money order payable to the board, no part of which shall be refunded should the application be denied;

(7) score reports on previously taken national examinations in veterinary medicine, certified by the Veterinary Information Verification Agency; and

(8) if requesting waiver of examination, provide evidence of meeting licensure requirements in the state of the applicant's original licensure that were substantially equal to the requirements for licensure in Minnesota in existence at that time.

Sec. 37. Minnesota Statutes 2006, section 156.073, is amended to read:

156.073 TEMPORARY PERMIT.

The board may issue without examination a temporary permit to practice veterinary medicine in this state to a person who has submitted an application approved by the board for license pending examination, and holds a doctor of veterinary medicine degree or an equivalent degree from an approved or accredited college of veterinary medicine or an ECFVG or PAVE certification. The temporary permit shall expire the day after publication of the notice of results of the first examination given after the permit is issued. No temporary permit may be issued to any applicant who has previously failed the national examination and is currently not licensed in any licensing jurisdiction of the United States or Canada or to any person whose license has been revoked or suspended or who is currently subject to a disciplinary order in any licensing jurisdiction of the United States or Canada.

Sec. 38. Minnesota Statutes 2006, section 156.12, subdivision 2, is amended to read:

Subd. 2. **Authorized activities.** No provision of this chapter shall be construed to prohibit:

(a) a person from rendering necessary gratuitous assistance in the treatment of any animal when the assistance does not amount to prescribing, testing for, or diagnosing, operating, or vaccinating and when the attendance of a licensed veterinarian cannot be procured;

(b) a person who is a regular student in an accredited or approved college of veterinary medicine from performing duties or actions assigned by instructors or preceptors or working under the direct supervision of a licensed veterinarian;

(c) a veterinarian regularly licensed in another jurisdiction from consulting with a licensed

veterinarian in this state;

(d) the owner of an animal and the owner's regular employee from caring for and administering to the animal belonging to the owner, except where the ownership of the animal was transferred for purposes of circumventing this chapter;

(e) veterinarians who are in compliance with subdivision 6 and who are employed by the University of Minnesota from performing their duties with the College of Veterinary Medicine, College of Agriculture, Agricultural Experiment Station, Agricultural Extension Service, Medical School, School of Public Health, or other unit within the university; or a person from lecturing or giving instructions or demonstrations at the university or in connection with a continuing education course or seminar to veterinarians or pathologists at the University of Minnesota Veterinary Diagnostic Laboratory;

(f) any person from selling or applying any pesticide, insecticide or herbicide;

(g) any person from engaging in bona fide scientific research or investigations which reasonably requires experimentation involving animals;

(h) any employee of a licensed veterinarian from performing duties other than diagnosis, prescription or surgical correction under the direction and supervision of the veterinarian, who shall be responsible for the performance of the employee;

(i) a graduate of a foreign college of veterinary medicine from working under the direct personal instruction, control, or supervision of a veterinarian faculty member of the College of Veterinary Medicine, University of Minnesota in order to complete the requirements necessary to obtain an ECFVG or PAVE certificate;

(j) a licensed chiropractor registered under section 148.01, subdivision 1a, from practicing animal chiropractic.

Sec. 39. Minnesota Statutes 2006, section 156.12, subdivision 4, is amended to read:

Subd. 4. **Titles.** It is unlawful for a person who has not received a professional degree from an accredited or approved college of veterinary medicine, or ECFVG or PAVE certification, to use any of the following titles or designations: Veterinary, veterinarian, animal doctor, animal surgeon, animal dentist, animal chiropractor, animal acupuncturist, or any other title, designation, word, letter, abbreviation, sign, card, or device tending to indicate that the person is qualified to practice veterinary medicine.

Sec. 40. Minnesota Statutes 2006, section 156.12, subdivision 6, is amended to read:

Subd. 6. **Faculty licensure.** (a) Veterinary Medical Center clinicians at the College of Veterinary Medicine, University of Minnesota, who are engaged in the practice of veterinary medicine as defined in subdivision 1 and who treat animals owned by clients of the Veterinary Medical Center must possess the same license required by other veterinary practitioners in the state of Minnesota except for persons covered by paragraphs (b) and (c).

(b) A specialty practitioner in a hard-to-fill faculty position who has been employed at the College of Veterinary Medicine, University of Minnesota, for five years or more prior to 2003 or is specialty board certified by the American Veterinary Medical Association or the European Board

of Veterinary Specialization may be granted a specialty faculty Veterinary Medical Center clinician license which will allow the licensee to practice veterinary medicine in the state of Minnesota in the specialty area of the licensee's training and only within the scope of employment at the Veterinary Medical Center.

(c) A specialty practitioner in a hard-to-fill faculty position at the College of Veterinary Medicine, University of Minnesota, who has graduated from a board-approved foreign veterinary school may be granted a temporary faculty Veterinary Medical Center clinician license. The temporary faculty Veterinary Medical Center clinician license expires in two years and allows the licensee to practice veterinary medicine as defined in subdivision 1 and treat animals owned by clients of the Veterinary Medical Center. The temporary faculty Veterinary Medical Center clinician license allows the licensee to practice veterinary medicine in the state of Minnesota in the specialty area of the licensee's training and only within the scope of employment at the Veterinary Medical Center while under the direct supervision of a veterinarian currently licensed and actively practicing veterinary medicine in Minnesota, as defined in section 156.04. The direct supervising veterinarian must not have any current or past conditions, restrictions, or probationary status imposed on the veterinarian's license by the board within the past five years. The holder of a temporary faculty Veterinary Medical Center clinician license who is enrolled in a PhD program may apply for up to two additional consecutive two-year extensions of an expiring temporary faculty Veterinary Medical Center clinician license. Any other holder of a temporary faculty Veterinary Medical Center clinician license may apply for one two-year extension of the expiring temporary faculty Veterinary Medical Center clinician license. Temporary faculty Veterinary Medical Center clinician licenses that are allowed to expire may not be renewed. The board shall grant an extension to a licensee who demonstrates suitable progress toward completing the requirements of their academic program, specialty board certification, or full licensure in Minnesota by a graduate of a foreign veterinary college.

(d) Temporary and specialty faculty Veterinary Medical Center clinician licensees must abide by all the laws governing the practice of veterinary medicine in the state of Minnesota and are subject to the same disciplinary action as any other veterinarian licensed in the state of Minnesota.

(e) The fee for a license issued under this subdivision is the same as for a regular license to practice veterinary medicine in Minnesota. License payment deadlines, late payment fees, and other license requirements are also the same as for regular licenses.

Sec. 41. Minnesota Statutes 2006, section 156.15, subdivision 2, is amended to read:

Subd. 2. **Service.** Service of an order under this section is effective if the order is served on the person or counsel of record personally or by certified United States mail to the most recent address provided to the board for the person or counsel of record.

Sec. 42. Minnesota Statutes 2006, section 156.16, subdivision 3, is amended to read:

Subd. 3. **Dispensing.** "Dispensing" means distribution of veterinary prescription drugs or over-the-counter drugs, human drugs for extra-label use, for extra-label use by a person licensed as a pharmacist by the Board of Pharmacy or a person licensed by the Board of Veterinary Medicine.

Sec. 43. Minnesota Statutes 2006, section 156.16, subdivision 10, is amended to read:

Subd. 10. **Prescription.** "Prescription" means an order from a veterinarian to a pharmacist or

another veterinarian authorizing the dispensing of a veterinary prescription ~~drug~~ drugs, human drugs for extra-label use, or over-the-counter drugs for extra-label use to a client for use on or in a patient.

Sec. 44. Minnesota Statutes 2006, section 156.18, subdivision 1, is amended to read:

Subdivision 1. **Prescription.** (a) A person may not dispense a veterinary prescription drug to a client without a prescription or other veterinary authorization. A person may not make extra-label use of an animal or human drug for an animal without a prescription from a veterinarian. A veterinarian or the veterinarian's authorized employee may dispense a veterinary prescription ~~drug~~ to drugs, human drugs for extra-label use, or an over-the-counter drug for extra-label use by a client or oversee the extra-label use of a veterinary drug directly by a client without a separate written prescription, providing there is documentation of the prescription in the medical record and there is an existing veterinarian-client-patient relationship. The prescribing veterinarian must monitor the use of veterinary prescription drugs, human drugs for extra-label use, or over-the-counter drugs for extra-label use by a client.

(b) A veterinarian may dispense prescription veterinary drugs and prescribe and dispense extra-label use drugs to a client without personally examining the animal if a bona fide veterinarian-client-patient relationship exists and in the judgment of the veterinarian the client has sufficient knowledge to use the drugs properly.

(c) A veterinarian may issue a prescription or other veterinary authorization by oral or written communication to the dispenser, or by computer connection. If the communication is oral, the veterinarian must enter it into the patient's record. The dispenser must record the veterinarian's prescription or other veterinary authorization within 72 hours.

(d) A prescription or other veterinary authorization must include:

- (1) the name, address, and, if written, the signature of the prescriber;
- (2) the name and address of the client;
- (3) identification of the species for which the drug is prescribed or ordered;
- (4) the name, strength, and quantity of the drug;
- (5) the date of issue;
- (6) directions for use; ~~and~~
- (7) withdrawal time;
- (8) expiration date of prescription; and
- (9) number of authorized refills.

(e) A veterinarian may, in the course of professional practice and an existing veterinarian-client-patient relationship, prepare medicaments that combine drugs approved by the United States Food and Drug Administration and other legally obtained ingredients with appropriate vehicles.

(f) A veterinarian or a bona fide employee of a veterinarian may dispense veterinary prescription drugs to a person on the basis of a prescription issued by a licensed veterinarian. The provisions of

paragraphs (c) and (d) apply.

(g) This section does not limit the authority of the Minnesota Racing Commission to regulate veterinarians providing services at a licensed racetrack.

Sec. 45. Minnesota Statutes 2006, section 156.18, subdivision 2, is amended to read:

Subd. 2. **Label of dispensed veterinary drugs.** (a) A veterinarian or the veterinarian's authorized agent or employee dispensing a veterinary prescription drug ~~or prescribing the extra-label use of an over-the-counter drug~~, an over-the-counter drug for extra-label use, or a human drug for extra-label use must provide written information which includes the name and address of the veterinarian, date of filling, species of patient, name or names of drug, strength of drug or drugs, directions for use, withdrawal time, and cautionary statements, if any, appropriate for the drug.

(b) If the veterinary drug has been prepared, mixed, formulated, or packaged by the dispenser, all of the information required in paragraph (a) must be provided on a label affixed to the container.

(c) If the veterinary drug is in the manufacturer's original package, the information required in paragraph (a) must be supplied in writing but need not be affixed to the container. Information required in paragraph (a) that is provided by the manufacturer on the original package does not need to be repeated in the separate written information. Written information required by this paragraph may be written on the sales invoice.

Sec. 46. Minnesota Statutes 2006, section 156.19, is amended to read:

156.19 EXTRA-LABEL USE.

A person, other than a veterinarian or ~~a person working under the control~~ an employee of a veterinarian, must not make extra-label use of a veterinary drug in or on a food-producing animal, unless permitted by the prescription of a veterinarian. A veterinarian may prescribe the extra-label use of a ~~veterinary~~ drug if:

(1) the veterinarian makes a careful medical diagnosis within the context of a valid veterinarian-client-patient relationship;

(2) the veterinarian determines that there is no marketed drug specifically labeled to treat the condition diagnosed, or that drug therapy as recommended by the labeling has, in the judgment of the attending veterinarian, been found to be clinically ineffective;

(3) the veterinarian recommends procedures to ensure that the identity of the treated animal will be carefully maintained; ~~and~~

(4) the veterinarian prescribes a significantly extended time period for drug withdrawal before marketing meat, milk, or eggs; and

(5) the veterinarian has met the criteria established in Code of Federal Regulations, title 21, part 530, which define the extra-label use of medication in or on animals.

Sec. 47. Minnesota Statutes 2006, section 239.051, subdivision 15, is amended to read:

Subd. 15. **Ethanol blender.** "Ethanol blender" means a person who blends and distributes, transports, sells, or offers to sell gasoline containing ~~ten percent~~ ethanol by volume.

Sec. 48. Minnesota Statutes 2007 Supplement, section 239.761, subdivision 4, is amended to read:

Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with ~~up to ten percent, by volume,~~ agriculturally derived, denatured ethanol that complies with the requirements of subdivision 5.

(b) A gasoline-ethanol blend must:

(1) comply with the volatility requirements in Code of Federal Regulations, title 40, part 80;

(2) comply with ASTM specification D4814-06, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification D4814-06; and

(3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 49. Minnesota Statutes 2007 Supplement, section 239.761, is amended by adding a subdivision to read:

Subd. 4a. **Gasoline blended with ethanol; standard combustion engines.** Gasoline combined with ethanol for use in standard combustion engines may be blended with up to ten percent agriculturally derived, denatured ethanol, by volume, or any percentage specifically authorized in a waiver granted by the United States Environmental Protection Agency under section 211(f)(4) of the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4). The gasoline-ethanol blend must comply with the general provisions in subdivision 4.

Sec. 50. Minnesota Statutes 2007 Supplement, section 239.761, is amended by adding a subdivision to read:

Subd. 4b. **Gasoline blended with ethanol; alternative fuel vehicles.** (a) Gasoline blended for use in an alternative fuel vehicle, as defined in section 296A.01, subdivision 5, may contain any percentage of agriculturally derived, denatured ethanol, by volume, not to exceed 85 percent. The gasoline-ethanol blend must comply with the general provisions in subdivision 4. The gasoline and ethanol may be blended by an ethanol blender or at the point of retail sale in an ethanol-blending fuel dispenser clearly labeled "FLEX-FUEL VEHICLES ONLY." If blended by an ethanol blender, the percentage of ethanol in the resulting gasoline-ethanol blend must be clearly identified.

(b) If a person responsible for the product utilizes an ethanol-blending fuel dispenser to dispense both gasoline blended with ethanol for use in alternative fuel vehicles and gasoline blended with ethanol for use in standard combustion engines, the person must ensure that the gasoline blended with ethanol for use in standard combustion engines is dispensed from a fuel-dispensing hose and nozzle or other conveyance dedicated solely to gasoline blended with ethanol for use in standard combustion engines and clearly labeled as such.

(c) A person responsible for the product who complies with the provisions in paragraph (b) is not responsible for a self-service fueling action taken by that person's retail fuel customer.

Sec. 51. Minnesota Statutes 2006, section 239.77, as amended by Laws 2007, chapter 62, sections 3 and 4, is amended to read:

239.77 BIODIESEL CONTENT MANDATE.

Subdivision 1. **Biodiesel fuel.** "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible liquid fuel that is derived from agricultural and other plant oils or animal fats and that meets American Society For Testing and Materials specification D6751-07 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels.

Biodiesel produced from palm oil is not biodiesel fuel for the purposes of this section, unless the palm oil is contained within waste oil and grease collected within the United States or Canada.

Subd. 2. **Minimum content.** (a) Except as otherwise provided in this section, all diesel fuel sold or offered for sale in Minnesota for use in internal combustion engines must contain at least ~~2.0 percent~~ the stated percentage of biodiesel fuel oil by volume on and after the following dates:

<u>(1)</u>	<u>September 29, 2005</u>	<u>2 percent</u>
<u>(2)</u>	<u>May 1, 2009</u>	<u>5 percent</u>
<u>(3)</u>	<u>May 1, 2012</u>	<u>10 percent</u>
<u>(4)</u>	<u>May 1, 2015</u>	<u>20 percent</u>

The minimum content levels in clauses (3) and (4) are effective during the months of April, May, June, July, August, September, and October only. The minimum content for the remainder of the year is five percent. However, if the commissioners of agriculture, commerce, and pollution control determine, after consultation with the biodiesel task force and other technical experts, that an American Society for Testing and Materials specification or equivalent federal standard exists for the specified biodiesel blend level in those clauses that adequately addresses technical issues associated with Minnesota's cold weather and publish a notice in the State Register to that effect, the commissioners may allow the specified biodiesel blend level in those clauses to be effective year-round.

(b) The minimum content levels in paragraph (a), clauses (3) and (4), become effective on the date specified only if the commissioners of agriculture, commerce, and pollution control publish notice in the State Register and provide written notice to the chairs of the house and senate committees with jurisdiction over agriculture, commerce, and transportation policy and finance, at least 270 days prior to the date of each scheduled increase, that all of the following conditions have been met and the state is prepared to move to the next scheduled minimum content level:

(1) an American Society for Testing and Materials specification or equivalent federal standard exists for the next minimum diesel-biodiesel blend;

(2) a sufficient supply of biodiesel is available and the amount of biodiesel produced in this state from feedstock with at least 75 percent that is produced in the United States and Canada is equal to at least 50 percent of anticipated demand at the next minimum content level;

(3) adequate blending infrastructure and regulatory protocol are in place in order to promote biodiesel quality and avoid any potential economic disruption; and

(4) at least five percent of the amount of biodiesel necessary for that minimum content level will be produced from a biological resource other than an agricultural resource traditionally grown or

raised in the state, including, but not limited to, algae cultivated for biofuels production, waste oils, and tallow.

The condition in clause (2) may be waived if the commissioner finds that, due to weather-related conditions, the necessary feed stock is unavailable.

The condition in clause (4) may be waived if the commissioners find that the use of these nontraditional feedstocks would be uneconomic under market conditions existing at the time notice is given under this paragraph.

(c) The commissioners of agriculture, commerce, and pollution control must consult with the biodiesel task force when assessing and certifying conditions in paragraph (b), and in general must seek the guidance of the biodiesel task force regarding biodiesel labeling, enforcement, and other related issues.

(d) During a period of biodiesel fuel shortage or a problem with biodiesel quality that negatively affects the availability of biodiesel fuel, the commissioner of commerce may temporarily suspend the minimum content requirement in subdivision 2 until there is sufficient biodiesel fuel, as defined in subdivision 1, available to fulfill the minimum content requirement.

(e) By February 1, 2012, and periodically thereafter, the commissioner of commerce shall determine the wholesale diesel price at various pipeline and refinery terminals in the region, and the biodiesel price determined after credits and incentives are subtracted at biodiesel plants in the region. The commissioner shall report wholesale price differences to the governor who, after consultation with the commissioners of commerce and agriculture, may by executive order adjust the biodiesel mandate if a price disparity reported by the commissioner will cause economic hardship to retailers of diesel fuel in this state. Any adjustment must be for a specified period of time, after which the percentage of biodiesel fuel to be blended into diesel fuel returns to the amount required in subdivision 2. The biodiesel mandate must not be adjusted to less than five percent.

Subd. 3. **Exceptions.** (a) The minimum content ~~requirement~~ requirements of subdivision 2 ~~does~~ do not apply to fuel used in the following equipment:

(1) motors located at an electric generating plant regulated by the Nuclear Regulatory Commission;

(2) railroad locomotives; and

(3) off-road taconite and copper mining equipment and machinery;

(4) off-road logging equipment and machinery; and

(5) until May 1, 2010, vehicles and equipment used exclusively on an aircraft landing field.

(b) The exemption in paragraph (a), clause (1), expires 30 days after the Nuclear Regulatory Commission has approved the use of biodiesel fuel in motors at electric generating plants under its regulation.

(c) This subdivision expires on May 1, 2012.

Subd. 4. **Disclosure.** A refinery or terminal shall provide, at the time diesel fuel is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who

receives the fuel. For biodiesel-blended products, the bill of lading or shipping manifest must disclose biodiesel content, stating volume percentage, gallons of biodiesel per gallons of petroleum diesel base-stock, or an ASTM "Bxx" designation where "xx" denotes the volume percent biodiesel included in the blended product. This subdivision does not apply to sales or transfers of biodiesel blend stock between refineries, between terminals, or between a refinery and a terminal.

Subd. 5. **Annual report.** Beginning in 2009, the commissioner of agriculture must report by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance regarding the implementation of the minimum content requirements in subdivision 2, including information about the price and supply of biodiesel fuel. The report shall include information about the impacts of the biodiesel mandate on the development of biodiesel production capacity in the state, and on the use of feedstock grown or raised in the state for biodiesel production. The report must include any written comments received from members of the biodiesel fuel task force by January 1 of that year designated by them for inclusion in the report.

Sec. 52. Minnesota Statutes 2006, section 239.7911, subdivision 2, is amended to read:

Subd. 2. **Promotion of renewable liquid fuels.** (a) The commissioner of agriculture, in consultation with the commissioners of commerce and the Pollution Control Agency, shall identify and implement activities necessary for the widespread use of renewable liquid fuels in the state. Beginning November 1, 2005, and continuing through 2015, the commissioners, or their designees, shall work with representatives from the renewable fuels industry, petroleum retailers, refiners, automakers, small engine manufacturers, and other interested groups, to develop annual recommendations for administrative and legislative action.

(b) The activities of the commissioners under this subdivision shall include, but not be limited to:

(1) developing recommendations for incentives for retailers to install equipment necessary for dispensing renewable liquid fuels to the public;

(2) expanding the renewable-fuel options available to Minnesota consumers by obtaining federal approval for the use of E20 and additional blends that contain a greater percentage of ethanol, including but not limited to E30 and E50, as gasoline;

(3) developing recommendations for ensuring that motor vehicles and small engine equipment have access to an adequate supply of fuel;

(4) working with the owners and operators of large corporate automotive fleets in the state to increase their use of renewable fuels; and

(5) working to maintain an affordable retail price for liquid fuels.

Sec. 53. Minnesota Statutes 2006, section 296A.01, subdivision 2, is amended to read:

Subd. 2. **Agricultural alcohol gasoline.** "Agricultural alcohol gasoline" means a gasoline-ethanol blend ~~of up to ten percent agriculturally derived fermentation~~ satisfying the provisions of section 239.761, subdivision 4a or 4b, with ethanol derived from agricultural products, such as potatoes, cereal, grains, cheese whey, sugar beets, forest products, or other renewable resources, that:

~~(1) meets the specifications in ASTM specification D4806-04a; and~~

~~(2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.~~

Sec. 54. Minnesota Statutes 2007 Supplement, section 296A.01, subdivision 8a, is amended to read:

Subd. 8a. **Biodiesel fuel.** ~~"Biodiesel fuel" means a renewable, biodegradable, mono-alkyl ester combustible liquid fuel derived from agricultural plant oils or animal fats and that meets American Society for Testing and Materials specification D6751-07 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels~~ has the meaning given in section 239.77, subdivision 1.

Sec. 55. Minnesota Statutes 2007 Supplement, section 296A.01, subdivision 25, is amended to read:

Subd. 25. **Gasoline blended with ethanol.** ~~"Gasoline blended with ethanol" means gasoline blended with up to 20 percent, by volume, agriculturally derived, denatured ethanol. The blend must comply with the volatility requirements in Code of Federal Regulations, title 40, part 80. The blend must also comply with ASTM specification D4814-06, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification D4814-06; and the gasoline-ethanol blend must not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal. The blend need not comply with ASTM specification D4814-06 if it is subjected to a standard distillation test. For a distillation test, a gasoline-ethanol blend is not required to comply with the temperature specification at the 50 percent liquid recovery point, if the gasoline from which the gasoline-ethanol blend was produced complies with all of the distillation specifications~~ a gasoline-ethanol blend satisfying the provisions of section 239.761, subdivision 4a or 4b.

Sec. 56. Minnesota Statutes 2007 Supplement, 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. The commissioner of natural resources must provide the natural heritage data from the county biological survey, if available, to each county for use in the comprehensive plan. 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. In a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, the board must consider adopting goals and objectives that will protect open space and the environment.

Sec. 57. **[394.231] COMPREHENSIVE PLANS IN GREATER MINNESOTA; OPEN SPACE.**

A county adopting or updating a comprehensive plan in a county outside the metropolitan area as defined by section 473.121, subdivision 2, and that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, shall consider adopting goals and objectives for the preservation of agricultural, forest, wildlife, and open space land, and minimizing development in sensitive shoreland areas. Within three years of updating the comprehensive plan, the county

shall consider adopting ordinances as part of the county's official controls that encourage the implementation of the goals and objectives. The county shall consider the following goals and objectives:

(1) minimizing the fragmentation and development of agricultural, forest, wildlife, and open space lands, including consideration of appropriate minimum lot sizes;

(2) minimizing further development in sensitive shoreland areas;

(3) minimizing development near wildlife management areas, scientific and natural areas, and nature centers;

(4) identification of areas of preference for higher density, including consideration of existing and necessary water and wastewater services, infrastructure, other services, and to the extent feasible, encouraging full development of areas previously zoned for nonagricultural uses;

(5) encouraging development close to places of employment, shopping centers, schools, mass transit, and other public and private service centers;

(6) identification of areas where other developments are appropriate; and

(7) other goals and objectives a county may identify.

Sec. 58. 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. In a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, the board must consider adopting goals and objectives that will protect open space and the environment.

Sec. 59. 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 of a municipality located within a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, must consider adopting goals and objectives that will protect open space and the environment.

Sec. 60. Minnesota Statutes 2006, section 462.357, is amended by adding a subdivision to read:

Subd. 1h. **Comprehensive plans in greater Minnesota; open spaces.** When adopting or updating a comprehensive plan in a municipality located within a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, and that is located outside the metropolitan area, as defined by section 473.121, subdivision 2, the municipality shall consider

adopting goals and objectives for the preservation of agricultural, forest, wildlife, and open space land and the minimization of development in sensitive shoreland areas. Within three years of updating the comprehensive plan, the municipality shall consider adopting ordinances as part of the municipality's official controls that encourage the implementation of the goals and objectives.

Sec. 61. Minnesota Statutes 2006, section 462.357, is amended by adding a subdivision to read:

Subd. 9. **Development goals and objectives.** In adopting official controls after July 1, 2008, in a municipality outside the metropolitan area, as defined by section 473.121, subdivision 2, the municipality shall consider restricting new residential, commercial, and industrial development so that the new development takes place in areas subject to the following goals and objectives:

(1) minimizing the fragmentation and development of agricultural, forest, wildlife, and open space lands, including consideration of appropriate minimum lot sizes;

(2) minimizing further development in sensitive shoreland areas;

(3) minimizing development near wildlife management areas, scientific and natural areas, and nature centers;

(4) identification of areas of preference for higher density, including consideration of existing and necessary water and wastewater services, infrastructure, other services, and to the extent feasible, encouraging full development of areas previously zoned for nonagricultural uses;

(5) encouraging development close to places of employment, shopping centers, schools, mass transit, and other public and private service centers;

(6) identification of areas where other developments are appropriate; and

(7) other goals and objectives a municipality may identify.

Sec. 62. **TITLE.**

Sections 56 to 61 shall be known as the President Theodore Roosevelt Memorial Bill to Preserve Agricultural, Forest, Wildlife, and Open Space Land.

Sec. 63. Laws 2007, chapter 45, article 1, section 3, subdivision 3, is amended to read:

Subd. 3. Agricultural Marketing and Development	8,547,000	5,157,000
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\$186,000 the first year and \$186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2009, for Minnesota grown grants in this paragraph are available until June 30, 2011. \$50,000 of the appropriation in each year is for efforts that identify

and promote Minnesota grown products in retail food establishments including but not limited to restaurants, grocery stores, and convenience stores. The balance in the Minnesota grown matching account in the agricultural fund is canceled to the Minnesota grown account in the agricultural fund and the Minnesota grown matching account is abolished.

\$160,000 the first year and \$160,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture as authorized in Minnesota Statutes, section 17.116. Of the amount for grants, up to \$20,000 may be used for dissemination of information about the demonstration projects. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2009, for sustainable agriculture grants in this paragraph are available until June 30, 2011.

\$100,000 the first year and \$100,000 the second year are to provide training and technical assistance to county and town officials relating to livestock siting issues and local zoning and land use planning, including a checklist template that would clarify the federal, state, and local government requirements for consideration of an animal agriculture modernization or expansion project. In developing the training and technical assistance program, the commissioner shall seek guidance, advice, and support of livestock producer organizations, general agricultural organizations, local government associations, academic institutions, other government agencies, and others with expertise in land use and agriculture.

\$103,000 the first year and \$106,000 the second year are for additional integrated pest management activities.

\$2,500,000 the first year is for the agricultural

best management practices loan program. At least \$2,000,000 is available for pass-through to local governments and lenders for low-interest loans and is available until spent. Any unencumbered balance that is not used for pass-through to local governments does not cancel at the end of the first year and is available for the second year.

\$1,000,000 the first year is for the agricultural best management practices loan program for capital equipment loans for persons using native, perennial cropping systems for energy or seed production. This appropriation is available until spent. * **(The preceding text beginning "\$1,000,000 the first year" was indicated as vetoed by the governor.)**

\$100,000 the first year and \$100,000 the second year are for annual cost-share payments to resident farmers or persons who sell, process, or package agricultural products in this state for the costs of organic certification. Annual cost-share payments per farmer must be two-thirds of the cost of the certification or \$350, whichever is less. In any year that a resident farmer or person who sells, processes, or packages agricultural products in this state receives a federal organic certification cost-share payment, that resident farmer or person is not eligible for state cost-share payments. A certified farmer is eligible to receive annual certification cost-share payments for up to five years. \$15,000 each year is for organic market and program development. The commissioner may allocate any excess appropriation in either fiscal year for organic producer education efforts, assistance for persons transitioning from conventional to organic agriculture, or sustainable agriculture demonstration grants authorized under Minnesota Statutes, section 17.116, and pertaining to organic research or demonstration. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

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

Sec. 64. Laws 2007, chapter 45, article 1, section 3, subdivision 4, is amended to read:

Subd. 4. Bioenergy and Value-Added Agricultural Products

19,918,000

15,168,000

\$15,168,000 the first year and \$15,168,000 the second year are for ethanol producer payments under Minnesota Statutes, section 41A.09. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make payments on a pro rata basis. If the appropriation exceeds the total amount for which all producers are eligible in a fiscal year for scheduled payments and for deficiencies in payments during previous fiscal years, the balance in the appropriation is available to the commissioner for value-added agricultural programs including the value-added agricultural product processing and marketing grant program under Minnesota Statutes, section 17.101, subdivision 5. The appropriation remains available until spent.

\$3,000,000 the first year is for grants to bioenergy projects. The NextGen Energy Board shall make recommendations to the commissioner on grants for owners of Minnesota facilities producing bioenergy, organizations that provide for on-station, on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse stands of prairie plants and other perennials for bioenergy systems, or certain nongovernmental entities. For the purposes of this paragraph, "bioenergy" includes transportation fuels derived from cellulosic material as well as the generation of energy for commercial heat, industrial process heat, or electrical power from cellulosic material via gasification or other processes. The board must give priority to a bioenergy facility that is at least 60 percent owned and controlled by

farmers, as defined in Minnesota Statutes, section 500.24, subdivision 2, paragraph (n), or natural persons residing in the county or counties contiguous to where the facility is located. Grants are limited to 50 percent of the cost of research, technical assistance, or equipment related to bioenergy production or \$500,000, whichever is less. Grants to nongovernmental entities for the development of business plans and structures related to community ownership of eligible bioenergy facilities together may not exceed \$150,000. The board shall make a good faith effort to select projects that have merit and when taken together represent a variety of bioenergy technologies, biomass feedstocks, and geographic regions of the state. Projects must have a qualified engineer certification on the technology and fuel source. Grantees shall provide reports at the request of the commissioner and must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable. No later than February 1, 2009, the commissioner shall report on the projects funded under this appropriation to the house and senate committees with jurisdiction over agriculture finance. The commissioner's costs in administering the program may be paid from the appropriation. Any unencumbered balance does not cancel at the end of the first year and is available in the second year.

\$350,000 the first year is for grants to the Minnesota Institute for Sustainable Agriculture at the University of Minnesota to provide funds for on-station and on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse stands of prairie plants and other perennials for bioenergy systems including, but not limited to, multiple species selection and establishment, ecological management between planting and harvest, harvest technologies, financial and agronomic

risk management, farmer goal setting and adoption of technologies, integration of wildlife habitat into management approaches, evaluation of carbon and other benefits, and robust policies needed to induce farmer conversion on marginal lands. * **(The preceding text beginning "\$350,000 the first year" was indicated as vetoed by the governor.)**

\$200,000 the first year is for a grant to the Minnesota Turf Seed Council for basic and applied agronomic research on native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The grant recipient may subcontract with a qualified third party for some or all of the basic or applied research. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$200,000 the first year is for a grant to a joint venture combined heat and power energy facility located in Scott or LeSueur County for the creation of a centrally located biomass fuel supply depot with the capability of unloading, processing, testing, scaling, and storing renewable biomass fuels. The grant must be matched by at least \$3 of nonstate funds for every \$1 of state funds. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$300,000 the first year is for a grant to the Bois Forte Band of Chippewa for a feasibility study of a renewable energy biofuels demonstration facility on the Bois Forte

Reservation in St. Louis and Koochiching Counties. The grant shall be used by the Bois Forte Band to conduct a detailed feasibility study of the economic and technical viability of developing a multistream renewable energy biofuels demonstration facility on Bois Forte Reservation land to utilize existing forest resources, woody biomass, and cellulosic material to produce biofuels or bioenergy. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$300,000 the first year is for a grant to the White Earth Band of Chippewa for a feasibility study of a renewable energy biofuels production, research, and production facility on the White Earth Reservation in Mahnomen County. The grant must be used by the White Earth Band and the University of Minnesota to conduct a detailed feasibility study of the economic and technical viability of (1) developing a multistream renewable energy biofuels demonstration facility on White Earth Reservation land to utilize existing forest resources, woody biomass, and cellulosic material to produce biofuels or bioenergy, and (2) developing, harvesting, and marketing native prairie plants and seeds for bioenergy production. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$200,000 the first year is for a grant to the Elk River Economic Development Authority for upfront engineering and a feasibility study of the Elk River renewable fuels facility. The facility must use a plasma gasification

process to convert primarily cellulosic material, but may also use plastics and other components from municipal solid waste, as feedstock for the production of methanol for use in biodiesel production facilities. Any unencumbered balance in fiscal year 2008 does not cancel but is available for fiscal year 2009. Notwithstanding Minnesota Statutes, section 16A.285, the agency must not transfer this appropriation. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$200,000 the first year is for a grant to Chisago County to conduct a detailed feasibility study of the economic and technical viability of developing a multistream renewable energy biofuels demonstration facility in Chisago, Isanti, or Pine County to utilize existing forest resources, woody biomass, and cellulosic material to produce biofuels or bioenergy. Chisago County may expend funds to Isanti and Pine Counties and the University of Minnesota for any costs incurred as part of the study. The feasibility study must consider the capacity of: (1) the seed bank at Wild River State Park to expand the existing prairie grass, woody biomass, and cellulosic material resources in Chisago, Isanti, and Pine Counties; (2) willing and interested landowners in Chisago, Isanti, and Pine Counties to grow cellulosic materials; and (3) the Minnesota Conservation Corps, the sentence to serve program, and other existing workforce programs in east central Minnesota to contribute labor to these efforts. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with

jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

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

Sec. 65. Laws 2007, chapter 45, article 1, section 3, subdivision 5, is amended to read:

Subd. 5. Administration and Financial Assistance	7,338,000	6,751,000
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\$1,005,000 the first year and \$1,005,000 the second year are for continuation of the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws 2001, First Special Session chapter 2, section 9, subdivision 2 . The commissioner may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state in the proportions that the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a work plan detailing plans for expenditures under this program to the chairs of the house and senate committees dealing with agricultural policy and budget on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs.

\$50,000 the first year and \$50,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment.

\$19,000 the first year and \$19,000 the second year are for a grant to the Minnesota Livestock Breeders Association.

\$250,000 the first year and \$250,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

\$600,000 the first year is for grants for fertilizer research as awarded by the

Minnesota Agricultural Fertilizer Research and Education Council under Minnesota Statutes, section 18C.71. ~~No later than February 1, 2009,~~ The amount available to the commissioner pursuant to Minnesota Statutes, section 18C.70, subdivision 2, for administration of this activity is available until February 1, 2009, by which time the commissioner shall report to the house and senate committees with jurisdiction over agriculture finance. The report must include the progress and outcome of funded projects as well as the sentiment of the council concerning the need for additional research funded through an industry checkoff fee.

\$465,000 the first year and \$465,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed not later than July 15 of each year. These payments are the amount of aid owed by the state for an annual fair held in the previous calendar year.

\$65,000 the first year and \$65,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied research on the improved production of forage and turf seed related to new and improved varieties. The grant recipient may subcontract with a qualified third party for some or all of the basic and applied research.

\$500,000 the first year and \$500,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Second Harvest food banks for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Second Harvest food bank serving Minnesota according to the formula

used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds, the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses.

\$100,000 the first year and \$100,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for mental health counseling support to farm families and business operators through farm business management programs at Central Lakes College and Ridgewater College.

\$18,000 the first year and \$18,000 the second year are for grants to the Minnesota Horticultural Society.

\$50,000 is for a grant to the University of Minnesota, Department of Horticultural Science, Enology Laboratory, to upgrade and purchase instrumentation to allow rapid and accurate measurement of enology components. This is a onetime appropriation and is available until expended.

Sec. 66. AGRICULTURAL AND OPEN SPACE PRESERVATION TASK FORCE.

An agricultural and open space preservation task force is created to study state and local policies and incentives related to encouraging farms, privately owned forest lands, and other privately owned open spaces to be preserved. The task force shall consist of two members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, including one member of the minority; one member of the majority party in the house of representatives, appointed by the speaker of the house of representatives, and one member of the minority party in the house of representatives appointed by the minority leader; and one

representative each from the Association of Minnesota Counties, the League of Minnesota Cities, and the Minnesota Association of Townships. The task force shall consult with representatives of agricultural groups such as Farm Bureau and Farmer's Union, the commissioners of agriculture and natural resources, the executive director of the Board of Soil and Water Resources, and other state agencies as needed and may consult with other interested parties. No public member of the task force shall be entitled to compensation or reimbursements for expenses. Appointments shall be made by July 1, 2008, and the first meeting shall be convened by agreement of the senate members no later than August 1, 2008. The task force shall elect a chair from among its members at the first meeting. The task force must report its findings with recommendations for proposed legislation to the chair and ranking minority member of the committees in the house of representatives and senate with jurisdiction over land use planning no later than January 30, 2009. The task force shall expire on June 30, 2009.

Sec. 67. PROPOSAL; PETROLEUM INSPECTION FEE REVENUE.

The commissioners of finance, commerce, and pollution control must develop and submit to the legislature as part of their next biennial budget request a proposal for eliminating, to the extent feasible, redundant fuel inspections and dedicating, to the extent feasible, all revenue from the petroleum inspection fee levied on petroleum products under Minnesota Statutes, section 239.101, subdivision 3, to the Weights and Measures Division of the Department of Commerce. All additional funding appropriated to the Weights and Measures Division under this proposal must be used for increased and enhanced fuel quality assurance enforcement activities and equipment and for educational activities focused on the handling, distribution, and use of biodiesel fuel.

Sec. 68. TECHNICAL COLD WEATHER ISSUES.

The commissioners of agriculture and commerce shall consult with stakeholders who are technical experts in cold weather biodiesel and petroleum diesel issues to consider and make recommendations regarding improvements in the production, blending, handling, and distribution of biodiesel blends to further ensure the performance of these fuels in cold weather. The commissioners shall issue a report on these issues by February 15, 2009, to the chairs and ranking minority members of the legislature with jurisdiction over agriculture and commerce policy and finance.

Sec. 69. BIOBASED DIESEL ALTERNATIVES.

By January 15, 2011, the commissioners of agriculture, commerce, and pollution control shall consult with a broad range of stakeholders with technical expertise to develop and present recommendations to the NextGen Energy Board and to the chairs and ranking minority members of the Environment, Agriculture, Transportation, and Energy Policy and Finance Committees for the use of biobased diesel alternatives in the state, after reviewing the technology, economics, and operational characteristics associated with their use. For the purposes of this section, "biobased diesel alternatives" means alternatives to petroleum diesel fuel that are warranted for use in a standard diesel engine without modification and derived from a biological resource. The commissioners may not recommend the use of a biobased diesel alternative for which an ASTM specification has not been developed, and which does not provide at least the equivalent environmental emissions benefits and local economic development potential as biodiesel produced using feedstocks grown or raised in the United States and Canada.

Sec. 70. 2008 FAMILY MOTOR COACH ASSOCIATION EVENT.

For the 2008 Family Motor Coach Association event held on the State Fair grounds, the fee the State Agricultural Society must obtain for expansion of the recreational camping area license, as required in Minnesota Statutes, section 327.15, shall be 50 percent of the primary license fee prescribed in Minnesota Rules, part 4630.2000.

Sec. 71. VIRAL HEMORRHAGIC SEPTICEMIA TESTING.

The commissioner of natural resources shall form a work group with the commissioners of agriculture and health and develop a plan for detecting and responding to the presence of the fish virus Viral Hemorrhagic Septicemia (VHS) in Minnesota. The plan must cover how the joint laboratory facility at the Departments of Agriculture and Health may be used to provide testing needed to diagnose and respond to VHS. No later than January 5, 2009, the commissioner of natural resources shall present the plan to the chairs of the house and senate committees with jurisdiction over agriculture, health, and natural resources policy and finance.

Sec. 72. NEXTGEN 2007 APPROPRIATION MODIFICATION.

Up to \$300,000 of the amount appropriated to the commissioner of agriculture for bioenergy grants under Laws 2007, chapter 45, article 1, section 3, subdivision 4, is for cold weather biodiesel blending infrastructure grants to facilities that serve Minnesota.

Sec. 73. 2007 APPROPRIATION MODIFICATION.

The commissioner may use up to \$100,000 of the amount appropriated for dairy development and profitability enhancement and dairy business planning grants in fiscal year 2009 under Laws 2007, chapter 45, article 1, section 3, subdivision 5, for activities related to marketing, business planning, and educational efforts to assist all livestock operations located within a bovine tuberculosis modified accredited zone, as designated by the United States Department of Agriculture.

ARTICLE 2

VETERANS POLICY

Section 1. Minnesota Statutes 2006, section 13.785, is amended by adding a subdivision to read:

Subd. 4. **Deceased veterans data.** Data relating to veterans deceased as a result of service-connected causes are classified under section 197.225.

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

Sec. 2. Minnesota Statutes 2006, section 168.1255, subdivision 1, is amended to read:

Subdivision 1. **General requirements and procedures.** The commissioner shall issue special veteran contribution plates or a single motorcycle plate to an applicant who:

- (1) is a veteran, as defined in section 197.447;
- (2) is a registered owner of a passenger automobile or motorcycle;
- (3) pays a fee of \$10 to cover the costs of handling and manufacturing the plates;
- (4) pays the registration tax required under section 168.013;

(5) pays the fees required under this chapter;

(6) pays an additional onetime World War II memorial contribution of \$30, which the department shall retain until all start-up costs associated with the development and issuing of the plates have been recovered, after which the commissioner shall deposit contributions in the World War II donation match account; and

(7) complies with this chapter and rules governing the registration of motor vehicles and licensing of drivers.

Sec. 3. Minnesota Statutes 2006, section 168.1255, is amended by adding a subdivision to read:

Subd. 1a. **Motorcycle plate.** A motorcycle plate issued under this section must be the same size as a regular motorcycle plate.

Sec. 4. Minnesota Statutes 2006, section 168.1255, subdivision 3, is amended to read:

Subd. 3. **Plate transfers.** Despite section 168.12, subdivision 1, on payment of a transfer fee of \$5, plates issued under this section may be transferred to another passenger automobile registered to the individual to whom the veteran contribution plates were issued, or a single motorcycle plate may be transferred to another motorcycle registered to the individual to whom the plate was issued.

Sec. 5. Minnesota Statutes 2006, section 168.1255, is amended by adding a subdivision to read:

Subd. 6. **World War II memorial donation match account.** Money remaining in the World War II memorial donation match account after the state share of the construction costs of the World War II memorial has been paid in full is appropriated to the commissioner of veterans affairs for services and programs for veterans and their families.

Sec. 6. **[192.056] PROTECTION OF RESERVIST-OWNED BUSINESS DURING ACTIVE SERVICE.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Active service" has the meaning given in section 190.05, subdivision 5.

(c) "Business" means a business wholly owned by a qualified service member, or jointly by the member and the member's spouse, irrespective of whether the business is a sole proprietorship, corporation, limited liability company, partnership, limited partnership, or other type of business entity.

(d) "Qualified service member" means a Minnesota resident who is serving honorably as a member of the Minnesota National Guard or any other military reserve unit of the United States armed forces who has been ordered into active service for a period of 60 days or longer.

Subd. 2. **Protection provided.** (a) Notwithstanding any other law or rule to the contrary, the business of a qualified service member may be exempted from civil court proceedings for part or all of the period of the member's active military service and for up to 60 days thereafter, as provided in this section.

(b) If the business of a qualified service member is a defendant in a civil action, the court may, on its own motion, grant a stay in the proceedings for a minimum of 60 days. The court, on its

own motion, may renew the stay as the court considers appropriate. If the qualified service member petitions the court in any manner for a stay, the court must grant a stay for a minimum of 60 days, provided that:

(1) the service member submits to the court a letter or other communication setting forth facts stating the manner in which current military duty requirements materially affect the service member's ability to appear or otherwise participate in the proceedings, and stating a date when the service member will be available to appear or otherwise participate in the proceedings; and

(2) the service member submits a letter or other communication from the service member's commanding officer stating that the service member's current military duty prevents appearance and that military leave is not authorized for the service member at the time of the letter.

(c) A service member's communication with the court requesting a stay does not constitute an appearance for jurisdictional purposes and does not constitute a waiver of any substantive or procedural defense, including a defense relating to lack of personal jurisdiction.

(d) A qualified service member who is granted a stay in the action or proceedings against the member's business may in any manner request from the court an additional stay, which the court may grant if the service member can show to the satisfaction of the court that the member's military requirements affect the member's ability to appear. However, the court is not obligated to grant the additional stay. If the court refuses to grant an additional stay, the court must provide the service member with information enabling the service member to acquire qualified legal counsel, at the service member's discretion, for defending the action.

(e) If a default judgment is entered in a civil action against the business of a qualified service member during the service member's period of active military service, or within 60 days following termination of or release from the active military service, the court entering the judgment must, upon application by or on behalf of the service member, reopen the judgment for the purpose of allowing the member to defend the action if it appears that:

(1) the service member was materially affected by reason of that military service in making a defense to the action; and

(2) the service member has a meritorious or legal defense to the action or some part of it.

EFFECTIVE DATE. This section is effective July 1, 2008, and applies to civil court actions pending or initiated on or after that date.

Sec. 7. Minnesota Statutes 2006, section 192.20, is amended to read:

192.20 BREVET RANK.

Subdivision 1. **Personnel eligible for brevet promotion.** (a) Officers, warrant officers, and enlisted persons of the National Guard who have, after ten years active service, resigned or retired for physical disability or otherwise, may in the discretion of the commander-in-chief, on the recommendation of the adjutant general, be commissioned by brevet, in the next higher grade than that held by them at the time of their resignation or retirement.

(b) Officers, warrant officers, or enlisted persons of the National Guard who die while in state or federal active service, as defined in section 190.05, or former officers, warrant officers, or

enlisted persons of the National Guard who die as a result of injuries or other conditions incurred or aggravated while in such service may, in the discretion of the commander-in-chief, on the recommendation of the adjutant general, be commissioned by brevet, in the next higher grade than that held by them at the time of their death.

(c) If a service member is wounded or killed after a battlefield commission has been approved and was pending, or if a service member was enrolled in an officer commissioning program at the time of injury or death, the person may be breveted at the rank of second lieutenant or ensign, as appropriate, following separation or discharge from military service.

Subd. 2. **Effect of brevet rank.** Brevet rank shall be considered strictly honorary and shall confer no privilege of precedence or command, nor pay any emoluments. Brevet officers, warrant officers, and enlisted persons may wear the uniform of their brevet grade on occasions of ceremony.

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

Sec. 8. [192.325] DISCRIMINATION AGAINST FAMILY OF SERVICE MEMBER; UNPAID LEAVE REQUIRED.

An employer may not:

(1) discharge from employment or take adverse employment action against any employee because of the membership of that employee's spouse, parent, or child in the military forces of the United States, of this state, or any other state; or

(2) discharge from employment, take adverse employment action against, or otherwise hinder an employee from attending the following kinds of events relating to the military service of the employee's spouse, parent, or child and to which the employee is invited or otherwise called upon to attend by proper military authorities:

(i) departure or return ceremonies for deploying or returning military personnel or units;

(ii) family training or readiness events sponsored or conducted by the military; and

(iii) events held as part of official military reintegration programs.

The employee must provide reasonable notice to the employer when requesting time off, and the employer must provide a reasonable amount of nonpaid time off for the employee, for the purposes enumerated in items (i) to (iii), not to exceed two consecutive days or six days in a calendar year. The employer must not compel the employee to use accumulated but unused vacation for these events.

Section 645.241 does not apply to this section.

EFFECTIVE DATE. This section is effective August 1, 2008, and applies to employment action occurring on or after that date.

Sec. 9. Minnesota Statutes 2006, section 196.021, is amended to read:

196.021 DEPUTY COMMISSIONERS; DUTIES.

Subdivision 1. **Appointment.** The commissioner shall appoint a deputy commissioner for veteran services as ~~provided in subdivision 2,~~ and the board of directors of the Minnesota Veterans Homes ~~may appoint a deputy commissioner for veteran health care as provided in section 198.004.~~

Both deputy commissioners serve in the unclassified service, ~~the deputy for veteran services at the pleasure of the commissioner and the deputy for veteran health care at the pleasure of the board.~~ Both deputies ~~shall~~ must be residents of Minnesota, citizens of the United States, and veterans as defined in section 197.447.

Subd. 2. ~~**Deputy for veteran services; Powers and duties.**~~ The deputy commissioner for veteran services ~~has~~ and the deputy commissioner for veteran health care have those powers delegated by the commissioner ~~that have not otherwise been delegated to the deputy commissioner for veteran health care by the commissioner or assigned to that deputy commissioner by law.~~ A delegation must be in writing, signed by the commissioner, and filed with the secretary of state.

Sec. 10. Minnesota Statutes 2006, section 196.03, is amended to read:

196.03 OFFICERS AND EMPLOYEES.

~~Except as provided in chapter 198,~~ All officers and employees of the department shall be appointed by the commissioner and they shall perform such duties as may be assigned to them by the commissioner.

Sec. 11. [196.30] VETERANS HEALTH CARE ADVISORY COUNCIL.

Subdivision 1. **Creation.** The Veterans Health Care Advisory Council is established to provide the Department of Veterans Affairs with advice and recommendations on providing veterans with quality long-term care and the anticipated future needs of Minnesota veterans.

Subd. 2. **Membership.** (a) The council consists of nine public members appointed by the governor. The council members are:

(1) seven members with extensive expertise in health care delivery, long-term care, and veterans services;

(2) one licensed clinician who may be either a physician, physician's assistant, or a nurse practitioner; and

(3) one additional member.

(b) The governor shall designate a member to serve as the chair.

(c) The commissioner of veterans affairs, or the commissioner's designee, is an ex officio, nonvoting member of the council and shall provide necessary and appropriate administrative and technical support to the council.

(d) Membership terms, removal of members, and the filling of vacancies are as provided in section 15.059, subdivisions 2 and 4. Members shall not receive compensation or per diem payments, but may receive reimbursement for expenses pursuant to section 15.059, subdivision 3.

Subd. 3. **Duties.** The council is an advisory group with the responsibility of providing the commissioner of veterans affairs with information and professional expertise on the delivery of quality long-term care to veterans. The council's duties include:

(1) developing a new vision and strategic plan for the veterans homes that complements the Department of Veterans Affairs overall veterans service programs;

(2) providing recommendations and advice on matters including clinical performance, systemwide quality improvement efforts, culture and working environment of the veterans homes, and other operational and organizational functions of the veterans homes;

(3) studying and reviewing current issues and trends in the long-term care industry and the veterans community;

(4) providing recommendations to the commissioner on alternative options for the delivery of long-term care to veterans so that veterans and their families can determine appropriate services under models similar to those available in the community;

(5) establishing, as appropriate, subcommittees or ad hoc task forces of council members, stakeholders, and other individuals with expertise or experience to address specific issues; and

(6) reviewing and providing advice on any other matter at the request of the commissioner.

Subd. 4. **Expiration.** Notwithstanding section 15.059, subdivision 4, the council expires June 30, 2013.

Sec. 12. **[197.225] LIST OF DECEASED MILITARY PERSONNEL.**

(a) The commissioner of veterans affairs shall collect and maintain data about Minnesota residents who have died of service-connected causes while serving in the United States armed forces. The data may include deceased service members who are the immediate family members of Minnesota residents, but who themselves were not Minnesota residents at the time of death. The commissioner shall collect the following data: the individual's full name, military rank, branch of service, age at the time of death, and Minnesota hometown or if not a Minnesota resident at the time of death, the service member's home state.

(b) Data collected pursuant to this section are nonpublic data, but may be disseminated to the individual's next of kin, and for ceremonial or honorary purposes to veterans' organizations, civic organizations, the news media, and researchers. No other use or dissemination of the data is permitted.

(c) The next of kin of a veteran whose data is collected may request that the data not be disseminated for any purpose. Upon receiving such a request, the Department of Veterans Affairs must exclude the deceased veteran's data from any data disseminated for ceremonial or honorary purposes as permitted by paragraph (b).

(d) Data collected pursuant to this section shall not be indicative of any person's status with regard to qualification for veterans benefits or other benefits.

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

Sec. 13. Minnesota Statutes 2006, section 197.236, is amended to read:

197.236 ~~VETERANS CEMETERY~~ STATE VETERANS CEMETERIES.

Subd. 3. **Operation and maintenance.** The commissioner of veterans affairs shall supervise and control the veterans ~~cemetary~~ cemeteries established under this section. The cemeteries are to be maintained and operated in accordance with the operational standards and measures of the National Cemetery Administration. The commissioner may contract for the maintenance and operation of

the ~~cemetery~~ cemeteries. All personnel, equipment, and support necessary for maintenance and operation of the ~~cemetery~~ cemeteries must be included in the department's budget.

Subd. 5. **Rules.** The commissioner of veterans affairs may adopt rules regarding the operation of the ~~cemetery~~ cemeteries. ~~If practicable,~~ The commissioner shall require that upright granite markers supplied by the United States Department of Veterans Affairs be used to mark all gravesites.

Subd. 6. **Permanent development and maintenance account.** A veterans cemetery development and maintenance account is established in the special revenue fund of the state treasury. Receipts for burial fees, ~~earnings from the veterans cemetery trust account~~ plot or interment allowance claims, designated appropriations, and any other cemetery receipts must be deposited into this account. The money in the account, including interest earned, is appropriated to the commissioner to be used for the development, operation, maintenance, and improvement of the ~~cemetery~~ cemeteries. To the extent practicable, the commissioner of veterans affairs must apply for available federal grants for the development and operation of the cemetery to establish, expand, or improve the cemeteries.

Subd. 7. **Permanent trust account.** ~~A veterans cemetery trust account is established in the special revenue fund of the state treasury. All designated appropriations and monetary donations to the cemetery must be placed in this account. The principal of this account must be invested by the State Board of Investment and may not be spent. The income from this account must be transferred as directed by the account manager to the veterans cemetery development and maintenance account.~~

Subd. 8. **Eligibility.** ~~Any person who is eligible for burial in a national veterans cemetery is eligible for burial in the State Veterans Cemetery~~ Cemeteries must be operated solely for the burial of service members who die on active duty, eligible veterans, and their spouses and dependent children, as defined in United States Code, title 38, section 101, paragraph (2).

Subd. 9. **Burial fees.** The commissioner of veterans affairs shall establish a fee schedule, which may be adjusted from time to time, for the interment of eligible ~~family members~~ spouses and dependent children. The fees shall cover as nearly as practicable the actual costs of interment, excluding the value of the plot. ~~The department may accept the Social Security burial allowance, if any, of the eligible family members in an amount not to exceed the actual cost of the interment.~~ The commissioner may waive the fee in the case of an indigent eligible person.

No plot or interment fees may be charged for the burial of ~~eligible veterans, members of the National Guard, or military reservists,~~ except that funds available from the Social Security or veterans burial allowances, if any, must be paid to the commissioner in an amount not to exceed the actual cost of the interment, excluding the value of the plot service members who die on active duty or eligible veterans, as defined in United States Code, title 38, section 101, paragraph (2).

~~Prior to the interment of an eligible person, the commissioner shall request the cooperation of the eligible person's next of kin in applying to the appropriate federal agencies for payment to the cemetery of any allowable interment allowance.~~

Subd. 10. **Allocation of plots.** ~~A person, or survivor of a person, eligible for interment in the State Veterans Cemetery may apply for a burial plot for the eligible person by submitting a request to the commissioner of veterans affairs on a form supplied by the department. The department shall allot plots on a first come, first served basis. To the extent that it is practical, plots must be allocated in a manner permitting the burial of eligible family members above, below, or adjacent to the eligible~~

~~veteran, member of the National Guard, or military reservist.~~

Subd. 11. **Plot allowance claims.** The commissioner of veterans affairs must apply to the Veterans Benefits Administration for a plot or interment allowance payable to the state for expenses incurred by the state in the burial of eligible veterans in cemeteries owned and operated by the state if the burial is performed at no cost to the veteran's next of kin.

Subd. 12. **No staff.** No staff may be hired for any new veterans cemetery without explicit legislative approval.

Sec. 14. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Commissioner" means the commissioner of veterans affairs, unless otherwise specified.

(c) "Cost of attendance" for ~~both graduate and~~ undergraduate students has the meaning given in section 136A.121, subdivision 6, multiplied by a factor of ~~1.1~~ 1.2. The Cost of attendance for graduate students has the meaning given in section 136A.121, subdivision 6, multiplied by a factor of 1.2, using the tuition and fee maximum established by law for four-year programs shall be used to calculate the tuition and fee maximum under section 136A.121, subdivision 6, for a graduate student. For purposes of calculating the cost of attendance for graduate students, full time is eight credits or more per term or the equivalent.

(d) "Child" means a natural or adopted child of a person described in subdivision 4, paragraph (a), clause (1), item (i) or (ii).

(e) "Eligible institution" means a postsecondary institution under section 136A.101, subdivision 4, or a graduate school licensed or registered with the state of Minnesota serving only graduate students.

(f) "Program" means the Minnesota GI Bill program established in this section, unless otherwise specified.

(g) "Time of hostilities" means any action by the armed forces of the United States that is recognized by the issuance of a presidential proclamation or a presidential executive order in which the armed forces expeditionary medal or other campaign service medals are awarded according to presidential executive order, and any additional period or place that the commissioner determines and designates, after consultation with the United States Department of Defense, to be a period or place where the United States is in a conflict that places persons at such a risk that service in a foreign country during that period or in that place should be considered to be included.

(h) "Veteran" has the meaning given in section 197.447. Veteran also includes a service member who has received an honorable discharge after leaving each period of federal active duty service and has:

(1) served 90 days or more of federal active duty in a foreign country during a time of hostilities in that country; or

(2) been awarded any of the following medals:

- (i) Armed Forces Expeditionary Medal;
- (ii) Kosovo Campaign Medal;
- (iii) Afghanistan Campaign Medal;
- (iv) Iraq Campaign Medal;
- (v) Global War on Terrorism Expeditionary Medal; or
- (vi) any other campaign medal authorized for service after September 11, 2001; or

~~(2)~~ (3) received a service-related medical discharge from any period of service in a foreign country during a time of hostilities in that country.

A service member who has fulfilled the requirements for being a veteran under this paragraph but is still serving actively in the United States armed forces is also a veteran for the purposes of this section.

Sec. 15. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 4, is amended to read:

Subd. 4. **Eligibility.** (a) A person is eligible for educational assistance under this section if:

(1) the person is:

(i) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time on or after September 11, 2001;

(ii) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(iii) the surviving spouse or child of a person who has served in the military at any time on or after September 11, 2001, and who has died as a direct result of that military service; or

(iv) the spouse or child of a person who has served in the military at any time on or after September 11, 2001, and who has a total and permanent service-connected disability as rated by the United States Veterans Administration;

~~(2) the person providing the military service described in clause (1), items (i) to (iv), was a Minnesota resident within six months of the time of the person's initial enlistment or any reenlistment in the United States armed forces;~~

~~(3)~~ (2) the person receiving the educational assistance is a Minnesota resident, as defined in section 136A.101, subdivision 8; and

~~(4)~~ (3) the person receiving the educational assistance:

(i) is an undergraduate or graduate student at an eligible institution;

(ii) is maintaining satisfactory academic progress as defined by the institution for students participating in federal Title IV programs;

(iii) is enrolled in an education program leading to a certificate, diploma, or degree at an eligible institution;

(iv) has applied for educational assistance under this section prior to the end of the academic term for which the assistance is being requested;

(v) is in compliance with child support payment requirements under section 136A.121, subdivision 2, clause (5); and

(vi) ~~if an undergraduate student, has applied for the federal Pell Grant and the Minnesota State Grant~~ has completed the Free Application for Federal Student Aid (FAFSA).

(b) A person's eligibility terminates when the person becomes eligible for benefits under section 135A.52.

(c) To determine eligibility, the commissioner may require official documentation, including the person's federal form DD-214 or other official military discharge papers; correspondence from the United States Veterans Administration; birth certificate; marriage certificate; proof of enrollment at an eligible institution; signed affidavits; proof of residency; proof of identity; or any other official documentation the commissioner considers necessary to determine eligibility.

(d) The commissioner may deny eligibility or terminate benefits under this section to any person who has not provided sufficient documentation to determine eligibility for the program. An applicant may appeal the commissioner's eligibility determination or termination of benefits in writing to the commissioner at any time. The commissioner must rule on any application or appeal within 30 days of receipt of all documentation that the commissioner requires. The decision of the commissioner regarding an appeal is final. However, an applicant whose appeal of an eligibility determination has been rejected by the commissioner may submit an additional appeal of that determination in writing to the commissioner at any time that the applicant is able to provide substantively significant additional information regarding the applicant's eligibility for the program. An approval of an applicant's eligibility by the commissioner following an appeal by the applicant is not retroactively effective for more than one year or the semester of the person's original application, whichever is later.

(e) Upon receiving an application with insufficient documentation to determine eligibility, the commissioner must notify the applicant within 30 days of receipt of the application that the application is being suspended pending receipt by the commissioner of sufficient documentation from the applicant to determine eligibility.

Sec. 16. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 5, is amended to read:

Subd. 5. **Benefit amount.** (a) On approval by the commissioner of eligibility for the program, the applicant shall be awarded, on a funds-available basis, the educational assistance under the program for use at any time according to program rules at any eligible institution.

(b) The amount of educational assistance in any semester or term for an eligible person must be determined by subtracting from the eligible person's cost of attendance the amount the person received or was eligible to receive in that semester or term from:

(1) the federal Pell Grant;

(2) the state grant program under section 136A.121; and

(3) any federal military or veterans educational benefits including but not limited to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program, vocational rehabilitation benefits, and any other federal benefits associated with the person's status as a veteran, except veterans disability payments from the United States Veterans Administration.

(c) The amount of educational assistance for any eligible person who is a full-time student must not exceed the following:

(1) \$1,000 per semester or term of enrollment;

(2) ~~\$2,000~~ \$3,000 per state fiscal year; and

(3) \$10,000 in a lifetime.

For a part-time student, the amount of educational assistance must not exceed \$500 per semester or term of enrollment. For the purpose of this paragraph, a part-time undergraduate student is a student taking fewer than 12 credits or the equivalent for a semester or term of enrollment and a part-time graduate student is a student considered part time by the eligible institution the graduate student is attending. The minimum award for undergraduate and graduate students is \$50 per term.

Sec. 17. Minnesota Statutes 2006, section 198.32, subdivision 1, is amended to read:

Subdivision 1. **Resident's rights.** A resident of a Minnesota veterans home has the right to complain and otherwise exercise freedom of expression and assembly which is guaranteed by amendment I of the United States Constitution. The administrator of the home shall inform each resident in writing at the time of admission of the right to complain to the administrator about home accommodations and services. A notice of the right to complain shall be posted in the home. The administrator shall also inform each resident of the right to complain to the ~~board or to the~~ commissioner of veterans affairs. Each resident of a home shall be encouraged and assisted, throughout the period of stay in the home, to understand and exercise the rights of freedom of expression and assembly as a resident and as a citizen, and, to this end, the resident may voice grievances and recommend changes in policies and services to home staff, other residents, and outside representatives of the resident's choice, free from restraint, interference, coercion, discrimination, or reprisal, including retaliatory eviction.

Sec. 18. **RULES TRANSFER.**

Minnesota Rules, chapter 9050, is transferred from the Veterans Homes Board of Directors to the commissioner of veterans affairs. The commissioner shall administer and enforce those rules and may amend or repeal them.

Sec. 19. **APPOINTMENTS.**

Notwithstanding Minnesota Statutes, section 196.30, subdivision 2, paragraph (d), the governor may make the initial appointments to the Veterans Health Care Advisory Council under Executive Order 07-20 without complying with the appointment process in Minnesota Statutes, section 15.0597.

Sec. 20. **OMBUDSMAN FOR VETERANS HOME RESIDENTS.**

The ombudsman required under Laws 2007, chapter 45, article 2, section 1, paragraph (j), must attend all meetings of the Veterans Health Care Advisory Council established in new Minnesota Statutes, section 196.30.

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

Sec. 21. TRANSFER OF FUNDS IN VETERANS CEMETERY TRUST ACCOUNT.

Notwithstanding Minnesota Statutes, section 16A.62, on June 30, 2008, all money in the veterans cemetery trust account in the special revenue fund established in Minnesota Statutes, section 197.236, subdivision 7, must be transferred to the permanent development and maintenance account in the special revenue fund under Minnesota Statutes, section 197.236, subdivision 6.

Sec. 22. STATE VETERANS CEMETERY STUDY.

The commissioner of veterans affairs shall evaluate the status of and need for additional veterans cemeteries in the state, including consideration of a new veterans cemetery in southern Minnesota. By January 15, 2009, the commissioner shall report the findings of the study to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans policy and finance.

Sec. 23. PARTNERING IN DELIVERY OF VETERANS SERVICES.

The commissioner of veterans affairs must seek input from a broad range of experienced nongovernmental social service and health care providers, including both secular and faith-based service organizations, from throughout the state regarding the feasibility of public-private collaboration in providing services to Minnesota Veterans. The services may include home health care, psychological counseling, life-skills rehabilitation counseling, home hospice care, respite care, and other types of home-based health care as judged necessary by the commissioner to enable veterans to recover from service-connected injuries, illnesses, and disabilities. The commissioner must report to the legislature by January 15, 2009, with findings and recommendations for establishing the service-delivery partnerships.

Sec. 24. VETERANS AFFAIRS STRATEGIC PLANNING GROUP.

(a) By January 15, 2009, the Department of Veterans Affairs Strategic Planning Group shall report to the chairs and ranking minority members of the house and the senate committees with jurisdiction over veterans affairs policy and finance the group's recommendations for the Minnesota Veterans Home at Minneapolis, based on specific additional analysis of the projected capital, maintenance, and operating costs of that home, including an assessment of the feasibility of alternative operational models at that home or at alternative or additional state veterans home locations within the seven-county metropolitan area. The group must include the likelihood and projected amount of any cost-savings that could result from the demolition or remodeling and conversion of some of the infrastructure of the current campus for alternative uses and other pertinent items, such as:

(1) construction of rental housing for veterans and family members of veterans receiving medical care at the nearby US/VA Medical Center or other nearby medical institutions;

(2) conducting a land use study including a highest and best use analysis for the existing site and all improvements;

(3) investigating opportunities for public/private partnerships in strategic land use; and

(4) any other purpose judged feasible by the strategic planning group.

(b) When formulating the recommendations on the matters in paragraph (a), the Department of Veterans Affairs Strategic Planning Group must consult with the following individuals or their designees:

(1) the chairs and ranking minority members of the house and senate committees with jurisdiction over veterans affairs policy and finance;

(2) the president and legislative chairperson of the Minnesota Association of County Veterans Service Officers;

(3) the chair of the Commanders Task Force of Minnesota's congressionally chartered veterans service organizations;

(4) two members each from the Minnesota departments of the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans with at least one member from each organization coming from a rural area;

(5) the United Veterans Legislative Council;

(6) the Adjutant General of the Minnesota National Guard;

(7) the director of the Veterans Health Care Advisory Council;

(8) a representative from the United States Department of Veterans Affairs;

(9) representative residents of the Minnesota Veterans Homes and their families;

(10) representatives of the Minneapolis delegation in the Minnesota house and senate;

(11) representative residents of the Minnesota Veterans Home at Minneapolis and their families;

(12) the mayor of Minneapolis;

(13) the Minneapolis city planner;

(14) the chair of the Metropolitan Council;

(15) the director of the Minnesota Inter-County Association; and

(16) the director of the Association of Minnesota Counties.

Sec. 25. CONSTRUCTION PROJECT PRIORITY LISTING STATUS.

In accordance with completed predesign documents, veterans population surveys, and the 2008 department construction project priority listing, the commissioner of veterans affairs shall continue to plan, develop, and pursue federal funding and other resources for the construction of projects on the listing. In consultation with the Veterans Affairs Strategic Planning Group and the Veterans Health Care Advisory Council, the commissioner must consider possible options for treatment, including, but not limited to, traumatic brain injury, posttraumatic stress disorder, and psycho-geriatric care. By January 15, 2009, the commissioner shall report to the chairs and ranking

minority members of the legislative committees with jurisdiction over veterans homes policy and finance regarding the status of the department construction project priority listing and the activities required under this section.

Sec. 26. COUNTY VETERANS SERVICES WORKING GROUP.

Subdivision 1. **Creation.** The County Veterans Services Working Group shall consist of the following 13 members:

(1) two senators, including one member from the majority party and one member from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate;

(2) two members of the house of representatives, one member from the majority party and one member from the minority party, appointed by the speaker of the house;

(3) the commissioner and two deputy commissioners of the Minnesota Department of Veterans Affairs (MDVA), or the commissioner's designees;

(4) the president, vice president, and legislative chair person of the Minnesota Association of County Veterans Service Officers (CVSOs);

(5) the chair of the Commanders Task Force of Minnesota's congressionally-chartered veterans service organizations, or the chair's designee;

(6) one person from the Minnesota Inter-County Association (MICA), as designated by the association board; and

(7) one person from the Association of Minnesota Counties (AMC), as designated by the association board.

Subd. 2. **Duties.** The working group must meet periodically to review the findings and recommendations of the 2008 report of the Office of the Legislative Auditor (OLA) on Minnesota's county veterans service offices, and make written recommendations to the legislature regarding whether and how each of that report's recommendations should be implemented. The working group may also provide additional recommendations on how to enhance the current services provided by the county veteran service offices.

The working group may suggest draft legislation for legislative consideration. By January 15, 2009, the working group must report its proposed recommendations to the chairs of the senate and house committees with jurisdiction over veterans affairs, state governmental operations, and local government affairs.

Subd. 3. **Administrative provisions.** (a) The commissioner of veterans affairs, or the commissioner's designee, must convene the initial meeting of the working group. Upon request of the working group, the commissioner must provide meeting space and administrative services for the group. The members of the working group must elect a chair or co-chairs from the legislative members of the working group at the initial meeting. Each subsequent meeting is at the call of the chair or co-chairs.

(b) Public members of the working group serve without special compensation or special payment of expenses from the working group.

(c) The working group expires on June 30, 2009, unless an extension is authorized by law by that date.

Subd. 4. **Deadline for appointments and designations.** The appointments and designations authorized by this section must be completed by August 1, 2008. The working group must convene its initial meeting no later than September 1, 2008.

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

Sec. 27. **STUDY OF VETERANS EMPLOYMENT IN STATE GOVERNMENT.**

(a) By October 1, 2008, each appointing authority in the executive branch of state government, including the Minnesota State Colleges and Universities, must report to the commissioner of finance on the incidence of employment, recruitment, retention, and retirement of veterans in their nonelected workforce for fiscal year 2008. The report must be made in a manner approved by the commissioner, and for each separate hiring unit must include tabulation by age category and length of state employment in the executive branch, including the state college and university system. Each executive branch appointing authority must also report specific veteran employment data requested by the commissioner as of June 30, 2008, June 30, 2001, and an earlier date if judged feasible by the commissioner. By January 15, 2009, the commissioner must submit a report on the employment of veterans in the executive branch to the chairs of the house and senate policy and finance committees having jurisdiction over veterans affairs. The report must present and analyze the data obtained in this paragraph.

(b) By October 1, 2008, the judicial branch of state government must report to the chairs of the house and senate policy and finance committees having jurisdiction over veterans affairs the number of veterans employed in the judicial branch nonelective workforce on June 30, 2008, based on self-reporting of veteran status. For each separate hiring unit, the data must include tabulation by age category and length of state employment in the judicial branch.

(c) By October 1, 2008, the house of representatives, the senate, and the Legislative Coordinating Commission on behalf of joint legislative offices and commissions, must report to the chairs of the house and senate policy and finance committees having jurisdiction over veterans affairs the number of veterans employed in their nonelective workforce on June 30, 2008, based on self-reporting of veteran status. For each separate hiring unit, the data must include tabulation by age category and length of state employment in the legislative branch.

(d) For purposes of this section, "veteran" has the meaning given in Minnesota Statutes, section 197.447.

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

Sec. 28. **WORLD WAR II SERVICE MEDALLIONS; APPROPRIATION.**

Subdivision 1. **Medallions.** By July 1, 2008, the commissioner of veterans affairs must notify veterans organizations that include veterans of World War II in their membership of the opportunity under this section for surviving individual veterans of World War II to obtain commemorative medallions recognizing their service in the United States armed forces during World War II. The commissioner shall establish the service criteria necessary to obtain a medallion and the cost of each medallion. Veterans organizations may collect and contribute money on behalf of their surviving individual members who meet the service criteria. No later than September 1, 2008, the

organizations may submit the names of qualifying individuals and provide money to pay for the cost of the medallions to the commissioner. By October 15, 2008, the commissioner shall distribute the medallions to organizations for distribution to the qualifying individuals.

Subd. 2. **Appropriation.** Money received by the commissioner under this section is appropriated to the commissioner for the purposes of this section.

Sec. 29. REVISOR'S INSTRUCTION.

(a) The revisor shall change "board," "board of directors," or "Veterans Homes Board of Directors" to "commissioner" wherever it is used in Minnesota Statutes, sections 198.003; 198.005; 198.006; 198.007; 198.022; 198.03; 198.05; 198.065; 198.066; 198.16; 198.23; 198.261; 198.265; 198.266; 198.31; 198.33; 198.34; 198.35; 198.36; and 198.37; and shall change "board rules" to "rules adopted under this chapter" wherever it appears in Minnesota Statutes, sections 198.007 and 198.022.

(b) In Minnesota Rules, chapter 9050, the revisor shall:

(1) change the terms "executive director," "executive director of the board," "executive director of the Veterans Homes Board," "Minnesota Veterans Homes Board," and "board" to "commissioner of veterans affairs" except where the term "board" is used with a different meaning in Minnesota Rules, part 9050.0040, subpart 16;

(2) change the term "board-operated facility" to "facility operated by the commissioner of veterans affairs" and change the term "non-board-operated facility" to "facility not operated by the commissioner of veterans affairs";

(3) change the term "board-approved" to "approved by the commissioner of veterans affairs"; and

(4) eliminate the term "board" where it is used in the third paragraph of Minnesota Rules, part 9050.1070, subpart 9.

(c) The revisor shall change any of the terms in paragraph (a) or (b) to "commissioner of veterans affairs" if they are used to refer to the Veterans Homes Board of Directors or its executive director anywhere else in Minnesota Statutes or Minnesota Rules.

Sec. 30. REPEALER.

Minnesota Statutes 2006, sections 190.17; 197.236, subdivisions 7 and 10; 198.001, subdivisions 6 and 9; 198.002, subdivisions 1, 3, and 6; 198.003, subdivisions 5 and 6; and 198.004, subdivision 2, and Minnesota Statutes 2007 Supplement, sections 198.002, subdivision 2; and 198.004, subdivision 1, are repealed.

(b) Minnesota Rules, part 9050.0040, subpart 15, is repealed."

Delete the title and insert:

"A bill for an act relating to the operation of state government; regulating, requiring, or changing certain provisions and programs related to agriculture; creating a livestock investment grant program; modifying pesticide and fertilizer regulation; changing certain payment provisions for certain agricultural chemical corrective action costs; changing certain food sanitary provisions;

changing certain fee provisions; defining certain terms; regulating egg sales and handling; increasing the somatic cell count limit for goat milk; changing ethanol payment provisions; providing for control of bovine tuberculosis; adding a member to the NextGen Energy Board; modifying the expiration date for the NextGen Energy Board; establishing requirements for practicing animal chiropractic care; recognizing a Program for the Assessment of Veterinary Education Equivalence certification; limiting use of certain drugs; changing certain requirements; regulating prescription of veterinary drugs; changing ethanol blending provisions; modifying definition of biodiesel; increasing minimum biodiesel content; creating a tiered biodiesel content goal; requiring counties to consider natural heritage data in adopting or amending comprehensive plans; requiring local governments to consider comprehensive plans to limit development on agricultural, forest, wildlife, and open space land; establishing a task force; modifying 2007 appropriation language; creating an advisory council, a working group, and a planning group and requiring certain studies; changing certain provisions and programs related to veterans and members of the military; providing for certain medallions; transferring certain duties related to veterans homes; appropriating money; amending Minnesota Statutes 2006, sections 13.785, by adding a subdivision; 18B.065, subdivisions 2, 7; 18B.07, subdivision 2; 18D.305, subdivision 2; 18E.04, subdivision 2; 28A.03, by adding a subdivision; 28A.05; 28A.08; 28A.082, by adding a subdivision; 28A.09, subdivision 1; 29.23; 31.05; 31.171; 41A.09, subdivision 3a; 41D.01, subdivision 4; 97A.028, subdivision 3; 148.01, subdivision 1, by adding subdivisions; 156.001, by adding a subdivision; 156.02, subdivisions 1, 2; 156.04; 156.072, subdivision 2; 156.073; 156.12, subdivisions 2, 4, 6; 156.15, subdivision 2; 156.16, subdivisions 3, 10; 156.18, subdivisions 1, 2; 156.19; 168.1255, subdivisions 1, 3, by adding subdivisions; 192.20; 196.021; 196.03; 197.236; 198.32, subdivision 1; 239.051, subdivision 15; 239.77, as amended; 239.7911, subdivision 2; 296A.01, subdivision 2; 394.232, subdivision 6; 462.355, subdivision 1; 462.357, by adding subdivisions; Minnesota Statutes 2007 Supplement, sections 18B.065, subdivisions 1, 2a; 18B.26, subdivision 3; 31.175; 41A.105; 197.791, subdivisions 1, 4, 5; 239.761, subdivision 4, by adding subdivisions; 296A.01, subdivisions 8a, 25; 394.23; Laws 2007, chapter 45, article 1, section 3, subdivisions 3, 4, 5; proposing coding for new law in Minnesota Statutes, chapters 17; 32; 148; 192; 196; 197; 394; repealing Minnesota Statutes 2006, sections 190.17; 197.236, subdivisions 7, 10; 198.001, subdivisions 6, 9; 198.002, subdivisions 1, 3, 6; 198.003, subdivisions 5, 6; 198.004, subdivision 2; Minnesota Statutes 2007 Supplement, sections 198.002, subdivision 2; 198.004, subdivision 1; Minnesota Rules, part 9050.0040, subpart 15."

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

Senate Conferees: (Signed) Jim Vickerman, Dan Skogen, Steve Dille, Steve Murphy, Sharon L. Erickson Ropes

House Conferees: (Signed) Al Juhnke, Mary Ellen Otremba, Lyle Koenen, Rod Hamilton, Karla Bigham

Senator Vickerman moved that the foregoing recommendations and Conference Committee Report on S.F. No. 3683 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. 3683 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 3001 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 3001

A bill for an act relating to education; providing for prekindergarten through grade 12 education; including general education, education excellence, special programs, libraries, state agencies, and self-sufficiency and lifelong learning; amending Minnesota Statutes 2006, sections 13.32, by adding a subdivision; 120A.05, subdivision 10a; 120A.22, subdivision 5; 120A.24, subdivisions 1, 2; 120B.02; 120B.021, subdivision 1a; 120B.023, subdivision 2; 121A.035, subdivision 2; 121A.037; 122A.06, subdivision 4; 122A.07, subdivisions 2, 3; 122A.09, subdivision 4; 122A.18, subdivisions 2, 2a, by adding a subdivision; 123B.14, subdivision 7; 123B.36, subdivision 1; 123B.37, subdivision 1; 123B.77, subdivision 3; 123B.81, subdivisions 3, 5; 123B.83, subdivision 3; 123B.88, subdivision 3; 124D.10, subdivisions 2a, 4a, 6, 6a, 7, 8, 20, 23; 124D.19, subdivision 14; 124D.522; 124D.55; 124D.60, subdivision 1; 124D.68, subdivision 2; 124D.86, by adding a subdivision; 125A.02, subdivision 1; 125A.15; 125A.51; 125A.65, subdivision 4, by adding a subdivision; 125A.744, subdivision 3; 125B.07, by adding a subdivision; 126C.40, subdivision 6; 134.31, subdivision 6, by adding a subdivision; 260C.007, subdivision 19; 299F.30, subdivision 1; Minnesota Statutes 2007 Supplement, sections 120B.021, subdivision 1; 120B.024; 120B.30; 123B.81, subdivision 4; 124D.10, subdivisions 4, 23a; 134.31, subdivision 4a; proposing coding for new law in Minnesota Statutes, chapters 1; 121A; 125B; 127A; 134; repealing Minnesota Statutes 2006, sections 120A.22, subdivision 8; 121A.23; 121A.67; Laws 2006, chapter 263, article 3, section 16.

May 6, 2008

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. 3001 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 3001 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 2006, section 123B.02, subdivision 21, is amended to read:

Subd. 21. **Wind energy conversion system.** The board, or more than one board acting jointly under the authority granted by section 471.59, may construct, acquire, own in whole or in part, operate, and sell and retain and spend the payment received from selling energy from a wind energy conversion system, as defined in section 216C.06, subdivision 19. The board's share of the installed capacity of the wind energy conversion systems authorized by this subdivision must not exceed 3.3 megawatts of nameplate capacity. A board owning, operating, or selling energy from a wind energy conversion system must integrate information about wind energy conversion systems in its educational programming. The board, or more than one board acting jointly under the authority granted by section 471.59, may be a limited partner in a partnership, a member of a limited liability company, or a shareholder in a corporation, established for the sole purpose of constructing, acquiring, owning in whole or in part, financing, or operating a wind energy conversion system for the benefit of the district or districts in accordance with this section.

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

Sec. 2. Minnesota Statutes 2006, section 123B.14, subdivision 7, is amended to read:

Subd. 7. **Clerk records.** The clerk shall keep a record of all meetings of the district and the board in books provided by the district for that purpose. The clerk shall, within three days after an election, notify all persons elected of their election. By ~~August~~ September 15 of each year the clerk shall file with the board a report of the revenues, expenditures and balances in each fund for the preceding fiscal year. The report together with vouchers and supporting documents shall subsequently be examined by a public accountant or the state auditor, either of whom shall be paid by the district, as provided in section 123B.77, subdivision 3. The board shall by resolution approve the report or require a further or amended report. By ~~August~~ September 15 of each year, the clerk shall make and transmit to the commissioner certified reports, showing:

- ~~(1) The condition and value of school property;~~
- ~~(2)~~ (1) The revenues and expenditures in detail, and such other financial information required by law, rule, or as may be called for by the commissioner;
- ~~(3)~~ (2) The length of school term and the enrollment and attendance by grades; and
- ~~(4)~~ (3) Such other items of information as may be called for by the commissioner.

The clerk shall enter in the clerk's record book copies of all reports and of the teachers' term reports, as they appear in the registers, and of the proceedings of any meeting as furnished by the clerk pro tem, and keep an itemized account of all the expenses of the district. The clerk shall furnish to the auditor of the proper county, by ~~October 10~~ September 30 of each year, an attested copy of the clerk's record, showing the amount of ~~money~~ proposed property taxes voted by the district or the board for school purposes; draw and sign all orders upon the treasurer for the payment of money for bills allowed by the board for salaries of officers and for teachers' wages and all claims, to be countersigned by the chair. Such orders must state the consideration, payee, and the fund and the clerk shall take a receipt therefor. Teachers' wages shall have preference in the order in which they become due, and no money applicable for teachers' wages shall be used for any other purpose, nor shall teachers' wages be paid from any fund except that raised or apportioned for that purpose.

Sec. 3. Minnesota Statutes 2007 Supplement, section 123B.143, subdivision 1, is amended to read:

Subdivision 1. **Contract; duties.** All districts maintaining a classified secondary school must employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent must be vested in the board in all cases. An individual employed by a board as a superintendent shall have an initial employment contract for a period of time no longer than three years from the date of employment. Any subsequent employment contract must not exceed a period of three years. A board, at its discretion, may or may not renew an employment contract. A board must not, by action or inaction, extend the duration of an existing employment contract. Beginning 365 days prior to the expiration date of an existing employment contract, a board may negotiate and enter into a subsequent employment contract to take effect upon the expiration of the existing contract. A subsequent contract must be contingent upon the employee completing the terms of an existing contract. If a contract between a board and a superintendent is terminated prior to the date specified in the contract, the board may not enter into another superintendent contract with that same individual that has a term that extends beyond the date specified in the terminated contract. A board may terminate a superintendent during the term of an employment contract for any of the grounds specified in section 122A.40, subdivision 9 or 13. A superintendent shall not rely upon an employment contract with a board to assert any other continuing contract rights in the position of superintendent under section 122A.40. Notwithstanding the provisions of sections 122A.40, subdivision 10 or 11, 123A.32, 123A.75, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on order of employment in any district. If two or more districts enter into an agreement for the purchase or sharing of the services of a superintendent, the contracting districts have the absolute right to select one of the individuals employed to serve as superintendent in one of the contracting districts and no individual has a right to employment as the superintendent to provide all or part of the services based on order of employment in a contracting district. The superintendent of a district shall perform the following:

- (1) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;
- (2) recommend to the board employment and dismissal of teachers;
- (3) superintend school grading practices and examinations for promotions;
- (4) make reports required by the commissioner;

(5) by ~~January~~ August 10, 2009, and each year thereafter, submit an annual report to the commissioner in a manner prescribed by the commissioner, in consultation with school districts, ~~identifying the expenditures that the district requires to ensure an 80 percent student passage rate on the MCA-Its taken in the eighth grade,~~ identifying the highest student passage rate the district expects it will be able to attain on the MCA-Its GRAD by grade 12, and the amount of expenditures that the district requires to attain the targeted student passage rate; and

(6) perform other duties prescribed by the board.

Sec. 4. Minnesota Statutes 2006, section 123B.77, subdivision 3, is amended to read:

Subd. 3. **Statement for comparison and correction.** (a) By November 30 of the calendar year of the submission of the unaudited financial data, the district must provide to the commissioner audited financial data for the preceding fiscal year. The audit must be conducted in compliance with generally accepted governmental auditing standards, the federal Single Audit Act, and the Minnesota legal compliance guide issued by the Office of the State Auditor. An audited financial statement prepared in a form which will allow comparison with and correction of material differences in the unaudited financial data shall be submitted to the commissioner and the state auditor by December 31. The audited financial statement must also provide a statement of assurance pertaining to uniform financial accounting and reporting standards compliance and a copy of the management letter submitted to the district by the school district's auditor.

(b) By ~~January~~ February 15 of the calendar year following the submission of the unaudited financial data, the commissioner shall convert the audited financial data required by this subdivision into the consolidated financial statement format required under subdivision 1a and publish the information on the department's Web site.

Sec. 5. Minnesota Statutes 2006, section 123B.81, subdivision 3, is amended to read:

Subd. 3. **Debt verification.** The commissioner shall establish a uniform auditing or other verification procedure for districts to determine whether a statutory operating debt exists in any Minnesota school district ~~as of June 30, 1977. This procedure must identify all interfund transfers made during fiscal year 1977 from a fund included in computing statutory operating debt to a fund not included in computing statutory operating debt.~~ The standards for this uniform auditing or verification procedure must be promulgated by the state board pursuant to chapter 14. If a district applies to the commissioner for a statutory operating debt verification ~~or if the unaudited financial statement for the school year ending June 30, 1977 reveals that a statutory operating debt might exist,~~ the commissioner shall require a verification of the amount of the statutory operating debt which actually does exist.

Sec. 6. Minnesota Statutes 2007 Supplement, section 123B.81, subdivision 4, is amended to read:

Subd. 4. **Debt elimination.** If an audit or other verification procedure conducted pursuant to subdivision 3 determines that a statutory operating debt exists, a district must follow the procedures set forth in ~~this section~~ 123B.83 to eliminate this statutory operating debt.

Sec. 7. Minnesota Statutes 2006, section 123B.81, subdivision 5, is amended to read:

Subd. 5. **Certification of debt.** The commissioner shall certify the amount of statutory operating debt for each district. ~~Prior to June 30, 1979, the commissioner may, on the basis of corrected figures,~~

~~adjust the total amount of statutory operating debt certified for any district.~~

Sec. 8. Minnesota Statutes 2006, section 123B.83, subdivision 3, is amended to read:

Subd. 3. **Failure to limit expenditures.** If a district does not limit its expenditures in accordance with this section, the commissioner may so notify the appropriate committees of the legislature by no later than ~~January 4~~ February 15 of the year following the end of that fiscal year.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. **[1.1499] STATE SPORT.**

Ice hockey is adopted as the official sport of the state of Minnesota.

Sec. 2. Minnesota Statutes 2006, section 13.32, is amended by adding a subdivision to read:

Subd. 8a. **Access to student records; school conferences.** (a) A parent or guardian of a student may designate an individual, defined under paragraph (c), to participate in a school conference involving the child of the parent or guardian. The parent or guardian must provide the school with prior written consent allowing the significant individual to participate in the conference and to receive any data on the child of the consenting parent or guardian that is necessary and relevant to the conference discussions. The consenting parent or guardian may withdraw consent, in writing, at any time.

(b) A school may accept the following form, or another consent to release student data form, as sufficient to meet the requirements of this subdivision:

"CONSENT TO PARTICIPATE IN CONFERENCES AND RECEIVE STUDENT DATA

I, (Name of parent or guardian), as parent or guardian of (Name of child), consent to allow (Name of an individual) to participate in school conferences and receive student data relating to the above-named child, consistent with Minnesota Statutes, section 13.32, subdivision 8a. I understand that I may withdraw my consent, upon written request, at any time.

(Signature of parent or guardian)

(Date)"

(c) For purposes of this section, "an individual" means one additional adult designated by a child's parent or guardian to attend school-related activities and conferences.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 3. Minnesota Statutes 2006, section 13.32, is amended by adding a subdivision to read:

Subd. 11. **Data to improve instruction.** The Minnesota Department of Education and the Minnesota Office of Higher Education may each share educational data with the other agency for the purpose of analyzing and improving school district instruction, consistent with Code of Federal Regulations, title 34, section 99.31(a)(6). The educational data that may be shared between the two agencies under this subdivision must be limited to:

(1) student attendance data that include the name of the school or institution, school district, the year or term of attendance, and term type;

(2) student demographic and enrollment data;

(3) student academic performance and testing data; and

(4) any special academic services provided to a student.

Any analysis of or report on these data must contain only summary data.

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

Sec. 4. Minnesota Statutes 2006, section 120A.22, subdivision 5, is amended to read:

Subd. 5. **Ages and terms.** (a) For the 2008-2009, 2009-2010, and 2010-2011 school years, every child between age seven and 16 years of age must receive instruction. For the 2011-2012 and later school years, every child between age seven or enrollment in first grade and 18 years of age must receive instruction unless the child has completed the requirements for graduation. Every child under the age of seven who is enrolled in a half-day kindergarten, or a full-day kindergarten program on alternate days, or other kindergarten programs shall receive instruction. ~~Except as provided in subdivision 6, a parent may withdraw a child under the age of seven from enrollment at any time.~~

(b) A school district by annual board action may require children subject to this subdivision to receive instruction in summer school. A district that acts to require children to receive instruction in summer school shall establish at the time of its action the criteria for determining which children must receive instruction.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 5. Minnesota Statutes 2006, section 120A.22, subdivision 6, is amended to read:

Subd. 6. **Children under seven.** (a) Once a pupil under the age of seven is enrolled in kindergarten first grade or a higher grade in a public school, the pupil is subject to the compulsory attendance provisions of this chapter and section 120A.34, unless the board of the district in which the pupil is enrolled has a policy that exempts children under seven from this subdivision or paragraph (b) applies.

~~(b) In a district in which children under seven are subject to compulsory attendance under this subdivision, paragraphs (c) to (e) apply.~~

~~(c) A parent or guardian may withdraw the pupil from enrollment in the school for good cause by notifying the district. Good cause includes, but is not limited to, enrollment of the pupil in another school, as defined in subdivision 4, or the immaturity of the child.~~

~~(d) When the pupil enrolls, the enrolling official must provide the parent or guardian who enrolls the pupil with a written explanation of the provisions of this subdivision.~~

~~(e) A pupil under the age of seven who is withdrawn from enrollment in the public school under paragraph (c) is no longer subject to the compulsory attendance provisions of this chapter.~~

~~(f) (b) This subdivision does not apply to:~~

(1) a kindergartner under age seven whose parent withdraws the child after notifying the district; and

(2) a child under age seven enrolled in first grade whose parent withdraws the child after notifying the district and enrolls the child in another school under subdivision 4.

(c) In a district that had adopted a policy to exempt children under seven from this subdivision, the district's chief attendance officer must keep the truancy enforcement authorities supplied with a copy of the board's current policy certified by the clerk of the board.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 6. Minnesota Statutes 2006, section 120A.24, subdivision 1, is amended to read:

Subdivision 1. **Reports to superintendent.** The person in charge of providing instruction to a child between the ages of seven and 16 must submit the following information to the superintendent of the district in which the child resides:

(1) by October 1 of each school year, the name, birth date, and address of each child receiving instruction;

(2) the name of each instructor and evidence of compliance with one of the requirements specified in section 120A.22, subdivision 10;

(3) an annual instructional calendar; and

(4) for each child instructed by a parent who meets only the requirement of section 120A.22, subdivision 10, clause (6), a quarterly report card on the achievement of the child in each subject area required in section 120A.22, subdivision 9.

Sec. 7. Minnesota Statutes 2006, section 120B.02, is amended to read:

120B.02 EDUCATIONAL EXPECTATIONS FOR MINNESOTA'S STUDENTS.

(a) The legislature is committed to establishing rigorous academic standards for Minnesota's public school students. To that end, the commissioner shall adopt in rule statewide academic standards. The commissioner shall not prescribe in rule or otherwise the delivery system, classroom assessments, or form of instruction that school sites must use. For purposes of this chapter, a school site is a separate facility, or a separate program within a facility that a local school board recognizes as a school site for funding purposes.

(b) All commissioner actions regarding the rule must be premised on the following:

(1) the rule is intended to raise academic expectations for students, teachers, and schools;

(2) any state action regarding the rule must evidence consideration of school district autonomy; and

(3) the Department of Education, with the assistance of school districts, must make available information about all state initiatives related to the rule to students and parents, teachers, and the general public in a timely format that is appropriate, comprehensive, and readily understandable.

(c) When fully implemented, the requirements for high school graduation in Minnesota must

require students to satisfactorily complete, as determined by the school district, the course credit requirements under section 120B.024 and: successfully pass graduation examinations as required under section 120B.30.

~~(1) for students enrolled in grade 8 before the 2005–2006 school year, to pass the basic skills test requirements; and~~

~~(2) for students enrolled in grade 8 in the 2005–2006 school year and later, to pass the Minnesota Comprehensive Assessments Second Edition (MCA-II).~~

(d) The commissioner shall periodically review and report on the state's assessment process.

(e) School districts are not required to adopt specific provisions of the federal School-to-Work programs.

Sec. 8. Minnesota Statutes 2007 Supplement, section 120B.021, subdivision 1, is amended to read:

Subdivision 1. **Required academic standards.** (a) The following subject areas are required for statewide accountability:

(1) language arts;

(2) mathematics;

(3) science;

(4) social studies, including history, geography, economics, and government and citizenship;

(5) physical education;

(6) health and physical education, for which locally developed academic standards apply; and

~~(7) the arts, for which statewide or locally developed academic standards apply, as determined by the school district. Public elementary and middle schools must offer at least three and require at least two of the following four arts areas: dance; music; theater; and visual arts. Public high schools must offer at least three and require at least one of the following five arts areas: media arts; dance; music; theater; and visual arts.~~

(b) To satisfy this subdivision and the one-half credit physical education requirement under section 120B.024, paragraph (a), clause (6), the state physical education standard under paragraph (a) of this subdivision selected by a school district must be consistent with either the six physical education standards developed by the department's quality teaching network or the six National Physical Education Standards developed by the National Association for Sport and Physical Education. To satisfy federal reporting requirements for continued funding under Title VII of the Physical Education for Progress Act, a school district must notify the department, if applicable, of its intent to comply with this subdivision. School districts and charter schools also must use either the department's physical education standards or the national physical education standards under this paragraph to comply with paragraph (a), clause (5), in providing physical education instruction and programs to students in kindergarten through grade 8.

(c) The commissioner must submit proposed standards in science and social studies to the

legislature by February 1, 2004.

(d) For purposes of applicable federal law, the academic standards for language arts, mathematics, and science apply to all public school students, ~~except the very few students with extreme cognitive or physical impairments for whom an individualized education plan team has determined that the required academic standards are inappropriate. An individualized education plan team that makes this determination must establish alternative standards with appropriate alternate achievement standards based on these academic standards for students with individualized education plans as described under federal law.~~

(e) A school district, no later than the 2007-2008 school year, must adopt graduation requirements that meet or exceed state graduation requirements established in law or rule. A school district that incorporates these state graduation requirements before the 2007-2008 school year must provide students who enter the 9th grade in or before the 2003-2004 school year the opportunity to earn a diploma based on existing locally established graduation requirements in effect when the students entered the 9th grade. District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10, 120B.11, and 120B.20.

(f) The commissioner must include the contributions of Minnesota American Indian tribes and communities as they relate to the academic standards during the review and revision of the required academic standards.

EFFECTIVE DATE. This section is effective the day following final enactment except that paragraph (a), clause (5), applies to students entering the ninth grade in the 2009-2010 school year and later.

Sec. 9. Minnesota Statutes 2006, section 120B.021, subdivision 1a, is amended to read:

Subd. 1a. **Rigorous course of study; waiver.** (a) Upon receiving a student's application signed by the student's parent or guardian, a school district, area learning center, or charter school must declare that a student meets or exceeds a specific academic standard required for graduation under this section if the local school board, the school board of the school district in which the area learning center is located, or the charter school board of directors determines that the student:

(1) is participating in a course of study, including an advanced placement or international baccalaureate course or program; a learning opportunity outside the curriculum of the district, area learning center, or charter school; or an approved preparatory program for employment or postsecondary education that is equally or more rigorous than the corresponding state or local academic standard required by the district, area learning center, or charter school;

(2) would be precluded from participating in the rigorous course of study, learning opportunity, or preparatory employment or postsecondary education program if the student were required to achieve the academic standard to be waived; and

(3) satisfactorily completes the requirements for the rigorous course of study, learning opportunity, or preparatory employment or postsecondary education program.

Consistent with the requirements of this section, the local school board, the school board of the school district in which the area learning center is located, or the charter school board of directors also may formally determine other circumstances in which to declare that a student meets or exceeds

a specific academic standard that the site requires for graduation under this section.

(b) A student who satisfactorily completes a postsecondary enrollment options course or program under section 124D.09, or an advanced placement or international baccalaureate course or program under section 120B.13, is not required to complete other requirements of the academic standards corresponding to that specific rigorous course of study.

(c) A school board may exempt a student from the physical education graduation requirement under section 120B.024, if the board declares that the student demonstrated mastery of the subject matter or participation in another learning opportunity, including a Minnesota High School League athletic activity, that meets or exceeds the physical education standards required for graduation. This waiver does not reduce the total credits required for graduation.

Sec. 10. Minnesota Statutes 2006, section 120B.023, subdivision 2, is amended to read:

Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must revise and appropriately embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements and implement a review cycle for state academic standards and related benchmarks, consistent with this subdivision. During each review cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for college readiness and advanced work in the particular subject area.

(b) The commissioner in the 2006-2007 school year must revise and align the state's academic standards and high school graduation requirements in mathematics to require that students satisfactorily complete the revised mathematics standards, beginning in the 2010-2011 school year. Under the revised standards:

(1) students must satisfactorily complete an algebra I credit by the end of eighth grade; and

(2) students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete an algebra II credit or its equivalent.

The commissioner also must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 ~~and 11~~ beginning in the 2010-2011 school year are aligned with the state academic standards in mathematics. The commissioner must ensure that the statewide 11th grade mathematics test assessment administered to students under clause (2) in grade 11 beginning in the 2013-2014 school year must include is aligned with state academic standards in mathematics, including algebra II test items that are aligned with corresponding state academic standards in mathematics. The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the 2015-2016 school year.

(c) The commissioner in the 2007-2008 school year must revise and align the state's academic standards and high school graduation requirements in the arts to require that students satisfactorily complete the revised arts standards beginning in the 2010-2011 school year. The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2016-2017 school year.

(d) The commissioner in the 2008-2009 school year must revise and align the state's academic standards and high school graduation requirements in science to require that students satisfactorily complete the revised science standards, beginning in the 2011-2012 school year. The commissioner

also must ensure that the statewide science assessments administered to students under section 120B.30, subdivision 1a, beginning in the 2011-2012 school year, are aligned with the state academic standards in science. Under the revised standards, students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete a chemistry or physics credit. The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2017-2018 school year.

(e) The commissioner in the 2009-2010 school year must revise and align the state's academic standards and high school graduation requirements in language arts to require that students satisfactorily complete the revised language arts standards beginning in the 2012-2013 school year. The commissioner also must ensure that the statewide language arts assessments administered to students in grades 3 through 8 and grade 10 beginning in the 2012-2013 school year are aligned with the state academic standards in language arts. The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2018-2019 school year.

(f) The commissioner in the 2010-2011 school year must revise and align the state's academic standards and high school graduation requirements in social studies to require that students satisfactorily complete the revised social studies standards beginning in the 2013-2014 school year. The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2019-2020 school year.

(g) School districts and charter schools must revise and align local academic standards and high school graduation requirements in health, physical education, world languages, and career and technical education to require students to complete the revised standards beginning in a school year determined by the school district or charter school. School districts and charter schools must formally establish a periodic review cycle for the academic standards and related benchmarks in health, physical education, world languages, and career and technical education.

Sec. 11. Minnesota Statutes 2007 Supplement, section 120B.024, is amended to read:

120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.

(a) Students beginning 9th grade in the 2004-2005 school year and later must successfully complete the following high school level course credits for graduation:

- (1) four credits of language arts;
- (2) three credits of mathematics, encompassing at least algebra, geometry, statistics, and probability sufficient to satisfy the academic standard;
- (3) three credits of science, including at least one credit in biology;
- (4) three and one-half credits of social studies, encompassing at least United States history, geography, government and citizenship, world history, and economics or three credits of social studies encompassing at least United States history, geography, government and citizenship, and world history, and one-half credit of economics taught in a school's social studies, agriculture education, or business department;
- (5) one credit in the arts; ~~and~~

(6) one-half credit of physical education; and

(7) a minimum of ~~seven~~ six and one-half elective course credits.

A course credit is equivalent to a student successfully completing an academic year of study or a student mastering the applicable subject matter, as determined by the local school district.

(b) An agriculture science course may fulfill a science credit requirement in addition to the specified science credits in biology and chemistry or physics under paragraph (a), clause (3).

(c) A career and technical education course may fulfill a science, mathematics, or arts credit requirement in addition to the specified science, mathematics, or arts credits under paragraph (a), clause (2), (3), or (5).

EFFECTIVE DATE. This section is effective the day following final enactment and applies to students entering ninth grade in the 2009-2010 school year and later.

Sec. 12. **[120B.299] DEFINITIONS.**

Subdivision 1. **Definitions.** The definitions in this section apply to this chapter.

Subd. 2. **Growth.** "Growth" compares the difference between a student's achievement score at two distinct points in time.

Subd. 3. **Value-added.** "Value-added" is the amount of achievement a student demonstrates above an established baseline. Value-added models are statistical models that require longitudinal student-level data and vertically scaled assessments that attempt to estimate what portion of a student's growth can be explained by various education program characteristics.

Subd. 4. **Growth-based value-added.** "Growth-based value-added" is a value-added system of assessments that measures the difference between an established baseline of growth and a student's growth over time.

Subd. 5. **Adequate yearly progress.** "Adequate yearly progress" compares the average achievement of two different groups of students at two different points in time.

Subd. 6. **State growth norm.** (a) "State growth norm" is an established statewide percentile or standard applicable to all students in a particular grade benchmarked to an established school year.

(b) Beginning in the 2008-2009 school year, the state growth norm is benchmarked to 2006-2007 school year data until the commissioner next changes the vertically linked scale score.

(c) Each time the commissioner changes the vertically linked scale score, a recognized Minnesota assessment group composed of assessment and evaluation directors and staff and researchers, in collaboration with the Independent Office of Educational Accountability under section 120B.31, subdivision 3, must recommend a new state growth norm that the commissioner must consider when revising standards under section 120B.023, subdivision 2.

Subd. 7. **Typical growth.** "Typical growth" is the average statewide growth in the vertical scale from one school year to the next for students with similar prior academic achievement and is based on the most recent benchmarked year. Typical growth is calculated by grouping together all students with similar achievement scores in the most recent benchmarked year and then determining the

students' average amount of achievement growth in the subsequent year.

Subd. 8. **Accelerated growth.** "Accelerated growth" is the statewide growth in the vertical scale from one school year to the next that is above average when compared to students' academic achievement and is based on the most recent benchmarked year.

Subd. 9. **Growth-to-standard.** "Growth-to-standard" is the statewide growth in the vertical scale for those students in the most recent benchmarked year who are projected to demonstrate proficiency by the end of eighth grade.

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

Sec. 13. Minnesota Statutes 2007 Supplement, section 120B.30, is amended to read:

120B.30 STATEWIDE TESTING AND REPORTING SYSTEM.

Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, consistent with subdivision 1a, shall include in the comprehensive assessment system, for each grade level to be tested, state-constructed tests developed from and aligned with the state's required academic standards under section 120B.021 and administered annually to all students in grades 3 through 8 and at the high school level. A state-developed test in a subject other than writing, ~~developed after the 2002-2003 school year,~~ must include both machine-scoreable and constructed response questions. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year. Schools that the commissioner identifies for stand-alone field testing or other national sampling must participate as directed. Superintendents or charter school directors may appeal in writing to the commissioner for an exemption from a field test based on undue hardship. The commissioner's decision regarding the appeal is final. For students enrolled in grade 8 before the 2005-2006 school year, only Minnesota basic skills tests in reading, mathematics, and writing shall fulfill students' basic skills testing requirements for a passing state notation. The passing scores of basic skills tests in reading and mathematics are the equivalent of 75 percent correct for students entering grade 9 ~~in 1997 and thereafter,~~ as based on the first uniform test ~~administration of~~ administered in February 1998.

(b) For students enrolled in grade 8 in the 2005-2006 school year and later, only the following options shall fulfill students' state graduation test requirements:

(1) for reading and mathematics:

(i) obtaining an achievement level equivalent to or greater than proficient as determined through a standard setting process on the Minnesota comprehensive assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing score as determined through a standard setting process on the graduation-required assessment for diploma in grade 10 for reading and grade 11 for mathematics or subsequent retests;

(ii) achieving a passing score as determined through a standard setting process on the state-identified language proficiency test in reading and the mathematics test for English language learners or the graduation-required assessment for diploma equivalent of those assessments for students designated as English language learners;

(iii) achieving an individual passing score on the graduation-required assessment for diploma

as determined by appropriate state guidelines for students with an individual education plan or 504 plan;

(iv) obtaining achievement level equivalent to or greater than proficient as determined through a standard setting process on the state-identified alternate assessment or assessments in grade 10 for reading and grade 11 for mathematics for students with an individual education plan; or

(v) achieving an individual passing score on the state-identified alternate assessment or assessments as determined by appropriate state guidelines for students with an individual education plan; and

(2) for writing:

(i) achieving a passing score on the graduation-required assessment for diploma;

(ii) achieving a passing score as determined through a standard setting process on the state-identified language proficiency test in writing for students designated as English language learners;

(iii) achieving an individual passing score on the graduation-required assessment for diploma as determined by appropriate state guidelines for students with an individual education plan or 504 plan; or

(iv) achieving an individual passing score on the state-identified alternate assessment or assessments as determined by appropriate state guidelines for students with an individual education plan.

(c) The 3rd through 8th grade and high school level test results shall be available to districts for diagnostic purposes affecting student learning and district instruction and curriculum, and for establishing educational accountability. The commissioner must disseminate to the public the test results upon receiving those results.

(d) State tests must be constructed and aligned with state academic standards. The commissioner shall determine the testing process and the order of administration ~~shall be determined by the commissioner~~. The statewide results shall be aggregated at the site and district level, consistent with subdivision 1a.

(e) In addition to the testing and reporting requirements under this section, the commissioner shall include the following components in the statewide public reporting system:

(1) uniform statewide testing of all students in grades 3 through 8 and at the high school level that provides appropriate, technically sound accommodations, alternate assessments, or exemptions consistent with applicable federal law, only with parent or guardian approval, for those very few students for whom the student's individual education plan team under sections 125A.05 and 125A.06 determines that the general statewide test is inappropriate for a student, or for a limited English proficiency student under section 124D.59, subdivision 2;

(2) educational indicators that can be aggregated and compared across school districts and across time on a statewide basis, including average daily attendance, high school graduation rates, and high school drop-out rates by age and grade level;

(3) state results on the American College Test; and

(4) state results from participation in the National Assessment of Educational Progress so that the state can benchmark its performance against the nation and other states, and, where possible, against other countries, and contribute to the national effort to monitor achievement.

Subd. 1a. **Statewide and local assessments; results.** (a) The commissioner must develop reading, mathematics, and science assessments aligned with state academic standards that districts and sites must use to monitor student growth toward achieving those standards. The commissioner must not develop statewide assessments for academic standards in social studies, health and physical education, and the arts. The commissioner must require:

(1) annual reading and mathematics assessments in grades 3 through 8 and at the high school level for the 2005-2006 school year and later; and

(2) annual science assessments in one grade in the grades 3 through 5 span, the grades 6 through 9 8 span, and a life sciences assessment in the grades ~~10~~ 9 through 12 span for the 2007-2008 school year and later.

(b) The commissioner must ensure that all statewide tests administered to elementary and secondary students measure students' academic knowledge and skills and not students' values, attitudes, and beliefs.

(c) Reporting of assessment results must:

(1) provide timely, useful, and understandable information on the performance of individual students, schools, school districts, and the state;

(2) include, by no later than the 2008-2009 school year, a growth-based value-added component that is in addition to a measure for student achievement growth over time indicator of student achievement under section 120B.35, subdivision 3, paragraph (b); and

(3)(i) for students enrolled in grade 8 before the 2005-2006 school year, determine whether students have met the state's basic skills requirements; and

(ii) for students enrolled in grade 8 in the 2005-2006 school year and later, determine whether students have met the state's academic standards.

(d) Consistent with applicable federal law and subdivision 1, paragraph (d), clause (1), the commissioner must include appropriate, technically sound accommodations or alternative assessments for the very few students with disabilities for whom statewide assessments are inappropriate and for students with limited English proficiency.

(e) A school, school district, and charter school must administer statewide assessments under this section, as the assessments become available, to evaluate student progress in achieving the proficiency in the context of the state's grade level academic standards. If a state assessment is not available, a school, school district, and charter school must determine locally if a student has met the required academic standards. A school, school district, or charter school may use a student's performance on a statewide assessment as one of multiple criteria to determine grade promotion or retention. A school, school district, or charter school may use a high school student's performance on a statewide assessment as a percentage of the student's final grade in a course, or place a student's assessment score on the student's transcript.

Subd. 2. **Department of Education assistance.** The Department of Education shall contract for professional and technical services according to competitive bidding procedures under chapter 16C for purposes of this section.

Subd. 3. **Reporting.** The commissioner shall report test data publicly and to stakeholders, including the performance achievement levels developed from students' unweighted test scores in each tested subject and a listing of demographic factors that strongly correlate with student performance. The commissioner shall also report data that compares performance results among school sites, school districts, Minnesota and other states, and Minnesota and other nations. The commissioner shall disseminate to schools and school districts a more comprehensive report containing testing information that meets local needs for evaluating instruction and curriculum.

Subd. 4. **Access to tests.** The commissioner must adopt and publish a policy to provide public and parental access for review of basic skills tests, Minnesota Comprehensive Assessments, or any other such statewide test and assessment. Upon receiving a written request, the commissioner must make available to parents or guardians a copy of their student's actual responses to the test questions ~~to be reviewed by the parent~~ for their review.

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

Sec. 14. Minnesota Statutes 2006, section 120B.31, as amended by Laws 2007, chapter 146, article 2, section 10, is amended to read:

120B.31 SYSTEM ACCOUNTABILITY AND STATISTICAL ADJUSTMENTS.

Subdivision 1. **Educational accountability and public reporting.** ~~Consistent with the process direction to adopt a results-oriented graduation rule~~ statewide academic standards under section 120B.02, the department, in consultation with education and other system stakeholders, must establish a coordinated and comprehensive system of educational accountability and public reporting that promotes ~~higher~~ greater academic achievement, preparation for higher academic education, preparation for the world of work, citizenship under sections 120B.021, subdivision 1, clause (4), and 120B.024, paragraph (a), clause (4), and the arts.

Subd. 2. **Statewide testing.** Each school year, all school districts shall give a uniform statewide test to students at specified grades to provide information on the status, needs and performance of Minnesota students.

Subd. 3. **Educational accountability.** (a) The Independent Office of Educational Accountability, as authorized by Laws 1997, First Special Session chapter 4, article 5, section 28, subdivision 2, is established, and shall be funded through the Board of Regents of the University of Minnesota. The office shall advise the education committees of the legislature and the commissioner of education, at least on a biennial basis, on the degree to which the statewide educational accountability and reporting system includes a comprehensive assessment framework that measures school accountability for students achieving the goals described in the state's ~~results-oriented high school~~ graduation rule. The office shall determine and annually report to the legislature whether and how effectively:

(1) the statewide system of educational accountability ~~utilizes~~ uses multiple indicators to provide valid and reliable comparative and contextual data on students, schools, districts, and the state, and if not, recommend ways to improve the accountability reporting system;

~~(2) the commissioner makes statistical adjustments when reporting student data over time, consistent with clause (4);~~

~~(3) the commissioner uses indicators of student achievement growth a growth-based value-added indicator of student achievement over time and a value-added assessment model that estimates the effects of the school and school district on student achievement to measure school performance, consistent with section 120B.36, subdivision 1 120B.35, subdivision 3, paragraph (b);~~

~~(4) (3) the commissioner makes data available on students who do not pass one or more of the state's required GRAD tests and do not receive a diploma as a consequence, and categorizes these data according to gender, race, eligibility for free or reduced lunch, and English language proficiency; and~~

~~(5) (4) the commissioner fulfills the requirements under section 127A.095, subdivision 2.~~

(b) When the office reviews the statewide educational accountability and reporting system, it shall also consider:

(1) the objectivity and neutrality of the state's educational accountability system; and

(2) the impact of a testing program on school curriculum and student learning.

Subd. 4. **Statistical adjustments; student performance data.** In developing policies and assessment processes to hold schools and districts accountable for high levels of academic standards under section 120B.021, the commissioner shall aggregate student data over time to report student performance and growth levels measured at the school, school district, regional, or and statewide level. When collecting and reporting the performance data, the commissioner shall: (1) acknowledge the impact of significant demographic factors such as residential instability, the number of single parent families, parents' level of education, and parents' income level on school outcomes; and (2) organize and report the data so that state and local policy makers can understand the educational implications of changes in districts' demographic profiles over time. Any report the commissioner disseminates containing summary data on student performance must integrate student performance and the demographic factors that strongly correlate with that performance.

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

Sec. 15. Minnesota Statutes 2006, section 120B.35, as amended by Laws 2007, chapter 147, article 8, section 38, is amended to read:

120B.35 STUDENT ACADEMIC ACHIEVEMENT AND PROGRESS GROWTH.

Subdivision 1. ~~Adequate yearly progress of schools and students~~ **School and student indicators of growth and achievement.** The commissioner must develop and implement a system for measuring and reporting academic achievement and individual student progress growth, consistent with the statewide educational accountability and reporting system. The system components of the system must measure the adequate yearly progress of schools and the growth of individual students: students' current achievement in schools under subdivision 2; and individual students' educational progress growth over time under subdivision 3. The system also must include statewide measures of student academic achievement growth that identify schools with high levels of achievement growth, and also schools with low levels of achievement growth that need improvement. When determining a school's effect, the data must include both statewide measures

of student achievement and, to the extent annual tests are administered, indicators of achievement growth that take into account a student's prior achievement. Indicators of achievement and prior achievement must be based on highly reliable statewide or districtwide assessments. Indicators that take into account a student's prior achievement must not be used to disregard a school's low achievement or to exclude a school from a program to improve low achievement levels. ~~The commissioner by January 15, 2002, must submit a plan for integrating these components to the chairs of the legislative committees having policy and budgetary responsibilities for elementary and secondary education.~~

Subd. 2. **Federal expectations for student academic achievement.** (a) Each school year, a school district must determine if the student achievement levels at each school site meet ~~state and local~~ federal expectations. If student achievement levels at a school site do not meet ~~state and local~~ federal expectations and the site has not made adequate yearly progress for two consecutive school years, beginning with the 2001-2002 school year, the district must work with the school site to adopt a plan to raise student achievement levels to meet ~~state and local~~ federal expectations. The commissioner of education shall establish student academic achievement levels to comply with this paragraph.

(b) School sites identified as not meeting federal expectations must develop continuous improvement plans in order to meet ~~state and local~~ federal expectations for student academic achievement. The department, at a district's request, must assist the district and the school site in developing a plan to improve student achievement. The plan must include parental involvement components.

(c) The commissioner must:

(1) ~~provide assistance to~~ assist school sites and districts identified as not meeting federal expectations; and

(2) provide technical assistance to schools that integrate student progress achievement measures ~~under subdivision 3 in~~ into the school continuous improvement plan.

(d) The commissioner shall establish and maintain a continuous improvement Web site designed to make data on every school and district available to parents, teachers, administrators, community members, and the general public.

(e) The commissioner may report the percent of students demonstrating growth-to-standard under section 120B.299, subdivision 9, as part of this subdivision.

Subd. 3. ~~Student progress assessment~~ **State growth norm; other state measures.** (a) The state's educational assessment system ~~component~~ measuring individual students' educational ~~progress must be growth~~ is based, to the extent annual tests are administered, on indicators of achievement growth that show an individual student's prior achievement. Indicators of achievement and prior achievement must be based on highly reliable statewide or districtwide assessments.

(b) The commissioner, in consultation with a recognized Minnesota assessment group composed of assessment and evaluation directors and staff and researchers and the Independent Office of Educational Accountability under section 120B.31, subdivision 3, must ~~identify effective models for measuring individual student progress that enable a school district or school site to perform gains-based analysis, including evaluating the effects of the teacher, school, and school~~

district on student achievement over time. At least one model must be a "value added" assessment model that reliably estimates those effects for classroom settings where a single teacher teaches multiple subjects to the same group of students, for team teaching arrangements, and for other teaching circumstances. identify a model that uses a growth-based value-added system and includes criteria for identifying schools and school districts that demonstrate accelerated growth under section 120B.299. Use of the system at least must advance educators' professional development and replicate programs that succeed in meeting students' diverse learning needs. The commissioner must apply the state growth norm to students in grades 4 through 8 beginning in the 2008-2009 school year, consistent with section 120B.299, subdivision 6, initially benchmarking the state growth norm to 2006-2007 school year data. The model must allow the user to:

(1) report student growth at and above the state norm;

(2) for all student categories with a cell size of at least 20, report and compare aggregated and disaggregated state growth data using the nine student categories identified under the federal 2001 No Child Left Behind Act and two student gender categories of male and female, respectively; and

(3) measure the effects that grade-level teacher teams, the school, and the school district have on student growth.

(c) If a district has an accountability plan that includes gains-based analysis or "value added" assessment, the commissioner shall, to the extent practicable, incorporate those measures in determining whether the district or school site meets expectations. The department must coordinate with the district in evaluating school sites and continuous improvement plans, consistent with best practices. If a district has an accountability plan that includes other growth-based value-added analysis, the commissioner may, to the extent practicable and consistent with this section, incorporate those measures in determining whether the district or school site shows growth, including accelerated growth.

(d) When reporting student performance under section 120B.36, subdivision 1, the commissioner annually, beginning July 1, 2011, must report two core measures indicating the extent to which current high school graduates are being prepared for postsecondary academic and career opportunities:

(1) a preparation measure indicating the number and percentage of high school graduates in the most recent school year who completed course work important to preparing them for postsecondary academic and career opportunities, consistent with the core academic subjects required for admission to Minnesota's public four-year colleges and universities as determined by the Office of Higher Education under chapter 136A; and

(2) a rigorous coursework measure indicating the number and percentage of high school graduates in the most recent school year who successfully completed one or more college-level advanced placement, international baccalaureate, postsecondary enrollment options including concurrent enrollment, other rigorous courses of study under section 120B.021, subdivision 1a, or industry certification courses or programs.

When reporting the core measures under clauses (1) and (2), the commissioner must also analyze and report separate categories of information using the nine student categories identified under the federal 2001 No Child Left Behind Act and two student gender categories of male and female, respectively.

(e) When reporting student performance under section 120B.36, subdivision 1, the commissioner annually, beginning July 1, 2012, must report summary data on school safety and students' engagement and connection at school. The commissioner, in consultation with qualified experts on student engagement assessment and elementary and secondary classroom teachers, must identify the measures that generate summary data under this paragraph. All data received, collected, or created that are used to generate the summary data under this paragraph are nonpublic data under section 13.02, subdivision 9.

Subd. 4. **Improving schools.** Consistent with the requirements of this section, the commissioner of education must establish a second achievement benchmark to identify improving schools. The commissioner must recommend to annually report to the public and the legislature by February 15, 2002, indicators in addition to the achievement benchmark for identifying improving schools, including an indicator requiring a school to demonstrate ongoing successful use of best teaching practices learned from those schools that demonstrate accelerated growth compared to the state growth norm.

Subd. 5. Improving graduation rates for students with emotional or behavioral disorders.
 (a) A district must develop strategies in conjunction with parents of students with emotional or behavioral disorders and the county board responsible for implementing sections 245.487 to 245.4889 to keep students with emotional or behavioral disorders in school, when the district has a drop-out rate for students with an emotional or behavioral disorder in grades 9 through 12 exceeding 25 percent.

(b) A district must develop a plan in conjunction with parents of students with emotional or behavioral disorders and the local mental health authority to increase the graduation rates of students with emotional or behavioral disorders. A district with a drop-out rate for children with an emotional or behavioral disturbance in grades 9 through 12 that is in the top 25 percent of all districts shall submit a plan for review and oversight to the commissioner.

EFFECTIVE DATE. Subdivision 3, paragraph (b), applies to students in the 2008-2009 school year and later. Subdivision 3, paragraph (d), applies to students in the 2010-2011 school year and later. Subdivision 3, paragraph (e), applies to data that are collected in the 2009-2010 school year and later and reported annually beginning July 1, 2012, consistent with advice the commissioner receives from recognized and qualified experts on student engagement assessment and elementary and secondary classroom teachers. Subdivision 4 applies in the 2011-2012 school year and later.

Sec. 16. Minnesota Statutes 2006, section 120B.36, as amended by Laws 2007, chapter 146, article 2, section 11, is amended to read:

120B.36 SCHOOL ACCOUNTABILITY; APPEALS PROCESS.

Subdivision 1. **School performance report cards.** (a) The commissioner shall use objective criteria based on levels of student performance to report at least student academic performance under section 120B.35, subdivision 2, the percentages of students at and above the state growth norm under section 120B.35, subdivision 3, paragraph (b), school safety and student engagement and connection under section 120B.35, subdivision 3, paragraph (e), rigorous coursework under section 120B.35, subdivision 3, paragraph (d), two separate student-to-teacher ratios that clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of determining these ratios, and staff characteristics excluding salaries, with a value-added component added no later than the 2008-2009 school year student enrollment demographics, district mobility,

~~and extracurricular activities. The report must indicate a school's adequate yearly progress status, and must not set any designations applicable to high and low performing schools due solely to adequate yearly progress status.~~

(b) The commissioner shall develop, annually update, and post on the department Web site school performance report cards.

(c) The commissioner must make available ~~the first~~ performance report cards by ~~November 2003, and during~~ the beginning of each school year ~~thereafter~~.

(d) A school or district may appeal its adequate yearly progress status in writing to the commissioner within 30 days of receiving the notice of its status.

The commissioner's decision to uphold or deny an appeal is final.

(e) School performance report ~~cards~~ card data are nonpublic data under section 13.02, subdivision 9, until not later than ten days after the appeal procedure described in paragraph (d) concludes. The department shall annually post school performance report cards to its public Web site no later than September 1.

Subd. 2. **Adequate yearly progress data.** All data the department receives, collects, or creates ~~for purposes of determining to determine~~ adequate yearly progress ~~designations~~ status under Public Law 107-110, section 1116, set state growth norms, and determine student growth are nonpublic data under section 13.02, subdivision 9, until not later than ten days after the appeal procedure described in subdivision 1, paragraph (d), concludes. Districts must provide parents sufficiently detailed summary data to permit parents to appeal under Public Law 107-110, section 1116(b)(2). The department shall annually post federal adequate yearly progress data and state student growth data to its public Web site no later than September 1.

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

Sec. 17. Minnesota Statutes 2006, section 120B.362, is amended to read:

120B.362 VALUE-ADDED ASSESSMENT PROGRAM.

(a) The commissioner of education ~~must~~ may implement a value-added assessment program to assist school districts, public schools, and charter schools in assessing and reporting individual students' growth in academic achievement under section 120B.30, subdivision 1a. The program must use assessments of individual students' academic achievement to make longitudinal comparisons of each student's academic growth over time. ~~School districts, public schools, and charter schools may apply to the commissioner to participate in the initial trial program using a form and in the manner the commissioner prescribes. The commissioner must select program participants from urban, suburban, and rural areas throughout the state.~~

(b) The commissioner may issue a request for proposals to contract with an organization that provides a value-added assessment model that reliably estimates school and school district effects on students' academic achievement over time. The commissioner must consult with a recognized Minnesota assessment group composed of assessment and evaluation directors and staff and researchers, and the Independent Office of Educational Accountability under section 120B.31, subdivision 3, when selecting the model under this paragraph. The model the commissioner selects must accommodate diverse data and must use each student's test data across grades. Data on

individual teachers generated under the model are personnel data under section 13.43.

(c) The contract under paragraph (b) must be consistent with the definition of "best value" under section 16C.02, subdivision 4.

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

Sec. 18. Minnesota Statutes 2006, section 121A.035, subdivision 2, is amended to read:

Subd. 2. **School district and charter school policy.** A school board and a charter school must adopt a crisis management policy to address potential violent crisis situations in the district or charter school. The policy must be developed cooperatively with administrators, teachers, employees, students, parents, community members, law enforcement agencies, other emergency management officials, county attorney offices, social service agencies, emergency medical responders, and any other appropriate individuals or organizations. The policy must include at least five school lock-down drills, five school fire drills consistent with section 299F.30, and one tornado drill, and an expectation that students be present and participate in these drills.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 19. Minnesota Statutes 2006, section 121A.037, is amended to read:

121A.037 SCHOOL SAFETY DRILLS.

Private schools and educational institutions not subject to section 121A.035 must have at least five school lock-down drills, five school fire drills consistent with section 299F.30, and one tornado drill, and an expectation that students be present and participate in these drills.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 20. **[121A.215] LOCAL SCHOOL DISTRICT WELLNESS POLICIES; WEB SITE.**

When available, a school district must post its current local school wellness policy on its Web site.

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

Sec. 21. Minnesota Statutes 2006, section 122A.06, subdivision 4, is amended to read:

Subd. 4. **Comprehensive, scientifically based reading instruction.** (a) "Comprehensive, scientifically based reading instruction" includes a program or collection of instructional practices that is based on ~~reliable~~, valid, replicated evidence showing that when these programs or practices are used, students can be expected to achieve, at a minimum, satisfactory reading progress. The program or collection of practices must include, at a minimum, instruction in five areas of reading: phonemic awareness, phonics, fluency, vocabulary development, and ~~text~~ reading comprehension.

Comprehensive, scientifically based reading instruction also includes and integrates instructional strategies for continuously assessing, evaluating, and communicating the student's reading progress and needs in order to design and implement ongoing interventions so that students of all ages and proficiency levels can read and comprehend text and apply higher level thinking skills.

(b) "Phonemic awareness" is the ability of students to notice, think about, and manipulate the

individual sounds in spoken syllables and words.

(c) "Phonics" is the understanding that there are systematic and predictable relationships between written letters and spoken words. Phonics instruction is a way of teaching reading that stresses learning how letters correspond to sounds and how to apply this knowledge in reading and spelling.

(d) "Fluency" is the ability of students to be able to read orally with speed, accuracy, and proper expression.

(e) "Vocabulary development" is the process of teaching vocabulary both directly and indirectly, with repetition and multiple exposures to vocabulary items. Learning in rich contexts, incidental learning, and use of computer technology all enhance the acquisition of vocabulary.

(f) "Reading comprehension" is an active process that requires intentional thinking during which meaning is constructed through interactions between text and reader. Comprehension skills are taught explicitly by demonstrating, explaining, modeling, and implementing specific cognitive strategies to help beginning readers derive meaning by intentional, problem-solving thinking processes.

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

Sec. 22. Minnesota Statutes 2006, section 122A.07, subdivision 2, is amended to read:

Subd. 2. **Eligibility; board composition.** Except for the representatives of higher education and the public, to be eligible for appointment to the Board of Teaching a person must be a teacher currently teaching in a Minnesota school and fully licensed for the position held and have at least five years teaching experience in Minnesota, including the two years immediately preceding nomination and appointment. Each nominee, other than a public nominee, must be selected on the basis of professional experience and knowledge of teacher education, accreditation, and licensure. The board must be composed of:

(1) six teachers who are currently teaching in a Minnesota school or who were teaching at the time of the appointment, at least four of whom must be teaching in a public school;

(2) one higher education representative, who must be a faculty member preparing teachers;

(3) one school administrator; and

(4) three members of the public, two of whom must be present or former members of school boards.

Sec. 23. Minnesota Statutes 2006, section 122A.07, subdivision 3, is amended to read:

Subd. 3. **Vacant position.** With the exception of a teacher who retires from teaching during the course of completing a board term, the position of a member who leaves Minnesota or whose employment status changes to a category different from that from which appointed is deemed vacant.

Sec. 24. Minnesota Statutes 2006, section 122A.09, subdivision 4, is amended to read:

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

(b) The board must adopt rules requiring a person to successfully complete a skills examination

in reading, writing, and mathematics as a requirement for initial teacher licensure. Such rules must require college and universities offering a board-approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the skills examination, including those for whom English is a second language.

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

(d) The board must provide the leadership and shall adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes. The board must require that persons enrolled in a teacher preparation program receive instruction in historical and cultural competencies related to Minnesota American Indian tribes and communities and their contributions to Minnesota, consistent with sections 120B.021, subdivision 1, and 124D.71 to 124D.82. The competencies related to Minnesota American Indian tribes and communities must include, among other components, standards for instructional practices most effective for successfully teaching elementary and secondary American Indian students.

(e) The board must adopt rules requiring successful completion of an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective on the dates determined by the board but not later than September 1, 2001.

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

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

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

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

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

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

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

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

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

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 25. Minnesota Statutes 2006, section 122A.14, is amended by adding a subdivision to read:

Subd. 2a. Gifted and talented preparation. A university approved by the board to prepare candidates for administrative licensure must provide candidates, as part of the traditional and alternative preparation programs, the opportunity to acquire competency in administering gifted and talented services.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to candidates who enroll in either a traditional or an alternative preparation administrator licensure program after August 15, 2009.

Sec. 26. Minnesota Statutes 2006, section 122A.14, is amended by adding a subdivision to read:

Subd. 2c. Gifted and talented preparation; board review. (a) The board must periodically review and approve traditional and alternative preparation sequences for school administrators and the sequence of competencies in administering gifted and talented student programs and services.

(b) The board also may advise a university on developing and implementing continuing education programs focused on building competencies for administering gifted and talented programs and other gifted services.

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

Sec. 27. Minnesota Statutes 2006, section 122A.18, subdivision 2, is amended to read:

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

(b) The board must require a person to successfully complete an examination of skills in reading, writing, and mathematics before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs. In addition, the board must require a person to successfully complete an assessment of reading instruction consistent with subdivision 2c before being granted an initial teaching license to

provide direct instruction to pupils in prekindergarten or elementary programs. The board must require colleges and universities offering a board approved teacher preparation program to provide remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on the skills examination or an assessment of reading instruction, including those for whom English is a second language. The colleges and universities must provide assistance in the specific academic areas of deficiency in which the person did not achieve a qualifying score. School districts must provide similar, appropriate, and timely remedial assistance that includes a formal diagnostic component and mentoring to those persons employed by the district who completed their teacher education program outside the state of Minnesota, received a one-year license to teach in Minnesota and did not achieve a qualifying score on the skills examination, including those persons for whom English is a second language. The Board of Teaching shall report annually to the education committees of the legislature on the total number of teacher candidates during the most recent school year taking the skills examination, the number who achieve a qualifying score on the examination, the number who do not achieve a qualifying score on the examination, the distribution of all candidates' scores, the number of candidates who have taken the examination at least once before, and the number of candidates who have taken the examination at least once before and achieve a qualifying score.

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

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

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

(d) The Board of Teaching must grant continuing licenses only to those persons who have met board criteria for granting a continuing license, which includes successfully completing the skills examination in reading, writing, and mathematics.

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

EFFECTIVE DATE. This section is effective January 1, 2011.

Sec. 28. Minnesota Statutes 2006, section 122A.18, subdivision 2a, is amended to read:

Subd. 2a. **Reading strategies.** (a) All colleges and universities approved by the Board of Teaching to prepare persons for classroom teacher licensure must include in their teacher

preparation programs research-based best practices in reading, consistent with section 122A.06, subdivision 4, that enable the licensure candidate to know how to teach reading in the candidate's content areas and prepare the licensure candidate, where applicable, for an assessment of reading instruction.

(b) Board-approved teacher preparation programs for teachers of elementary education must require instruction in the application of comprehensive, scientifically based, ~~and balanced~~ reading instruction programs that:

(1) teach students to read using foundational knowledge, practices, and strategies consistent with section 122A.06, subdivision 4, so that all students will achieve continuous progress in reading; and

(2) teach specialized instruction in reading strategies, interventions, and remediations that enable students of all ages and proficiency levels to become proficient readers.

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

Sec. 29. Minnesota Statutes 2006, section 122A.18, is amended by adding a subdivision to read:

Subd. 2c. Assessment of reading instruction. An assessment of reading instruction, selected by the Board of Teaching, in cooperation with the commissioner of education, must measure, at a minimum, the knowledge, skill, and ability of prekindergarten and elementary licensure candidates in comprehensive, scientifically based reading instruction as defined in section 122A.06. Test content areas must assess foundations of reading development, development of reading comprehension, reading assessment and instruction, and integration of knowledge and understanding. The Board of Teaching may incorporate the requirements of this subdivision into other teacher licensure examinations.

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

Sec. 30. Minnesota Statutes 2006, section 122A.18, is amended by adding a subdivision to read:

Subd. 10. Gifted and talented preparation; board review. (a) A college or university with a teacher preparation program approved by the board must provide teacher candidates with the opportunity to acquire competency in recognizing gifted students and in providing classroom instruction to gifted and talented students.

(b) The board must periodically review and approve traditional and alternative sequences for teacher candidates in recognizing gifted students and in providing classroom instruction to gifted and talented students.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to teacher candidates who enroll in either a traditional or an alternative preparation teacher licensure program after September 1, 2009.

Sec. 31. Minnesota Statutes 2006, section 122A.75, subdivision 1, is amended to read:

Subdivision 1. **Services.** An Administrators Academy is established. The academy shall provide at least the following services:

(1) an administrator assessment that results in an individual professional development plan;

(2) research and development assistance that provides current research and data of interest to administrators; ~~and~~

(3) brokerage assistance to provide services and resources to help administrators with needs identified in their individual professional development plan; and

(4) the opportunity for administrators to acquire competency in administering gifted and talented services, consistent with section 122A.14, subdivision 2c.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to administrators participating in an administrators academy program after August 1, 2009.

Sec. 32. Minnesota Statutes 2006, section 123B.51, is amended by adding a subdivision to read:

Subd. 5a. **Temporary closing.** A school district that proposes to temporarily close a schoolhouse or that intends to lease the facility to another entity for use as a schoolhouse for three or fewer years is not subject to subdivision 5 if the school board holds a public meeting and allows public comment on the schoolhouse's future.

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

Sec. 33. Minnesota Statutes 2006, section 124D.09, subdivision 5, is amended to read:

Subd. 5. **Authorization; notification.** Notwithstanding any other law to the contrary, an 11th or 12th grade pupil enrolled in a school or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by that postsecondary institution. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school or school district, and the commissioner within ten days of acceptance. The notice must indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for postsecondary credit only, the institution must notify the pupil about payment in the customary manner used by the institution.

Sec. 34. Minnesota Statutes 2007 Supplement, section 124D.095, subdivision 4, is amended to read:

Subd. 4. **Online learning parameters.** (a) An online learning student must receive academic credit for completing the requirements of an online learning course or program. Secondary credits granted to an online learning student must be counted toward the graduation and credit requirements of the enrolling district. An online learning provider must make available to the enrolling district the course syllabus, standard alignment, content outline, assessment requirements, and contact information for supplemental online courses taken by students in the enrolling district. The enrolling district must apply the same graduation requirements to all students, including online learning students, and must continue to provide nonacademic services to online learning students. If a student completes an online learning course or program that meets or exceeds a graduation standard or grade progression requirement at the enrolling district, that standard or requirement is met. The enrolling district must use the same criteria for accepting online learning credits or courses as it does for accepting credits or courses for transfer students under section 124D.03, subdivision 9. The enrolling district may reduce the course schedule of an online learning student in proportion to the number of online learning courses the student takes from an online learning

provider that is not the enrolling district.

(b) An online learning student may:

(1) enroll in supplemental online learning courses during a single school year to a maximum of 50 percent of the student's full schedule of courses per term. A student may exceed the supplemental online learning registration limit if the enrolling district grants permission for supplemental online learning enrollment above the limit, or if an agreement is made between the enrolling district and the online learning provider for instructional services;

(2) complete course work at a grade level that is different from the student's current grade level; and

(3) enroll in additional courses with the online learning provider under a separate agreement that includes terms for payment of any tuition or course fees.

(c) An online learning student has the same access to the computer hardware and education software available in a school as all other students in the enrolling district. An online learning provider must assist an online learning student whose family qualifies for the education tax credit under section 290.0674 to acquire computer hardware and educational software for online learning purposes.

(d) An enrolling district may offer online learning to its enrolled students. Such online learning does not generate online learning funds under this section. Notwithstanding paragraph (e), an enrolling district that offers online learning only to its enrolled students is not subject to the reporting requirements or review criteria under subdivision 7, unless the enrolling district is a full-time online provider. A teacher with a Minnesota license must assemble and deliver instruction to enrolled students receiving online learning from an enrolling district. The delivery of instruction occurs when the student interacts with the computer or the teacher and receives ongoing assistance and assessment of learning. The instruction may include curriculum developed by persons other than a teacher with a Minnesota license.

(e) An online learning provider ~~that is not the enrolling district~~ is subject to the reporting requirements and review criteria under subdivision 7. A teacher with a Minnesota license must assemble and deliver instruction to online learning students. The delivery of instruction occurs when the student interacts with the computer or the teacher and receives ongoing assistance and assessment of learning. The instruction may include curriculum developed by persons other than a teacher with a Minnesota license. Unless the commissioner grants a waiver, a teacher providing online learning instruction must not instruct more than 40 students in any one online learning course or program.

(f) To enroll in more than 50 percent of the student's full schedule of courses per term in online learning, the student must qualify to exceed the supplemental online learning registration limit under paragraph (b) or apply for enrollment to an approved full-time online learning program following appropriate procedures in subdivision 3, paragraph (a). Full-time online learning students may enroll in classes at a local school per contract for instructional services between the online learning provider and the school district.

Sec. 35. Minnesota Statutes 2007 Supplement, section 124D.095, subdivision 7, is amended to read:

Subd. 7. **Department of Education.** (a) The department must review and certify online learning providers. The online learning courses and programs must be rigorous, aligned with state academic standards, and contribute to grade progression in a single subject. ~~Online learning providers must demonstrate to the commissioner that online learning courses have equivalent standards of instruction, curriculum, and assessment requirements as other courses offered to enrolled students. The online learning provider must also demonstrate expectations for actual teacher contact time or other student-to-teacher communication.~~ The online provider must provide written assurance that all courses meet state academic standards, and that the online learning curriculum, instruction and assessment, expectations for actual teacher contact time or other student-to-teacher communication, and academic support meet nationally recognized professional standards and are demonstrated as such in a syllabus provided according to the commissioner's requirements. Once an online learning provider is approved under this paragraph, all of its online learning course offerings are eligible for payment under this section unless a course is successfully challenged by an enrolling district or the department under paragraph (b).

(b) An enrolling district may challenge the validity of a course offered by an online learning provider. The department must review such challenges based on the certification procedures under paragraph (a). The department may initiate its own review of the validity of an online learning course offered by an online learning provider.

(c) The department may collect a fee not to exceed \$250 for certifying online learning providers or \$50 per course for reviewing a challenge by an enrolling district.

(d) The department must develop, publish, and maintain a list of approved online learning providers and online learning courses and programs that it has reviewed and certified.

Sec. 36. Minnesota Statutes 2006, section 124D.095, subdivision 10, is amended to read:

Subd. 10. **Online Learning Advisory Council.** (a) An Online Learning Advisory Council is established under section 15.059, except that the term for each council member shall be three years. The advisory council is composed of 12 members from throughout the state who have demonstrated experience with or interest in online learning. The members of the council shall be appointed by the commissioner. The advisory council shall bring to the attention of the commissioner any matters related to online learning and provide input to the department in matters related, but not restricted, to:

- (1) quality assurance;
- (2) teacher qualifications;
- (3) program approval;
- (4) special education;
- (5) attendance;
- (6) program design and requirements; and
- (7) fair and equal access to programs.

~~(b) The Online Learning Advisory Council under this subdivision expires June 30, 2008.~~

(b) Notwithstanding section 15.059, subdivision 5, the council expires June 30, 2009.

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

Sec. 37. Minnesota Statutes 2006, section 124D.10, subdivision 2a, is amended to read:

Subd. 2a. **Charter School Advisory Council.** (a) A Charter School Advisory Council is established under section 15.059 except that the term for each council member shall be three years. The advisory council is composed of seven members from throughout the state who have demonstrated experience with or interest in charter schools. The members of the council shall be appointed by the commissioner. The advisory council shall bring to the attention of the commissioner any matters related to charter schools that the council deems necessary and shall:

- (1) encourage school boards to make full use of charter school opportunities;
- (2) encourage the creation of innovative schools;
- (3) provide leadership and support for charter school sponsors to increase the innovation in and the effectiveness, accountability, and fiscal soundness of charter schools;
- (4) serve an ombudsman function in facilitating the operations of new and existing charter schools;
- (5) promote timely financial management training for newly elected members of a charter school board of directors and ongoing training for other members of a charter school board of directors; and
- (6) facilitate compliance with auditing and other reporting requirements. The advisory council shall refer all its proposals to the commissioner who shall provide time for reports from the council.

(b) The Charter School Advisory Council under this subdivision expires June 30, ~~2007~~ 2011.

EFFECTIVE DATE. This section is effective retroactively from June 30, 2007.

Sec. 38. Minnesota Statutes 2007 Supplement, section 124D.10, subdivision 4, is amended to read:

Subd. 4. **Formation of school.** (a) A sponsor may authorize one or more licensed teachers under section 122A.18, subdivision 1, to operate a charter school subject to approval by the commissioner. A board must vote on charter school application for sponsorship no later than 90 days after receiving the application. The school must be organized and operated as a cooperative under chapter 308A or nonprofit corporation under chapter 317A and the provisions under the applicable chapter shall apply to the school except as provided in this section. Notwithstanding sections 465.717 and 465.719, a school district may create a corporation for the purpose of creating a charter school.

(b) Before the operators may form and operate a school, the sponsor must file an affidavit with the commissioner stating its intent to authorize a charter school. The affidavit must demonstrate the sponsor's abilities, capacities, and expertise in fulfilling the responsibilities of a sponsor and state the terms and conditions under which the sponsor would authorize a charter school and how the sponsor intends to oversee the fiscal and student performance of the charter school and to comply with the terms of the written contract between the sponsor and the charter school board of directors under subdivision 6 in the form and manner prescribed by the commissioner. The sponsor must submit an

affidavit to the commissioner for each charter school it proposes to authorize. The commissioner must approve or disapprove the sponsor's proposed authorization within 90 days of receipt of the affidavit. Failure to obtain commissioner approval precludes a sponsor from authorizing the charter school that was the subject of the affidavit.

(c) The operators authorized to organize and operate a school, before entering into a contract or other agreement for professional or other services, goods, or facilities, must incorporate as a cooperative under chapter 308A or as a nonprofit corporation under chapter 317A and must establish a board of directors composed of at least five nonrelated members until a timely election for members of the charter school board of directors is held according to the school's articles and bylaws. A charter school board of directors must be composed of at least five members. Any staff members who are employed at the school, including teachers providing instruction under a contract with a cooperative, and all parents of children enrolled in the school may are eligible to participate in the election for members of the school's board of directors. Licensed teachers employed at the school, including teachers providing instruction under a contract with a cooperative, must be a majority of the members of the board of directors before the school completes its third year of operation, unless the commissioner waives the requirement for a majority of licensed teachers on the board. Board of director meetings must comply with chapter 13D.

(d) The granting or renewal of a charter by a sponsoring entity must not be conditioned upon the bargaining unit status of the employees of the school.

(e) The granting or renewal of a charter school by a sponsor must not be contingent on the charter school being required to contract, lease, or purchase services from the sponsor.

(f) A sponsor may authorize the operators of a charter school to expand the operation of the charter school to additional sites or to add additional grades at the school beyond those described in the sponsor's application as approved by the commissioner only after submitting a supplemental application to the commissioner in a form and manner prescribed by the commissioner. The supplemental application must provide evidence that:

- (1) the expansion of the charter school is supported by need and projected enrollment;
- (2) the charter school is fiscally sound;
- (3) the sponsor supports the expansion; and
- (4) the building of the additional site meets all health and safety requirements to be eligible for lease aid.

~~(f)~~ (g) The commissioner annually must provide timely financial management training to newly elected members of a charter school board of directors and ongoing training to other members of a charter school board of directors. Training must address ways to:

- (1) proactively assess opportunities for a charter school to maximize all available revenue sources;
- (2) establish and maintain complete, auditable records for the charter school;
- (3) establish proper filing techniques;
- (4) document formal actions of the charter school, including meetings of the charter school board

of directors;

- (5) properly manage and retain charter school and student records;
- (6) comply with state and federal payroll record-keeping requirements; and
- (7) address other similar factors that facilitate establishing and maintaining complete records on the charter school's operations.

Sec. 39. Minnesota Statutes 2006, section 124D.10, subdivision 4a, is amended to read:

Subd. 4a. **Conflict of interest.** (a) A member of a charter school board of directors is prohibited from serving as a member of the board of directors or as an employee or agent of or a contractor with a for-profit entity with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities. A violation of this prohibition renders a contract voidable at the option of the commissioner. The commissioner may reduce a charter school's state aid under section 127A.42 if the charter school board fails to correct a violation under this subdivision in a timely manner. A member of a charter school board of directors who violates this prohibition shall be individually liable to the charter school for any damage caused by the violation.

(b) An individual may serve as a member of the board of directors if no conflict of interest under paragraph (a) exists.

(c) A member of a charter school board of directors that serves as a member of the board of directors or as an employee or agent of or a contractor with a nonprofit entity with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities, must disclose all potential conflicts to the commissioner. A violation of this requirement makes a contract voidable at the option of the commissioner. The commissioner may reduce a charter school's aid under section 127A.42 if the charter school fails to correct a violation under this subdivision in a timely manner.

(d) The conflict of interest provisions under this subdivision do not apply to compensation paid to a teacher employed by the charter school who also serves as a member of the board of directors.

(e) The conflict of interest provisions under this subdivision do not apply to a teacher who provides services to a charter school through a cooperative formed under chapter 308A when the teacher also serves on the charter school board of directors.

Sec. 40. Minnesota Statutes 2006, section 124D.10, subdivision 6, is amended to read:

Subd. 6. **Contract.** The sponsor's authorization for a charter school must be in the form of a written contract signed by the sponsor and the board of directors of the charter school. The contract must be completed within 90 days of the commissioner's approval of the sponsor's proposed authorization. The contract for a charter school must be in writing and contain at least the following:

- (1) a description of a program that carries out one or more of the purposes in subdivision 1;
- (2) specific outcomes pupils are to achieve under subdivision 10;
- (3) admission policies and procedures;
- (4) management and administration of the school;
- (5) requirements and procedures for program and financial audits;

- (6) how the school will comply with subdivisions 8, 13, 16, and 23;
- (7) assumption of liability by the charter school;
- (8) types and amounts of insurance coverage to be obtained by the charter school;
- (9) the term of the contract, which may be up to three years for the initial contract, and up to five years for renewed contracts based on the academic, financial, and operational performance of the school;
- (10) ~~if~~ how the board of directors or the operators of the charter school will provide special instruction and services for children with a disability under sections 125A.03 to 125A.24, and 125A.65, a description of the financial parameters within which the charter school will operate to provide the special instruction and services to children with a disability; and
- (11) the process and criteria the sponsor intends to use to monitor and evaluate the fiscal and student performance of the charter school, consistent with subdivision 15.

Sec. 41. Minnesota Statutes 2006, section 124D.10, subdivision 6a, is amended to read:

Subd. 6a. **Audit report.** (a) The charter school must submit an audit report to the commissioner by December 31 each year.

(b) The charter school, with the assistance of the auditor conducting the audit, must include with the report a copy of all charter school agreements for corporate management services. If the entity that provides the professional services to the charter school is exempt from taxation under section 501 of the Internal Revenue Code of 1986, that entity must file with the commissioner by February 15 a copy of the annual return required under section 6033 of the Internal Revenue Code of 1986.

(c) If the commissioner receives as part of the an audit report a management letter indicating that a material weakness exists in the financial reporting systems of a charter school, the charter school must submit a written report to the commissioner explaining how the material weakness will be resolved.

(d) Upon the request of an individual, the charter school must make available in a timely fashion the minutes of meetings of members, the board of directors, and committees having any of the authority of the board of directors, and statements showing the financial result of all operations and transactions affecting income and surplus during the school's last annual accounting period and a balance sheet containing a summary of its assets and liabilities as of the closing date of the accounting period.

Sec. 42. Minnesota Statutes 2006, section 124D.10, subdivision 7, is amended to read:

Subd. 7. **Public status; exemption from statutes and rules.** ~~A charter school is a public school and is part of the state's system of public education. Except as provided in this section, a charter school is exempt from all statutes and rules applicable to a school, a board, or a district, although it may elect to comply with one or more provisions of statutes or rules. A charter school is exempt from all statutes and rules applicable to a school, school board, or school district unless a statute or rule is made specifically applicable to a charter school.~~ A charter school is a public school and is part of the state's system of public education. Except as provided in this section, a charter school is exempt from all statutes and rules applicable to a school, a board, or a district, although it may elect to comply with one or more provisions of statutes or rules. A charter school is exempt from all statutes and rules applicable to a school, school board, or school district unless a statute or rule is made specifically applicable to a charter school.

Sec. 43. Minnesota Statutes 2006, section 124D.10, subdivision 8, is amended to read:

Subd. 8. **State and local requirements.** (a) A charter school shall meet all applicable federal, state, and local health and safety requirements applicable to school districts.

(b) A school sponsored by a school board may be located in any district, unless the school board of the district of the proposed location disapproves by written resolution.

(c) A charter school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. A sponsor may not authorize a charter school or program that is affiliated with a nonpublic sectarian school or a religious institution.

(d) Charter schools must not be used as a method of providing education or generating revenue for students who are being home-schooled.

(e) The primary focus of a charter school must be to provide a comprehensive program of instruction for at least one grade or age group from five through 18 years of age. Instruction may be provided to people younger than five years and older than 18 years of age.

(f) A charter school may not charge tuition.

(g) A charter school is subject to and must comply with chapter 363A and section 121A.04.

(h) A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56, and the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

(i) A charter school is subject to the same financial audits, audit procedures, and audit requirements as a district. Audits must be conducted in compliance with generally accepted governmental auditing standards, the Federal Single Audit Act, if applicable, and section 6.65. A charter school is subject to and must comply with sections 15.054; 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06; 123B.52, subdivision 5; 471.38; 471.391; 471.392; 471.425; 471.87; 471.88, subdivisions 1, 2, 3, 4, 5, 6, 12, 13, and 15; 471.881; and 471.89. The audit must comply with the requirements of sections 123B.75 to 123B.83, except to the extent deviations are necessary because of the program at the school. Deviations must be approved by the commissioner. The Department of Education, state auditor, or legislative auditor may conduct financial, program, or compliance audits. A charter school determined to be in statutory operating debt under sections 123B.81 to 123B.83 must submit a plan under section 123B.81, subdivision 4.

(j) A charter school is a district for the purposes of tort liability under chapter 466.

(k) A charter school must comply with sections 13.32; 120A.22, subdivision 7; 121A.75; and 260B.171, subdivisions 3 and 5.

(l) A charter school is subject to the Pledge of Allegiance requirement under section 121A.11, subdivision 3.

Sec. 44. Minnesota Statutes 2006, section 124D.10, subdivision 20, is amended to read:

Subd. 20. **Leave to teach in a charter school.** If a teacher employed by a district makes a written request for an extended leave of absence to teach at a charter school, the district must grant the leave. The district must grant a leave not to exceed a total of five years. Any request to extend the leave shall be granted only at the discretion of the school board. The district may require that the request for a leave or extension of leave be made up to 90 days before the teacher would otherwise have to report for duty before February 1 in the school year preceding the school year in which the teacher

wishes to return, or February 1 of the calendar year in which the leave is scheduled to terminate. Except as otherwise provided in this subdivision and except for section 122A.46, subdivision 7, the leave is governed by section 122A.46, including, but not limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.

During a leave, the teacher may continue to aggregate benefits and credits in the Teachers' Retirement Association account by paying both the employer and employee contributions based upon the annual salary of the teacher for the last full pay period before the leave began. The retirement association may impose reasonable requirements to efficiently administer this subdivision.

Sec. 45. Minnesota Statutes 2006, section 124D.10, subdivision 23, is amended to read:

Subd. 23. Causes for nonrenewal or termination of charter school contract. (a) The duration of the contract with a sponsor must be for the term contained in the contract according to subdivision 6. The sponsor may or may not renew a contract at the end of the term for any ground listed in paragraph (b). A sponsor may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 days before not renewing or terminating a contract, the sponsor shall notify the board of directors of the charter school of the proposed action in writing. The notice shall state the grounds for the proposed action in reasonable detail and that the charter school's board of directors may request in writing an informal hearing before the sponsor within 14 days of receiving notice of nonrenewal or termination of the contract. Failure by the board of directors to make a written request for a hearing within the 14-day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the sponsor shall give reasonable notice to the charter school's board of directors of the hearing date. The sponsor shall conduct an informal hearing before taking final action. The sponsor shall take final action to renew or not renew a contract by the last day of classes in the school year. If the sponsor is a local board, the school's board of directors may appeal the sponsor's decision to the commissioner.

(b) A contract may be terminated or not renewed upon any of the following grounds:

- (1) failure to meet the requirements for pupil performance contained in the contract;
- (2) failure to meet generally accepted standards of fiscal management;
- (3) violations of law; or
- (4) other good cause shown.

If a contract is terminated or not renewed under this paragraph, the school must be dissolved according to the applicable provisions of chapter 308A or 317A, except when the commissioner approves the decision of a different eligible sponsor to authorize the charter school.

(c) If at the end of a contract term, ~~either the sponsor or~~ and the charter school board of directors ~~wants mutually agree to voluntarily terminate the contract,~~ a change in sponsors is allowed if the commissioner approves the decision of a different eligible sponsor to authorize the charter school. ~~The party intending to terminate the contract must notify the other party and the commissioner of its intent at least 90 days before the date on which the contract ends.~~ The sponsor that is a party to the existing contract at least must inform the approved different eligible sponsor about the fiscal and student performance of the school. Both parties jointly must submit in writing to the commissioner their written intent to terminate the contract. The commissioner must determine

whether the charter school and the prospective new sponsor can clearly identify and effectively resolve those circumstances causing the previous sponsor and the charter school to terminate the contract before the commissioner determines whether to grant the change of sponsor. If no different eligible sponsor is approved, the school must be dissolved according to applicable law and the terms of the contract.

(d) The commissioner, after providing reasonable notice to the board of directors of a charter school and the existing sponsor, and after providing an opportunity for a public hearing, may terminate the existing ~~sponsorial relationship~~ contract between the sponsor and the charter school if the charter school has a history of:

- (1) sustained failure to meet the requirements for pupil performance contained in the contract;
- (2) financial mismanagement; or
- ~~(2)~~ (3) repeated violations of the law.

Sec. 46. Minnesota Statutes 2007 Supplement, section 124D.10, subdivision 23a, is amended to read:

Subd. 23a. **Related party lease costs.** (a) A charter school is prohibited from entering a lease of real property with a related party as defined in ~~subdivision 26~~ this subdivision, unless the lessor is a nonprofit corporation under chapter 317A or a cooperative under chapter 308A, and the lease cost is reasonable under section 124D.11, subdivision 4, clause (1).

(b) For purposes of this subdivision:

(1) "related party" means an affiliate or close relative of the other party in question, an affiliate of a close relative, or a close relative of an affiliate;

(2) "affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person;

(3) "close relative" means an individual whose relationship by blood, marriage, or adoption to another individual is no more remote than first cousin;

(4) "person" means an individual or entity of any kind; and

(5) "control" means the ability to affect the management, operations, or policies of a person, whether through ownership of voting securities, by contract, or otherwise.

~~(b)~~ (c) A lease of real property to be used for a charter school, not excluded in paragraph (a), must contain the following statement: "This lease is subject to Minnesota Statutes, section 124D.10, subdivision 23a."

~~(e)~~ (d) If a charter school enters into as lessee a lease with a related party and the charter school subsequently closes, the commissioner has the right to recover from the lessor any lease payments in excess of those that are reasonable under section 124D.11, subdivision 4, clause (1).

Sec. 47. [125B.015] STATE AND SCHOOL DISTRICT TECHNOLOGY STANDARDS.

Subdivision 1. State technology standards; standard setting. (a) Notwithstanding other law to the contrary, the commissioner, the Minnesota Education Technology Task Force, and

representatives of school districts must work together to identify for school districts the robust technology tools and systems that improve the educational achievement of all Minnesota students. These entities must establish a foundation of flexible shared services that supports state development and implementation of new and more efficient educational business practices, including the use of modern analytical tools that help schools and school districts make data-driven decisions and increase instructional time. These entities also must anticipate the needs of school districts for effectively using emerging technologies to make the best and most cost-effective use of finite educational resources.

(b) The commissioner, the Minnesota Education Technology Task Force, representatives of school districts, and other interested and affected stakeholders, must establish and then maintain, revise, and publish every four years beginning December 1, 2008, state and district technology standards and accompanying guidelines consistent with the requirements of this section and section 120B.023, subdivision 2, paragraph (a). The state and school districts must use the technology standards to participate in a uniform data collection system premised on:

- (1) common data definitions for all required data elements;
- (2) a common course catalogue;
- (3) common transcript definitions; and
- (4) school district infrastructure technology standards.

(c) School districts, consistent with this section and other applicable law, may use financial resources in addition to state funding to provide students with the technology tools they need to succeed in an increasingly complex and information-rich environment.

Subd. 2. District technology standards. (a) The commissioner, in collaboration with the Minnesota Education Technology Task Force, must establish and then maintain, revise, and publish six categories of district technology standards consistent with this section. The district technology standards must encompass:

- (1) instructional technology that includes best practices in 21st century classroom instruction and student learning;
- (2) technological tools that support formative and summative online assessments, equipment, and software;
- (3) shared services that facilitate network and data systems administration;
- (4) data practices that include technical security, Internet safety, and data privacy;
- (5) data management that facilitates efficient data transfers involving school districts and the department; and
- (6) facilities infrastructure that supports multipurpose technology facilities for instruction and assessment.

(b) School districts are encouraged to align district technology expenditures with state and district technology standards established under this section.

(c) Beginning December 1, 2010, and each two-year period thereafter, school districts must use the district technology standards in this section to complete a review of the district technology environment that:

(1) examines the alignment of district technology expenditures to the technology standards under this section;

(2) identifies service gaps in the district technology plan; and

(3) estimates the funding needed to fill service gaps.

(d) School districts must transmit the substance of the review to the commissioner in the form and manner the commissioner determines in collaboration with the Minnesota Education Technology Task Force. The commissioner must evaluate and report the substance of the reviews to the legislature by February 15, 2011, and each two-year period thereafter.

Subd. 3. **Expedited process.** The commissioner must use the expedited rulemaking process under section 14.389 to adopt state and district technology standards consistent with this section.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to the 2008-2009 school year and later.

Sec. 48. Minnesota Statutes 2006, section 126C.40, subdivision 6, is amended to read:

Subd. 6. **Lease purchase; installment buys.** (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, paragraphs (a) and (b), a district, as defined in this subdivision, may:

(1) purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law. An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) For the purposes of this subdivision, "district" means:

(1) a racially isolated school district or a school district with a racially identifiable school required to have a comprehensive desegregation or integration plan for the elimination of segregation under Minnesota Rules, parts 3535.0100 to 3535.0180, which is eligible for revenue under section 124D.86, subdivision 3, clause (1), (2), or (3), and whose plan has been determined by the commissioner to be in compliance with Department of Education rules relating to equality of educational opportunity and school desegregation and, for a district eligible for revenue

under section 124D.86, subdivision 3, clause (4) or (5), where the acquisition of property under this subdivision is determined by the commissioner to contribute to the implementation of the desegregation plan; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district defined in clause (1) if the facility acquired under this subdivision is to be primarily used for the joint program and the commissioner determines that the joint programs are being undertaken to implement the districts' desegregation plan.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) For the purposes of this subdivision, any references in subdivision 1 to building or land shall include personal property.

Sec. 49. [127A.70] MINNESOTA P-20 EDUCATION PARTNERSHIP.

Subdivision 1. **Establishment; membership.** A P-20 education partnership is established to create a seamless system of education that maximizes achievements of all students, from early childhood through elementary, secondary, and postsecondary education, while promoting the efficient use of financial and human resources. The partnership shall consist of major statewide educational groups or constituencies or noneducational statewide organizations with a stated interest in P-20 education. The initial membership of the partnership includes the members serving on the Minnesota P-16 Education Partnership and four legislators appointed as follows:

(1) one senator from the majority party and one senator from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration; and

(2) one member of the house of representatives appointed by the speaker of the house and one member appointed by the minority leader of the house.

The chair of the P-16 education partnership must convene the first meeting of the P-20 partnership. Prospective members may be nominated by any partnership member and new members will be added with the approval of a two-thirds majority of the partnership. The partnership will also seek input from nonmember organizations whose expertise can help inform the partnership's work.

Partnership members shall be represented by the chief executives, presidents, or other formally designated leaders of their respective organizations, or their designees. The partnership shall meet at least three times during each calendar year.

Subd. 2. **Powers and duties; report.** The partnership shall develop recommendations to the governor and the legislature designed to maximize the achievement of all P-20 students while promoting the efficient use of state resources, thereby helping the state realize the maximum value for its investment. These recommendations may include, but are not limited to, strategies, policies, or other actions focused on:

(1) improving the quality of and access to education at all points from preschool through the graduate education;

(2) improving preparation for, and transitions to, postsecondary education and work; and

(3) ensuring educator quality by creating rigorous standards for teacher recruitment, teacher preparation, induction and mentoring of beginning teachers, and continuous professional development for career teachers.

By January 15 of each year, the partnership shall submit a report to the governor and to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over P-20 education policy and finance that summarizes the partnership's progress in meeting its goals and identifies the need for any draft legislation when necessary to further the goals of the partnership to maximize student achievement while promoting efficient use of resources.

Subd. 3. **Expiration.** Notwithstanding section 15.059, subdivision 5, the partnership is permanent and does not expire.

Sec. 50. Minnesota Statutes 2006, section 260C.007, subdivision 19, is amended to read:

Subd. 19. **Habitual truant.** "Habitual truant" means a child under the age of ~~16~~ 18 years who is absent from attendance at school without lawful excuse for seven school days per school year if the child is in elementary school or for one or more class periods on seven school days per school year if the child is in middle school, junior high school, or high school, ~~or a child who is 16 or 17 years of age who is absent from attendance at school without lawful excuse for one or more class periods on seven school days and who has not lawfully withdrawn from school under section 120A.22, subdivision 8.~~

EFFECTIVE DATE. This section is effective for the 2011-2012 school year and later.

Sec. 51. Minnesota Statutes 2006, section 299F.30, subdivision 1, is amended to read:

Subdivision 1. **Duties of fire marshal.** Consistent with sections 121A.035, 121A.037, and this section, it shall be the duty of the state fire marshal, deputies and assistants, to require public and private schools and educational institutions to have at least five fire drills each school year, to expect students to be present and participate in these drills, and to keep all doors and exits unlocked from the inside of the building during school hours.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 52. **IMPLEMENTING A STUDENT GROWTH-BASED VALUE-ADDED SYSTEM.**

(a) To implement the requirements of Minnesota Statutes, section 120B.35, subdivision 3, paragraph (b), and to help parents and members of the public compare the reported data, the commissioner must convene a group of expert school district assessment and evaluation staff, including a recognized Minnesota assessment group composed of assessment and evaluation directors and staff and researchers and interested stakeholders, including school superintendents, school principals, school teachers, and parents to examine the actual statewide performance of students using Minnesota's growth-based value-added system and establish criteria for identifying schools and school districts that demonstrate accelerated growth in order to advance educators' professional development and replicate programs that succeed in meeting students' diverse learning needs.

(b) The commissioner must submit a written report to the education committees of the house of representatives and senate by February 15, 2009, describing the criteria for identifying schools and school districts that demonstrate accelerated growth. The group convened under this section expires

on June 30, 2009.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to school report cards in the 2008-2009 school year and later.

Sec. 53. IMPLEMENTING RIGOROUS COURSEWORK MEASURES RELATED TO STUDENT PERFORMANCE.

To implement the requirements of Minnesota Statutes, section 120B.35, subdivision 3, paragraph (c), clauses (1) and (2), and to help parents and members of the public compare the reported data, the commissioner of education must convene a group of recognized and qualified experts and interested stakeholders, including parents among other stakeholders, to develop a model projecting anticipated performance of each high school on preparation and rigorous coursework measures that compares the school with similar schools. The model must use information about entering high school students based on particular background characteristics that are predictive of differing rates of college readiness. These characteristics include grade 8 achievement levels, high school student mobility, high school student attendance, and the size of each entering ninth grade class. The group of experts and stakeholders may examine other characteristics not part of the prediction model including the nine student categories identified under the federal 2001 No Child Left Behind Act, and two student gender categories of male and female, respectively. The commissioner annually must use the predicted level of entering students' performance to provide a context for interpreting graduating students' actual performance. The group convened under this section expires June 30, 2011.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to school report cards beginning July 1, 2011.

Sec. 54. IMPLEMENTING MEASURES FOR ASSESSING SCHOOL SAFETY AND STUDENTS' ENGAGEMENT AND CONNECTION AT SCHOOL.

(a) To implement the requirements of Minnesota Statutes, section 120B.35, subdivision 3, paragraph (e), the commissioner of education, in consultation with interested stakeholders, including parents and teachers among other stakeholders, must convene a group of recognized and qualified experts on student engagement assessment and elementary and secondary classroom teachers currently teaching in Minnesota schools to:

(1) identify measures of student engagement that may include student attendance, student support outside the classroom, parent involvement, and homework indicators, among other measures;

(2) review the University of Minnesota student safety and engagement survey instrument and other commonly recognized survey instruments to determine whether the survey instruments have sound psychometric properties, are useful for intervention planning, and are suitable instruments for state accountability purposes; and

(3) determine through disaggregated use of survey indicators or other means how to report "safety" in order to comply with federal law.

(b) The commissioner must submit a written report and all the group's working papers to the education committees of the house of representatives and senate by February 15, 2009, presenting the group's responses to paragraph (a), clauses (1) to (3). The commissioner must submit a second,

related report to the education committees of the legislature by February 15, 2012, indicating the content and analysis of and the format for reporting the data collected in the 2009-2010 and 2010-2011 school years under Minnesota Statutes, section 120B.35, subdivision 3, paragraph (e). The group convened under this section expires December 31, 2012.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to school report cards beginning July 1, 2012.

Sec. 55. GROWTH-TO-STANDARD AND GROWTH-BASED VALUE-ADDED COMPARISON REPORT.

(a) The commissioner of education, in collaboration with the Independent Office of Educational Accountability under MS, section 120B.31, subdivision 3, and a recognized Minnesota assessment group composed of assessment and evaluation directors and staff and researchers, must use 2006-2007 and 2007-2008 school year data to compare and report the results of using the growth-to-standard and the growth-based value-added models under MS, sections 120B.299, 120B.35, and related sections at the school and school district levels. The report may show how the growth-to-standard and the growth-based value-added models affect the data and the reporting of the data on growth indicators related to (i) the size and location of schools and school districts and (ii) the composition of enrolled students by category, among other indicators. To the extent feasible, the report also may compare individual student and school results from a value-added model with the results of the growth-to-standard and the growth-based value-added models.

(b) Consistent with paragraph (a), the commissioner must submit a report comparing the growth-to-standard and the growth-based value-added models to the education policy committees of the legislature by February 1, 2009, and include any recommendations for statutory changes related to educational accountability and reporting under MS, chapter 120B.

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

Sec. 56. GROWTH-BASED VALUE-ADDED MODEL; REFERENCE.

The recognized Minnesota assessment group composed of assessment and evaluation directors and staff and researchers, in collaboration with the Independent Office of Educational Accountability under Minnesota Statutes, section 120B.31, subdivision 3, shall deposit with the Office of the Revisor of Statutes and the Legislative Reference Library a reference document further explaining the growth-based value-added system of assessments that the commissioner of education and other interested individuals may consult when implementing Minnesota Statutes, sections 120B.299, 120B.30, 120B.31, 120B.35, 120B.36, and 120B.362.

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

Sec. 57. SCHOOL DISTRICT PLANS TO IMPROVE STUDENTS' ACADEMIC ACHIEVEMENT.

Subdivision 1. **District academic achievement plan; priorities.** (a) A school district experiencing disparities in academic achievement among groups of students defined by race, ethnicity, and income is encouraged to develop a short and long-term plan encompassing one through four years to significantly improve students' academic achievement and use research-based practices to eliminate differences in academic performance. The plan must:

(1) reflect a research-based understanding of high-performing educational systems and best educational practices;

(2) include innovative and practical strategies and programs, whether existing or new, that supplement district initiatives to increase students' academic achievement under state and federal educational accountability requirements; and

(3) contain valid and reliable measures of student achievement that the district uses to demonstrate the efficacy of the district plan to the commissioner of education.

(b) A district must address the elements under section 58, paragraph (a), to the extent those elements are implicated in the district's plan.

(c) A district must identify in its plan the strategies and programs the district has implemented and found effective in improving students' academic achievement.

(d) The district must include with the plan the amount of expenditures necessary to implement the plan. The district must indicate how current resources are used to implement the plan, including, but not limited to, state-limited English proficiency aid under Minnesota Statutes, section 124D.65; integration revenue under Minnesota Statutes, section 124D.86; early childhood family education revenue under Minnesota Statutes, section 124D.135; school readiness aid under Minnesota Statutes, section 124D.16; basic skills revenue under Minnesota Statutes, section 126C.10, subdivision 4; extended time revenue under Minnesota Statutes, section 126C.10, subdivision 2a; and alternative compensation revenue under Minnesota Statutes, section 122A.415.

Subd. 2. **Plan.** (a) A school district by October 1, 2008, must submit its plan in electronic format to the commissioner of education, consistent with subdivision 1.

(b) The commissioner of education must analyze the commonalities and differences of the district plans and the effective strategies and programs districts have implemented to improve students' academic achievement, and submit the analysis and supporting data to the advisory task force on improving students' academic achievement under section 58 by November 1, 2008, and also report the substance of the analyses to the education policy and finance committees of the legislature by February 15, 2009.

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

Sec. 58. **ADVISORY TASK FORCE ON IMPROVING STUDENTS' ACADEMIC ACHIEVEMENT.**

(a) An advisory task force on improving students' academic achievement is established to review the plans submitted to the commissioner of education under section 57 and recommend to the education committees of the legislature a proposal for improving students' academic achievement and eliminating differences in academic performance among groups of students defined by race, ethnicity, and income. The task force members must at least consider how the following education-related issues impact the educational achievement of low-income students and students of color:

(1) rigorous preparation and coursework and how to (i) effectively invest in early childhood and parent education, (ii) increase academic rigor and high expectations on elementary and secondary students in schools serving a majority of low-income students and students of color, and (iii)

provide parents, educators, and community members with meaningful opportunities to collaborate in educating students in schools serving a majority of low-income students and students of color;

(2) professional development for educators and how to (i) provide stronger financial and professional incentives to attract and retain experienced, bilingual, and culturally competent teachers and administrators in schools serving a majority of low-income students and students of color, (ii) recruit and retain teachers of color, and (iii) develop and include cultural sensitivity and interpersonal and pedagogical skills training that teachers need for effective intercultural teaching;

(3) English language learners and how to (i) use well-designed tests, curricula, and English as a second language programs and services as diagnostic tools to develop effective student interventions, (ii) monitor students' language capabilities, (iii) provide academic instruction in English that supports students' learning and is appropriate for students' level of language proficiency, and (iv) incorporate the perspectives and contributions of ethnic and racial groups, consistent with Minnesota Statutes, section 120B.022, subdivision 1, paragraph (b);

(4) special education and how to (i) incorporate linguistic and cultural sensitivity into special education diagnosis and referral, (ii) increase the frequency and quality of prereferral interventions, and (iii) decrease the number of minority and nonnative English speaking students inappropriately placed in special education;

(5) GRAD tests and how to (i) incorporate linguistic and cultural sensitivity into the reading and math GRAD tests, and (ii) develop interventions to meet students' learning needs; and

(6) valid and reliable data and how to use data on student on-time graduation rates, student dropout rates, documented disciplinary actions, and completed and rigorous course work indicators to determine how well-prepared, low-income students and students of color are for postsecondary academic and career opportunities.

The task force also must examine the findings of a 2008 report by Minnesota superintendents on strategies for creating a world-class educational system to establish priorities for improving students' academic achievement. The task force may consider other related matters at its discretion.

(b) The commissioner of education must convene the first meeting of the advisory task force on improving students' academic achievement by September 1, 2008. The task force members must adopt internal procedures and standards for subsequent meetings. The task force is composed of the following members:

(1) a representative from a Twin Cities metropolitan area school district, a suburban school district, a school district located in a regional center, and a rural school district, all four representatives appointed by the state demographer based on identified concentrations of low-performing, low-income students and students of color;

(2) a faculty member of a teacher preparation program at the University of Minnesota's College of Education and Human Development, appointed by the college dean or the dean's designee;

(3) a faculty member from the urban teachers program at Metropolitan State University appointed by the university president or the president's designee;

(4) a faculty member from a Minnesota State Colleges and Universities teacher preparation program located outside the Twin Cities metropolitan area, appointed by the chancellor or the

chancellor's designee;

(5) a classroom teacher appointed by Education Minnesota;

(6) an expert in early childhood care and education appointed by a state early childhood organization;

(7) a member from each state council representing a community of color, appointed by the respective council;

(8) a curriculum specialist with expertise in providing language instruction for nonnative English speakers, appointed by a state curriculum organization;

(9) a special education teacher, appointed by a state organization of special education educators;

(10) a parent of color, appointed by a state parent-teacher organization;

(11) a district testing director appointed by a recognized Minnesota assessment group composed of assessment and evaluation directors and staff and researchers; and

(12) a Department of Education staff person with expertise in school desegregation matters appointed by the commissioner of education or the commissioner's designee.

A majority of task force members, at their discretion, may invite other representatives of interested public or nonpublic organizations, Minnesota's communities of color, and stakeholders in local and state educational equity to become task force members. The department must make every effort to ensure that a majority of task force members are persons of color.

(c) Members of the task force serve without compensation. By February 15, 2009, the task force must submit a written proposal to the education policy and finance committees of the legislature on how to significantly improve students' academic achievement.

(d) The advisory task force expires on February 16, 2009.

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

Sec. 59. ADVISORY TASK FORCE; INTEGRATING SECONDARY AND POSTSECONDARY ACADEMIC AND CAREER EDUCATION.

(a) An advisory task force on improving teacher quality and identifying institutional structures and strategies for effectively integrating secondary and postsecondary academic and career education is established to consider and recommend to the education policy and finance committees of the legislature proposals on how to:

(1) foster classroom teachers' interest and ability to acquire a master's degree in the teachers' substantive fields of licensure; and

(2) meet all elementary and secondary students' needs for adequate education planning and preparation and improve all students' ability to acquire the knowledge and skills needed for postsecondary academic and career education.

(b) The commissioner of education, or the commissioner's designee, shall appoint an advisory task force that is composed of a representative from each of the following entities: Education

Minnesota, the University of Minnesota, the Department of Education, the Board of Teaching, the Minnesota Private College Council, the Office of Higher Education, the Minnesota Career College Association, the Minnesota PTA, the Minnesota Chamber of Commerce, the Minnesota Business Partnership, the Department of Employment and Economic Development, the Minnesota Association of Career and Technical Administrators, the Minnesota Association of Career and Technical Educators, the Minnesota State Colleges and Universities, and other representatives of other entities recommended by task force members. Members of the task force serve without compensation of any kind for any purpose. By February 15, 2009, the task force must submit written recommendations to the education policy and finance committees of the legislature on improving teacher quality and identifying the institutional structures and strategies for effectively integrating secondary and postsecondary academic and career education, consistent with this section.

(c) Upon request, the commissioner of education must provide the task force with technical, fiscal, and other support services.

(d) The advisory task force expires February 16, 2009.

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

Sec. 60. ASSESSMENT OF READING INSTRUCTION.

(a) No later than March 1, 2010, the Board of Teaching, in cooperation with the commissioner of education, shall adopt an assessment of reading instruction for all prekindergarten and elementary licensure candidates consistent with Minnesota Statutes, section 122A.18, subdivision 2c.

(b) The Board of Teaching and the commissioner shall report to the senate and house of representatives committees having jurisdiction over prekindergarten through grade 12 education policy by March 15, 2010, on the assessment of reading instruction that was adopted.

Sec. 61. READING INSTRUCTION RULES; LEGISLATIVE REVIEW.

Beginning July 1, 2008, and until July 1, 2009, the Board of Teaching must submit any proposed rules regarding licensure in reading instruction to the chairs of the legislative committees with jurisdiction over kindergarten through grade 12 education policy by February 1, 2009. The board may not adopt the rules until the legislature has adjourned the 2009 regular session.

Sec. 62. COMPUTER ADAPTIVE ASSESSMENTS.

The Department of Education, by February 1, 2009, must report to the education committees of the legislature on its efforts to add computer adaptive assessments that include formative analytics to the Minnesota's comprehensive assessment administered under Minnesota Statutes, section 120B.30.

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

Sec. 63. REVIVAL AND REENACTMENT.

Minnesota Statutes, section 124D.10, subdivision 2a, is revived and reenacted effective retroactively and without interruption from June 30, 2007.

Sec. 64. REPEALER.

Minnesota Statutes 2006, section 120A.22, subdivision 8, is repealed effective for the 2011-2012 school year and later.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 2006, section 124D.60, subdivision 1, is amended to read:

Subdivision 1. **Notice.** Within ~~ten~~ 30 days after the enrollment of any pupil in an instructional program for limited English proficient students, the district in which the pupil resides must notify the parent by mail. This notice must:

- (1) be in writing in English and in the primary language of the pupil's parents;
- (2) inform the parents that their child has been enrolled in an instructional program for limited English proficient students;
- (3) contain a simple, nontechnical description of the purposes, method and content of the program;
- (4) inform the parents that they have the right to visit the educational program for limited English proficient students in which their child is enrolled;
- (5) inform the parents of the time and manner in which to request and receive a conference for the purpose of explaining the nature and purpose of the program; and
- (6) inform the parents of their rights to withdraw their child from an educational program for limited English proficient students and the time and manner in which to do so.

The department shall, at the request of the district, prepare the notice in the primary language of the parent.

Sec. 2. Minnesota Statutes 2007 Supplement, section 125A.14, is amended to read:

125A.14 EXTENDED SCHOOL YEAR.

A district may provide extended school year services for children with a disability living within the district and nonresident children temporarily placed in the district pursuant to section 125A.15 ~~or 125A.16~~. Prior to March 31 or 30 days after the child with a disability is placed in the district, whichever is later, the providing district shall give notice to the district of residence of any nonresident children temporarily placed in the district pursuant to section 125A.15 ~~or 125A.16~~, of its intention to provide these programs. Notwithstanding any contrary provisions in sections 125A.15 ~~and 125A.16~~, the district providing the special instruction and services must apply for special education aid for the extended school year services. The unreimbursed actual cost of providing the program for nonresident children with a disability, including the cost of board and lodging, may be billed to the district of the child's residence and must be paid by the resident district. Transportation costs must be paid by the district responsible for providing transportation pursuant to section 125A.15 ~~or 125A.16~~ and transportation aid must be paid to that district.

Sec. 3. Minnesota Statutes 2006, section 125A.15, is amended to read:

125A.15 PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.

The responsibility for special instruction and services for a child with a disability temporarily placed in another district for care and treatment shall be determined in the following manner:

(a) The district of residence of a child shall be the district in which the child's parent resides, if living, or the child's guardian, or the district designated by the commissioner if neither parent nor guardian is living within the state.

(b) If a district other than the resident district places a pupil for care and treatment, the district placing the pupil must notify and give the resident district an opportunity to participate in the placement decision. When an immediate emergency placement of a pupil is necessary and time constraints foreclose a resident district from participating in the emergency placement decision, the district in which the pupil is temporarily placed must notify the resident district of the emergency placement within 15 days. The resident district has up to five business days after receiving notice of the emergency placement to request an opportunity to participate in the placement decision, which the placing district must then provide.

(c) When a child is temporarily placed for care and treatment in a day program located in another district and the child continues to live within the district of residence during the care and treatment, the district of residence is responsible for providing transportation to and from the care and treatment facility program and an appropriate educational program for the child. The resident district may establish reasonable restrictions on transportation, except if a Minnesota court or agency orders the child placed at a day care and treatment program and the resident district receives a copy of the order, then the resident district must provide transportation to and from the program unless the court or agency orders otherwise. Transportation shall only be provided by the resident district during regular operating hours of the resident district. The resident district may provide the educational program at a school within the district of residence, at the child's residence, or in the district in which the day treatment center is located by paying tuition to that district.

~~(e)~~ (d) When a child is temporarily placed in a residential program for care and treatment, the nonresident district in which the child is placed is responsible for providing an appropriate educational program for the child and necessary transportation while the child is attending the educational program; and must bill the district of the child's residence for the actual cost of providing the program, as outlined in section 125A.11, except as provided in paragraph ~~(d)~~ (e). However, the board, lodging, and treatment costs incurred in behalf of a child with a disability placed outside of the school district of residence by the commissioner of human services or the commissioner of corrections or their agents, for reasons other than providing for the child's special educational needs must not become the responsibility of either the district providing the instruction or the district of the child's residence. For the purposes of this section, the state correctional facilities operated on a fee-for-service basis are considered to be residential programs for care and treatment.

~~(d)~~ (e) A privately owned and operated residential facility may enter into a contract to obtain appropriate educational programs for special education children and services with a joint powers entity. The entity with which the private facility contracts for special education services shall be the district responsible for providing students placed in that facility an appropriate educational program in place of the district in which the facility is located. If a privately owned and operated residential facility does not enter into a contract under this paragraph, then paragraph ~~(e)~~ (d) applies.

~~(e)~~ (f) The district of residence shall pay tuition and other program costs, not including

transportation costs, to the district providing the instruction and services. The district of residence may claim general education aid for the child as provided by law. Transportation costs must be paid by the district responsible for providing the transportation and the state must pay transportation aid to that district.

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

Sec. 4. Minnesota Statutes 2006, section 125A.51, is amended to read:

125A.51 PLACEMENT OF CHILDREN WITHOUT DISABILITIES; EDUCATION AND TRANSPORTATION.

The responsibility for providing instruction and transportation for a pupil without a disability who has a short-term or temporary physical or emotional illness or disability, as determined by the standards of the commissioner, and who is temporarily placed for care and treatment for that illness or disability, must be determined as provided in this section.

(a) The school district of residence of the pupil is the district in which the pupil's parent or guardian resides.

(b) When parental rights have been terminated by court order, the legal residence of a child placed in a residential or foster facility for care and treatment is the district in which the child resides.

(c) Before the placement of a pupil for care and treatment, the district of residence must be notified and provided an opportunity to participate in the placement decision. When an immediate emergency placement is necessary and time does not permit resident district participation in the placement decision, the district in which the pupil is temporarily placed, if different from the district of residence, must notify the district of residence of the emergency placement within 15 days of the placement. When a nonresident district makes an emergency placement without first consulting with the resident district, the resident district has up to five business days after receiving notice of the emergency placement to request an opportunity to participate in the placement decision, which the placing district must then provide.

(d) When a pupil without a disability is temporarily placed for care and treatment in a day program and the pupil continues to live within the district of residence during the care and treatment, the district of residence must provide instruction and necessary transportation to and from the care and treatment facility program for the pupil. The resident district may establish reasonable restrictions on transportation, except if a Minnesota court or agency orders the child placed at a day care and treatment program and the resident district receives a copy of the order, then the resident district must provide transportation to and from the program unless the court or agency orders otherwise. Transportation shall only be provided by the resident district during regular operating hours of the resident district. The resident district may provide the instruction at a school within the district of residence, at the pupil's residence, or in the case of a placement outside of the resident district, in the district in which the day treatment program is located by paying tuition to that district. The district of placement may contract with a facility to provide instruction by teachers licensed by the state Board of Teaching.

(e) When a pupil without a disability is temporarily placed in a residential program for care and treatment, the district in which the pupil is placed must provide instruction for the pupil and necessary transportation while the pupil is receiving instruction, and in the case of a placement

outside of the district of residence, the nonresident district must bill the district of residence for the actual cost of providing the instruction for the regular school year and for summer school, excluding transportation costs.

(f) Notwithstanding paragraph (e), if the pupil is homeless and placed in a public or private homeless shelter, then the district that enrolls the pupil under section 127A.47, subdivision 2, shall provide the transportation, unless the district that enrolls the pupil and the district in which the pupil is temporarily placed agree that the district in which the pupil is temporarily placed shall provide transportation. When a pupil without a disability is temporarily placed in a residential program outside the district of residence, the administrator of the court placing the pupil must send timely written notice of the placement to the district of residence. The district of placement may contract with a residential facility to provide instruction by teachers licensed by the state Board of Teaching. For purposes of this section, the state correctional facilities operated on a fee-for-service basis are considered to be residential programs for care and treatment.

(g) The district of residence must include the pupil in its residence count of pupil units and pay tuition as provided in section 123A.488 to the district providing the instruction. Transportation costs must be paid by the district providing the transportation and the state must pay transportation aid to that district. For purposes of computing state transportation aid, pupils governed by this subdivision must be included in the disabled transportation category if the pupils cannot be transported on a regular school bus route without special accommodations.

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

Sec. 5. Minnesota Statutes 2006, section 125A.744, subdivision 3, is amended to read:

Subd. 3. **Implementation.** Consistent with section 256B.0625, subdivision 26, school districts may enroll as medical assistance providers or subcontractors and bill the Department of Human Services under the medical assistance fee for service claims processing system for special education services which are covered services under chapter 256B, which are provided in the school setting for a medical assistance recipient, and for whom the district has secured informed consent consistent with section 13.05, subdivision 4, paragraph (d), and section 256B.77, subdivision 2, paragraph (p), to bill for each type of covered service. School districts shall be reimbursed by the commissioner of human services for the federal share of individual education plan health-related services that qualify for reimbursement by medical assistance, minus up to five percent retained by the commissioner of human services for administrative costs, ~~not to exceed \$350,000 per fiscal year.~~ The commissioner may withhold up to five percent of each payment to a school district. Following the end of each fiscal year, the commissioner shall settle up with each school district in order to ensure that collections from each district for departmental administrative costs are made on a pro rata basis according to federal earnings for these services in each district. A school district is not eligible to enroll as a home care provider or a personal care provider organization for purposes of billing home care services under sections 256B.0651 and 256B.0653 to 256B.0656 until the commissioner of human services issues a bulletin instructing county public health nurses on how to assess for the needs of eligible recipients during school hours. To use private duty nursing services or personal care services at school, the recipient or responsible party must provide written authorization in the care plan identifying the chosen provider and the daily amount of services to be used at school.

Sec. 6. **REPEALER.**

Minnesota Statutes 2006, sections 121A.67; 125A.16; 125A.19; 125A.20; and 125A.57, and

Laws 2006, chapter 263, article 3, section 16, are repealed.

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

ARTICLE 4

LIBRARIES

Section 1. Minnesota Statutes 2007 Supplement, section 134.31, subdivision 4a, is amended to read:

Subd. 4a. **Services to the blind and physically handicapped.** The Minnesota Department of Education shall provide specialized services to the blind and physically handicapped through the Minnesota Braille and Talking Book Library ~~for the Blind and Physically Handicapped~~ under a cooperative plan with the National Library Services for the Blind and Physically Handicapped of the Library of Congress.

Sec. 2. Minnesota Statutes 2006, section 134.31, subdivision 6, is amended to read:

Subd. 6. **Advisory committee.** The commissioner shall appoint an advisory committee of five members to advise the staff of the Minnesota Braille and Talking Book Library ~~for the Blind and Physically Handicapped~~ on long-range plans and library services. Members shall be people who use the library. Section 15.059 governs this committee except that the committee shall not expire.

Sec. 3. Minnesota Statutes 2006, section 134.31, is amended by adding a subdivision to read:

Subd. 7. **Telephone or electronic meetings.** (a) Notwithstanding section 13D.01, the Advisory Committee for the Minnesota Braille and Talking Book Library may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the committee participating in the meeting, wherever their physical locations, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the committee can hear all discussion, testimony, and votes of the members of the committee;

(3) at least one member of the committee is physically present at the regular meeting location;
and

(4) all votes are conducted by roll call, so each member's votes on each issue can be identified and recorded.

(b) Each member of the committee participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining quorum and participating in all proceedings.

(c) If telephone or other electronic means is used to conduct a meeting, to the extent practical, the committee shall allow a person to monitor the meeting electronically from a remote location. The committee may require the person making the connection to pay for the documented marginal costs that the committee incurs as a result of the additional connection.

(d) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the committee shall provide notice of the regular meeting location, the fact that some

members may participate by telephone or other electronic means, and the provisions of paragraph (c). The timing and method of providing notice is governed by section 13D.04.

ARTICLE 5 STATE AGENCIES

Section 1. [124D.805] COMMITTEE ON AMERICAN INDIAN EDUCATION PROGRAMS.

Subdivision 1. **Establishment.** The commissioner of education shall create an American Indian education committee. The commissioner must appoint the members of the committee. Members must include representatives of tribal bodies, community groups, parents of children eligible to be served by the programs, American Indian administrators and teachers, persons experienced in the training of teachers for American Indian education programs, persons involved in programs for American Indian children in American Indian schools, and persons knowledgeable in the field of American Indian education. Appointed members shall be representative of significant segments of the population of American Indians.

Subd. 2. **Committee to advise commissioner.** The committee on American Indian education programs shall advise the commissioner in the administration of the commissioner's duties under sections 124D.71 to 124D.82 and other programs for the education of American Indian people as determined by the commissioner.

Subd. 3. **Expenses.** The committee members must not be reimbursed for expenses. The commissioner must determine the membership terms and the duration of the committee, which expire no later than June 30, 2020.

Sec. 2. Minnesota Statutes 2006, section 125A.65, subdivision 4, is amended to read:

Subd. 4. **Unreimbursed costs.** (a) For fiscal year 2006, in addition to the tuition charge allowed in subdivision 3, the academies may charge the child's district of residence for the academy's unreimbursed cost of providing an instructional aide assigned to that child, after deducting the special education aid under section 125A.76, attributable to the child, if that aide is required by the child's individual education plan. Tuition received under this paragraph must be used by the academies to provide the required service.

(b) For fiscal year ~~2007~~ 2008 and later, the special education aid paid to the academies shall be increased by the academy's unreimbursed cost of providing ~~an~~ one to one instructional aide and behavioral management aides assigned to a child, after deducting the special education aid under section 125A.76 attributable to the child, if ~~that aide is~~ the aides are required by the child's individual education plan. Aid received under this paragraph must be used by the academies to provide the required service.

(c) For fiscal year ~~2007~~ 2008 and later, the special education aid paid to the district of the child's residence shall be reduced by the amount paid to the academies for district residents under paragraph (b).

(d) Notwithstanding section 127A.45, subdivision 3, beginning in fiscal year 2008, the commissioner shall make an estimated final adjustment payment to the Minnesota State Academies for general education aid and special education aid for the prior fiscal year by August 15.

(e) For fiscal year 2007, the academies may retain receipts received through mutual agreements with school districts for one to one behavior management aides.

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

Sec. 3. Minnesota Statutes 2007 Supplement, section 125A.76, subdivision 2, is amended to read:

Subd. 2. **Special education initial aid.** The special education initial aid equals the sum of the following amounts computed using current year data:

(1) 68 percent of the salary of each essential person employed in the district's program for children with a disability during the fiscal year, whether the person is employed by one or more districts or a Minnesota correctional facility operating on a fee-for-service basis;

(2) for the Minnesota State Academy for the Deaf or the Minnesota State Academy for the Blind, 68 percent of the salary of each one to one instructional and behavior management aide assigned to a child attending the academy, ~~if that aide is~~ the aides are required by the child's individual education plan;

(3) for special instruction and services provided to any pupil by contracting with public, private, or voluntary agencies other than school districts, in place of special instruction and services provided by the district, 52 percent of the difference between the amount of the contract and the general education revenue, excluding basic skills revenue and alternative teacher compensation revenue, and referendum equalization aid attributable to a pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit for the fraction of the school day the pupil receives services under the contract. This includes children who are residents of the state, receive services under this subdivision and subdivision 1, and are placed in a care and treatment facility by court action in a state that does not have a reciprocity agreement with the commissioner under section 125A.155 as provided for in section 125A.79, subdivision 8;

(4) for special instruction and services provided to any pupil by contracting for services with public, private, or voluntary agencies other than school districts, that are supplementary to a full educational program provided by the school district, 52 percent of the amount of the contract for that pupil;

(5) for supplies and equipment purchased or rented for use in the instruction of children with a disability, an amount equal to 47 percent of the sum actually expended by the district, or a Minnesota correctional facility operating on a fee-for-service basis, but not to exceed an average of \$47 in any one school year for each child with a disability receiving instruction;

(6) for fiscal years 1997 and later, special education base revenue shall include amounts under clauses (1) to (5) for special education summer programs provided during the base year for that fiscal year;

(7) the cost of providing transportation services for children with disabilities under section 123B.92, subdivision 1, paragraph (b), clause (4); and

(8) the district's transition-disabled program initial aid according to section 124D.454, subdivision 3.

The department shall establish procedures through the uniform financial accounting and reporting system to identify and track all revenues generated from third-party billings as special education revenue at the school district level; include revenue generated from third-party billings as special education revenue in the annual cross-subsidy report; and exclude third-party revenue from calculation of excess cost aid to the districts.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2008.

ARTICLE 6

SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2006, section 124D.19, subdivision 14, is amended to read:

Subd. 14. **Community education; annual report.** Each district offering a community education program under this section must annually complete a program report to the department ~~information regarding the cost per participant and cost per contact hour for each community education program, including youth after school enrichment programs, that receives aid or levy. The department must include cost per participant and cost per contact hour information by program in the community education annual report.~~

Sec. 2. Minnesota Statutes 2006, section 124D.522, is amended to read:

124D.522 ADULT BASIC EDUCATION SUPPLEMENTAL SERVICE GRANTS.

(a) The commissioner, in consultation with the policy review task force under section 124D.521, may make grants to nonprofit organizations to provide services that are not offered by a district adult basic education program or that are supplemental to either the statewide adult basic education program, or a district's adult basic education program. The commissioner may make grants for: staff development for adult basic education teachers and administrators; training for volunteer tutors; training, services, and materials for serving disabled students through adult basic education programs; statewide promotion of adult basic education services and programs; development and dissemination of instructional and administrative technology for adult basic education programs; programs which primarily serve communities of color; adult basic education distance learning projects, including television instruction programs; and other supplemental services to support the mission of adult basic education and innovative delivery of adult basic education services.

(b) The commissioner must establish eligibility criteria and grant application procedures. Grants under this section must support services throughout the state, focus on educational results for adult learners, and promote outcome-based achievement through adult basic education programs. Beginning in fiscal year 2002, the commissioner may make grants under this section from the state total adult basic education aid set aside for supplemental service grants under section 124D.531. Up to one-fourth of the appropriation for supplemental service grants must be used for grants for adult basic education programs to encourage and support innovations in adult basic education instruction and service delivery. A grant to a single organization cannot exceed ~~\$100,000~~ 20 percent of the total supplemental services aid. Nothing in this section prevents an approved adult basic education program from using state or federal aid to purchase supplemental services."

Correct the title numbers accordingly

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

Senate Conferees: (Signed) Charles W. Wiger, Kathy L. Saltzman, Gen Olson, Kevin L. Dahle, Sandy Rummel

House Conferees: (Signed) Carlos Mariani, Kathy Brynaert, John Ward, Linda Slocum, Dean Urdahl

Senator Wiger moved that the foregoing recommendations and Conference Committee Report on S.F. No. 3001 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. 3001 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 45 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Latz	Olson, M.	Sieben
Bakk	Erickson Ropes	Lourey	Pappas	Skoe
Berglin	Foley	Lynch	Pogemiller	Skogen
Bonoff	Frederickson	Marty	Prettner Solon	Sparks
Carlson	Gimse	Metzen	Rummel	Stumpf
Clark	Higgins	Moua	Saltzman	Tomassoni
Cohen	Kubly	Murphy	Saxhaug	Torres Ray
Dahle	Langseth	Olseen	Scheid	Vickerman
Dibble	Larson	Olson, G.	Sheran	Wiger

Those who voted in the negative were:

Betzold	Fischbach	Johnson	Michel	Rosen
Chaudhary	Gerlach	Jungbauer	Ortman	Senjem
Day	Hann	Koch	Rest	Vandever
Dille	Ingebrigtsen	Limmer	Robling	Wergin

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2942 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2942

A bill for an act relating to higher education; establishing a P-20 education partnership; modifying various scholarship programs; modifying private school regulation; authorizing oral health practitioners to practice; authorizing rulemaking; establishing an oral practitioner work group; requiring a report; amending Minnesota Statutes 2006, sections 13.32, by adding a subdivision; 141.25, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 136A.126; 136A.127; 136A.65, subdivisions 1, 3, 5, 6, 7; 136A.66; 136A.67; 136A.69; 141.25, subdivision 5; 141.28, subdivision 1; 141.35; 197.791, subdivisions 1, 4, 5; proposing coding for new law in Minnesota Statutes, chapters 136F; 150A.

May 6, 2008

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. 2942 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. 2942 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 13.32, subdivision 3, is amended to read:

Subd. 3. **Private data; when disclosure is permitted.** Except as provided in subdivision 5, educational data is private data on individuals and shall not be disclosed except as follows:

- (a) pursuant to section 13.05;
- (b) pursuant to a valid court order;
- (c) pursuant to a statute specifically authorizing access to the private data;
- (d) to disclose information in health and safety emergencies pursuant to the provisions of United States Code, title 20, section 1232g(b)(1)(I) and Code of Federal Regulations, title 34, section 99.36;
- (e) pursuant to the provisions of United States Code, title 20, sections 1232g(b)(1), (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3), (b)(6), (b)(7), and (i), and Code of Federal Regulations, title 34, sections 99.31, 99.32, 99.33, 99.34, ~~and~~ 99.35, and 99.39;
- (f) to appropriate health authorities to the extent necessary to administer immunization programs and for bona fide epidemiologic investigations which the commissioner of health determines are necessary to prevent disease or disability to individuals in the public educational agency or institution in which the investigation is being conducted;
- (g) when disclosure is required for institutions that participate in a program under title IV of the Higher Education Act, United States Code, title 20, section 1092;
- (h) to the appropriate school district officials to the extent necessary under subdivision 6, annually to indicate the extent and content of remedial instruction, including the results of assessment testing and academic performance at a postsecondary institution during the previous academic year by a student who graduated from a Minnesota school district within two years before receiving the remedial instruction;
- (i) to appropriate authorities as provided in United States Code, title 20, section 1232g(b)(1)(E)(ii), if the data concern the juvenile justice system and the ability of the system to effectively serve, prior to adjudication, the student whose records are released; provided that the authorities to whom the data are released submit a written request for the data that certifies that the data will not be disclosed to any other person except as authorized by law without the written consent of the parent of the student and the request and a record of the release are maintained in

the student's file;

(j) to volunteers who are determined to have a legitimate educational interest in the data and who are conducting activities and events sponsored by or endorsed by the educational agency or institution for students or former students;

(k) to provide student recruiting information, from educational data held by colleges and universities, as required by and subject to Code of Federal Regulations, title 32, section 216;

(l) to the juvenile justice system if information about the behavior of a student who poses a risk of harm is reasonably necessary to protect the health or safety of the student or other individuals;

(m) with respect to Social Security numbers of students in the adult basic education system, to Minnesota State Colleges and Universities and the Department of Employment and Economic Development for the purpose and in the manner described in section 124D.52, subdivision 7; or

(n) to the commissioner of education for purposes of an assessment or investigation of a report of alleged maltreatment of a student as mandated by section 626.556. Upon request by the commissioner of education, data that are relevant to a report of maltreatment and are from charter school and school district investigations of alleged maltreatment of a student must be disclosed to the commissioner, including, but not limited to, the following:

(1) information regarding the student alleged to have been maltreated;

(2) information regarding student and employee witnesses;

(3) information regarding the alleged perpetrator; and

(4) what corrective or protective action was taken, if any, by the school facility in response to a report of maltreatment by an employee or agent of the school or school district;

(o) when the disclosure is of the final results of a disciplinary proceeding on a charge of a crime of violence or nonforcible sex offense to the extent authorized under United States Code, title 20, section 1232g(b)(6)(A) and (B) and Code of Federal Regulations, title 34, sections 99.31(a)(13) and (14);

(p) when the disclosure is information provided to the institution under United States Code, title 42, section 14071, concerning registered sex offenders to the extent authorized under United States Code, title 20, section 1232g(b)(7); or

(q) when the disclosure is to a parent of a student at an institution of postsecondary education regarding the student's violation of any federal, state, or local law or of any rule or policy of the institution, governing the use or possession of alcohol or of a controlled substance, to the extent authorized under United States Code, title 20, section 1232g(i), and Code of Federal Regulations, title 34, section 99.31(a)(15), and provided the institution has an information release form signed by the student authorizing disclosure to a parent. The institution must notify parents and students about the purpose and availability of the information release forms. At a minimum, the institution must distribute the information release forms at parent and student orientation meetings.

Sec. 2. Minnesota Statutes 2006, section 13.32, is amended by adding a subdivision to read:

Subd. 11. **Data sharing; improving instruction.** The following educational data may be shared

between the Department of Education and the Minnesota Office of Higher Education as authorized by the Code of Federal Regulations, title 34, section 99.31(a)(6), to analyze instruction in school districts for purposes of improvement:

(1) attendance data, including name of school or institution, school district, year or term of attendance, and term type;

(2) student demographic and enrollment data;

(3) academic performance and testing data; and

(4) special academic services received by a student.

Any analysis of or report on the data must contain only summary data.

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

Sec. 3. Minnesota Statutes 2006, section 136A.101, subdivision 8, is amended to read:

Subd. 8. **Resident student.** "Resident student" means a student who meets one of the following conditions:

(1) a student who has resided in Minnesota for purposes other than postsecondary education for at least 12 months without being enrolled at a postsecondary educational institution for more than five credits in any term;

(2) a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies;

(3) a student who graduated from a Minnesota high school, if the student was a resident of Minnesota during the student's period of attendance at the Minnesota high school and the student is physically attending a Minnesota postsecondary educational institution;

(4) a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota;

(5) a member, spouse, or dependent of a member of the armed forces of the United States stationed in Minnesota on active federal military service as defined in section 190.05, subdivision 5c;

(6) a spouse or dependent of a veteran, as defined in section 197.447, if the veteran is a Minnesota resident;

(7) a person or spouse of a person who relocated to Minnesota from an area that is declared a presidential disaster area within the preceding 12 months if the disaster interrupted the person's postsecondary education; or

~~(7)~~(8) a person defined as a refugee under United States Code, title 8, section 1101(a)(42), who, upon arrival in the United States, moved to Minnesota and has continued to reside in Minnesota.

Sec. 4. Minnesota Statutes 2007 Supplement, section 136A.121, subdivision 7a, is amended to read:

Subd. 7a. **Surplus appropriation.** If the amount appropriated is determined by the office to be

more than sufficient to fund projected grant demand in the second year of the biennium, the office may increase the living and miscellaneous expense allowance in the second year of the biennium by up to an amount that retains sufficient appropriations to fund the projected grant demand. The adjustment may be made one or more times. In making the determination that there are more than sufficient funds, the office shall balance the need for sufficient resources to meet the projected demand for grants with the goal of fully allocating the appropriation for state grants. An increase in the living and miscellaneous expense allowance under this subdivision does not carry forward into a subsequent biennium. ~~This subdivision expires June 30, 2009.~~

Sec. 5. Minnesota Statutes 2007 Supplement, section 136A.126, is amended to read:

136A.126 INDIAN SCHOLARSHIPS.

Subdivision 1. **Student eligibility.** The director of the Office of Higher Education shall establish procedures for the distribution of scholarships to any a Minnesota resident student who:

who (1) is of one-fourth or more Indian ancestry;

who (2) has applied for other existing state and federal scholarship and grant programs, and;

(3) if enrolled in an undergraduate program, is eligible or would be eligible to receive a federal Pell Grant or a state grant based on the federal needs analysis and is enrolled for nine semester credits per term or more, or the equivalent;

(4) if enrolled in a graduate program, demonstrates a remaining financial need in the award amount calculation and is enrolled, per term, on a half-time basis or more as defined by the postsecondary institution; and

who, (5) in the opinion of the director of the Office of Higher Education, based upon postsecondary institution recommendations, has the capabilities to benefit from further education.

Subd. 2. **Eligible programs.** Scholarships must be for accredited degree programs in accredited Minnesota colleges or universities or for courses in accredited Minnesota business, technical, or vocational schools. Scholarships may also be given to students attending Minnesota colleges that are in candidacy status for obtaining full accreditation, and are eligible for and receiving federal financial aid programs. Students are also eligible for scholarships when enrolled as students in Minnesota higher education institutions that have joint programs with other accredited higher education institutions. Scholarships shall be used to defray the total cost of education including tuition, incidental fees, books, supplies, transportation, other related school costs and the cost of board and room and shall be paid directly to the college or school concerned where the student receives federal financial aid.

Subd. 3. **Cost of attendance.** The total cost of education includes all attendance shall include tuition and required fees for each student enrolling in a public institution and the portion of tuition and fees for each student enrolling in a private institution that does not exceed the tuition and fees at a comparable public institution. Each student shall be awarded a scholarship based on a federal standardized need analysis. Applicants are encouraged to apply for all other sources of financial aid charged by the institution and the campus-based budget used for federal financial aid for food, housing, books, supplies, transportation, and miscellaneous expenses.

When an Indian student satisfactorily completes the work required by a certain college or school

~~in a school year the student is eligible for additional scholarships, if additional training is necessary to reach the student's educational and vocational objective.~~

Subd. 4. **Award amount.** (a) Each student shall be awarded a scholarship based on the federal need analysis. Applicants are encouraged to apply for all other sources of financial aid. The amount of the award must not exceed the applicant's cost of attendance, as defined in subdivision 3, after deducting:

- (1) the expected family contribution as calculated by the federal need analysis;
- (2) the amount of a federal Pell Grant award for which the applicant is eligible;
- (3) the amount of the state grant;

(4) the sum of all federal Supplemental Educational Opportunity Grant, federal Academic Competitiveness Grant, and federal Science and Mathematics Access to Retain Talent Grant (SMART Grant) awards;

(5) the sum of all institutional grants, scholarships, tuition waivers, and tuition remission amounts;

(6) the sum of all tribal scholarships;

(7) the amount of any other state and federal gift aid; and

(8) the amount of any private grants or scholarships.

(b) The award shall be paid directly to the postsecondary institution where the student receives federal financial aid.

(c) Awards are limited as follows:

(1) the maximum award for an undergraduate is \$4,000 per academic year;

(2) the maximum award for a graduate student is \$6,000 per academic year; and

(3) the minimum award for all students is \$100 per academic year.

(d) Scholarships may not be given to any Indian student for more than five three years of study for a two-year degree, certificate, or diploma program or five years of study for a four-year degree program at the undergraduate level and for more than five years at the graduate level. Students may acquire only one degree per level and one terminal graduate degree. Scholarships may not be given to any student for more than ten years including five years of undergraduate study and five years of graduate study.

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

Sec. 6. Minnesota Statutes 2007 Supplement, section 136A.127, is amended to read:

136A.127 ACHIEVE SCHOLARSHIP PROGRAM.

Subdivision 1. **Establishment.** The Achieve Scholarship Program is established to provide scholarships to eligible students within the limits of appropriations for the program.

Subd. 2. **Definition; qualifying program.** For the purposes of this section, a "qualifying program" means a rigorous secondary school program of study defined by the Department of Education under agreement with the Secretary of Education for the purposes of determining eligibility for the federal Academic Competitiveness Grant Program under Title IV of the Higher Education Act of 1965, as amended.

Subd. 3. **Documentation of qualifying programs.** The student shall request a transcript from the high school. The high school shall provide a transcript to the Office of Higher Education or to the eligible institution in which the student is enrolling, documenting the qualifying program. If the transcript is not sufficient to document a qualifying program, the student may be required to submit further documentation that the office deems sufficient.

Subd. 4. **Student eligibility.** To be eligible to receive a scholarship under this section, in addition to the requirements listed under section 136A.121, a student must:

(1) submit a Free Application for Federal Student Aid (FAFSA);

(2) take and receive at least a grade of C for courses that comprise a rigorous secondary school program of study in a high school or in a home-school setting under section 120A.22, and graduate from a Minnesota high school;

(3) have a family adjusted gross income of less than \$75,000 in the last complete calendar year prior to the academic year of postsecondary attendance of less than \$75,000 in which the scholarship is used;

(4) be a United States citizen or eligible noncitizen, as defined in section 484 of the Higher Education Act, United States Code, title 20, sections 1091 et seq., as amended, and Code of Federal Regulations, title 34, section 668.33; ~~and~~

(5) be a Minnesota resident, as defined in section 136A.101, subdivision 8; and

(6) be enrolled for at least three credits per quarter or semester or the equivalent at an eligible institution as defined under section 136A.101, subdivision 4.

Subd. 5. **Administration.** The Achieve Scholarship Program shall be administered by the Minnesota Office of Higher Education. The director shall develop forms and procedures necessary to administer the program.

Subd. 6. **Application.** A student must complete and submit an application for the Achieve scholarship.

Subd. 7. **Deadline.** The deadline for the office to accept applications for Achieve scholarships is 30 days after the beginning of the academic term for which the application is submitted the same as that used for the state grant in section 136A.121, subdivision 13.

Subd. 8. **Documentation of qualifying household income.** Achieve Scholarship Program applicants must certify on the application that they meet the income eligibility requirement in subdivision 5 4, clause ~~(2)~~ (3). The Office of Higher Education or the postsecondary institution may request documentation needed to confirm income eligibility.

Subd. 9. **Scholarship awards.** ~~Minnesota Achieve scholarships shall consist of \$1,200 for a student who takes and receives at least a grade of C for courses required under a qualifying program~~

A student may not receive more than \$1,200 in Minnesota Achieve scholarships, which must be for enrollment during the four-year availability period described in subdivision 12. The scholarships may be used to pay for qualifying expenses at eligible institutions.

Subd. 10. **Qualifying expenses.** Qualifying expenses are components included under the cost of attendance used for federal student financial aid programs, as defined in section 472 of the Higher Education Act, United States Code, title 20, sections 1091 et seq., as amended.

Subd. 11. **Eligible institutions.** The Achieve scholarship may only be used to pay qualifying expenses at an eligible institution as defined under section 136A.101, subdivision 4.

Subd. 12. **Availability of scholarship funds.** A scholarship earned by a student is available for four years immediately following high school graduation. The office must certify to the commissioner of finance by October 1 of each year the amounts to be canceled from scholarship eligibility that have expired.

Subd. 13. **Disbursement of scholarships.** The office shall make two equal payments to a postsecondary institution on behalf of the student. ~~The second payment must be made~~ After the student successfully completes the first term of enrollment, the second payment must be made during the student's next term of enrollment at an eligible institution. If the second disbursement is not within the same academic year as the first disbursement, the student must request the second disbursement.

Subd. 14. **Evaluation report.** By January 15 of each odd-numbered year, the Office of Higher Education shall submit a report, to the committees of the legislature with jurisdiction over higher education finance and policy, regarding the success of the program in increasing the enrollment of students in rigorous high school courses, including, at a minimum, the following information:

- (1) the demographics of individuals participating in the program;
- (2) the grades scholarship recipients received for courses in the qualifying program under subdivision 2;
- (3) the number of scholarship recipients who persisted at a postsecondary institution for a second year;
- (4) the high schools attended by the program participants;
- (5) the postsecondary institutions attended by the program participants;
- (6) the academic performance of the students after enrolling in a postsecondary institution; and
- (7) other information as identified by the director.

EFFECTIVE DATE. This section is effective the day following final enactment and, within the limits of appropriations, applies to students who graduate from high school after January 1, 2008.

Sec. 7. Minnesota Statutes 2007 Supplement, section 136A.128, is amended by adding a subdivision to read:

Subd. 4. **Administration.** A nonprofit organization that receives a grant under this section may use five percent of the grant amount to administer the program.

EFFECTIVE DATE. This section is effective the day following final enactment for grants under Minnesota Statutes, section 136A.128, beginning in fiscal year 2008.

Sec. 8. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 1, is amended to read:

Subdivision 1. **Prohibition.** No school subject to registration shall grant a degree unless such degree and its underlying curriculum are approved by the office, nor shall any school subject to registration use the name "college," "academy," "institute" or "university" in its name without approval by the office.

Sec. 9. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 3, is amended to read:

Subd. 3. **Application.** A school subject to registration shall be granted approval to use the term "college," "academy," "institute," or "university" in its name if it was organized, operating, and using such term in its name on or before August 1, 2007, and if it meets the other policies and standards for approval established by the office.

Sec. 10. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 5, is amended to read:

Subd. 5. **Requirements for degree and nondegree program approval.** For each degree and nondegree program a school offers to a student, where the student does not leave Minnesota for the major portion of the program or course leading to the degree or nondegree award, the school must have:

(1) for degree programs:

~~(1)~~ (i) qualified teaching personnel to provide the educational programs for each degree for which approval is sought;

~~(2)~~ (ii) appropriate educational programs leading to each degree for which approval is sought;

~~(3)~~ (iii) appropriate and accessible library, laboratory, and other physical facilities to support the educational program for each degree for which approval is sought; and

~~(4)~~ (iv) a rationale showing that degree programs are consistent with the school's mission and goals; and

(2) for nondegree programs:

(i) qualified teaching personnel to provide the educational programs for which approval is sought;

(ii) appropriate educational programs leading to each award for which approval is sought;

(iii) appropriate and accessible library, laboratory, and other physical facilities to support the educational program for which approval is sought; and

(iv) a rationale showing that programs are consistent with the school's mission and goals.

Nondegree programs that are a part of an approved degree shall not require additional review

or approval; they shall be considered approved as a part of the degree approval. Any nondegree program offered by a degree-granting school that is not a part of an approved degree shall be subject to clause (2), items (i) to (iv).

Sec. 11. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 6, is amended to read:

Subd. 6. **Name.** A degree-granting school may use the term "academy" or "institute" in its name without meeting any additional requirements. A school may use the term "college" in its name if it offers at least one program leading to an associate degree. A school may use the term "university" in its name if it offers at least one program leading to a master's or doctorate degree.

Sec. 12. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 7, is amended to read:

Subd. 7. **Conditional approval.** The office may grant conditional approval for a degree or use of a term in its name for a period of less than one year if doing so would be in the best interests of currently enrolled students or prospective students. New schools may be granted conditional approval for degrees or names annually for a period not to exceed five years to allow them the opportunity to apply for and receive accreditation as required in subdivision 1a.

Sec. 13. Minnesota Statutes 2007 Supplement, section 136A.66, is amended to read:

136A.66 LIST.

The office shall maintain a list of registered institutions authorized to grant degrees and schools authorized to use the name "college," ~~"academy," "institute"~~ or "university," and shall make such list available to the public.

Sec. 14. Minnesota Statutes 2007 Supplement, section 136A.67, is amended to read:

136A.67 UNAUTHORIZED REPRESENTATIONS.

No school and none of its officials or employees shall advertise or represent in any manner that such school is approved or accredited by the office or the state of Minnesota, except a school which is duly registered with the office, or any of its officials or employees, may represent in advertising and shall disclose in catalogues, applications, and enrollment materials that the school is registered with the office by prominently displaying the following statement: "(Name of school) is registered as a private institution with the Minnesota Office of Higher Education pursuant to sections 136A.61 to 136A.71. Registration is not an endorsement of the institution. Credits earned at the institution may not transfer to all other institutions."

Sec. 15. Minnesota Statutes 2007 Supplement, section 136A.69, is amended to read:

136A.69 FEES.

Subdivision 1. **Registration fees.** The office shall collect reasonable registration fees that are sufficient to recover, but do not exceed, its costs of administering the registration program. The office shall charge \$1,100 for initial registration fees and \$950 for annual renewal fees.

Subd. 2. **Degree level addition fee.** The office processing fee for adding a degree level to an existing program is \$2,000 per ~~program~~ degree.

Subd. 3. **Degree or nondegree program addition fee.** The office processing fee for adding a degree or nondegree program that represents a significant departure in the objectives, content, or method of delivery of degree or nondegree programs that are currently offered by the school is \$500 per degree or nondegree program.

Subd. 4. **Visit or consulting fee.** If the office determines that a fact-finding visit or outside consultant is necessary to review or evaluate any new or revised degree or nondegree program, the office shall be reimbursed for the expenses incurred related to the review as follows:

(1) \$300 for the team base fee or for a paper review conducted by a consultant if the office determines that a fact-finding visit is not required;

(2) \$300 for each day or part thereof on site per team member; and

(3) the actual cost of customary meals, lodging, and related travel expenses incurred by team members.

Subd. 5. **Modification fee.** The fee for modification of any existing degree or nondegree program is \$100 and is due if there is:

(1) an increase or decrease of 25 percent or more from the original date of program approval, in clock hours, credit hours, or calendar length of an existing degree or nondegree program;

(2) a change in academic measurement from clock hours to credit hours or vice versa; or

(3) an addition or alteration of courses that represent a 25 percent change or more in the objectives, content, or methods of delivery.

Sec. 16. Minnesota Statutes 2007 Supplement, section 136F.02, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The board consists of 15 members appointed by the governor, including three members who are students who have attended an institution for at least one year and are currently enrolled at least half time in a degree, diploma, or certificate program in an institution governed by the board. The student members shall include one member from a community college, one member from a state university, and one member from a technical college. One member representing labor must be appointed after considering the recommendations made under section 136F.045. The governor is not bound by the recommendations. Appointments to the board are with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. All other members must be appointed to represent the state at large. In selecting appointees, the governor must consider the needs of the board of trustees and the balance of the board membership with respect to labor and business representation and racial, gender, geographic, and ethnic composition. ~~Three members must be students who are enrolled at least half time in a degree, diploma, or certificate program or have graduated from an institution governed by the board within one year of the date of appointment. The student members shall include: one member from a community college, one member from a state university, and one member from a technical college. The remaining members must be appointed to represent the state at large.~~

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

Sec. 17. Minnesota Statutes 2007 Supplement, section 136F.03, subdivision 4, is amended to

read:

Subd. 4. **Recommendations.** Except for seats filled under ~~section~~ sections 136F.04 and 136F.045, the advisory council shall recommend at least two and not more than four candidates for each seat. By April 15 of each even-numbered year in which the governor makes appointments to the board, the advisory council shall submit its recommendations to the governor. The governor is not bound by these recommendations.

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

Sec. 18. **[136F.045] LABOR ORGANIZATION BOARD MEMBER SELECTION PROCESS.**

The Minnesota AFL-CIO shall recruit and screen qualified labor candidates to be recommended to the governor for appointment to the board. The organization must develop a process for selecting candidates, and a statement of selection criteria for board membership that is consistent with the requirements under section 136F.02, subdivision 1. The organization must recommend at least two and no more than four candidates to the governor beginning in 2010 and every six years thereafter. Recommendations must be made by April 15 of the year in which the governor makes appointments to the board. The governor is not bound by the recommendations.

Sec. 19. **[136F.301] MAXIMUM CREDIT FOR GRADUATION; WAIVER REPORTING.**

The board must annually by October 1 report to the chairs of the house of representatives and senate committees with primary jurisdiction over higher education policy on the board's current policy setting the maximum number of semester credits required for a baccalaureate and an associate of arts degree at 120 and 60 semester credits or their equivalent, respectively, as required by Laws 2007, chapter 144, article 1, section 4, subdivision 3, paragraph (b). The report must specifically identify requests in the previous academic year for waivers from the policy and the requests granted. The specific identification must include, among other things, the program and the campus for which a request was made and for which a waiver was granted.

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

Sec. 20. Minnesota Statutes 2006, section 136F.90, subdivision 1, is amended to read:

Subdivision 1. **Duties.** For ~~the state colleges and universities~~, the Board of Trustees of the Minnesota State Colleges and Universities may:

(1) acquire by purchase or otherwise, construct, complete, remodel, equip, operate, control, and manage residence halls, dormitories, dining halls, student union buildings, parking facilities, and any other similar revenue-producing buildings of such type and character as the board finds necessary for the good and benefit of ~~the state colleges and universities~~, and may acquire property whether real, personal, or mixed, by gift, purchase, or otherwise; provided that no contract for the construction of any building shall be entered into until financing has been approved by the legislature;

(2) maintain and operate any buildings or structures and charge for their use, and conduct any activities that are commonly conducted in connection with the buildings or structures;

(3) enter into contracts for the purposes of sections 136F.90 to 136F.98;

(4) acquire building sites and buildings or structures by gift, purchase, or otherwise and pledge

the revenues from them for the payment of any bonds issued for that purpose as provided in sections 136F.90 to 136F.98;

(5) borrow money and issue and sell bonds in an amount or amounts the legislature authorizes for the purpose of acquiring, constructing, completing, remodeling, or equipping any buildings or structures, and acquiring sites, and refund and refinance the bonds by the issuance and sale of refunding bonds when the board finds that it is in the public interest. The bonds shall be sold and issued by the board in the manner and upon the terms and conditions provided by chapter 475, except as otherwise provided in this section. The bonds are payable only from and secured by an irrevocable pledge of the revenues to be derived from the operation of any buildings or structures acquired, constructed, completed, remodeled, or equipped in whole or in part with the proceeds of the bonds and from other income and revenues described in section 136F.92, clause (1), the board by resolution specifies, and notwithstanding this limitation all bonds issued under sections 136F.90 to 136F.98 shall have the qualities of negotiable instruments under the laws of this state. The legislature shall not appropriate money from the general fund to pay for these bonds.

Sec. 21. Minnesota Statutes 2007 Supplement, section 141.25, subdivision 5, is amended to read:

Subd. 5. **Bond.** (a) No license shall be issued to any school which maintains, conducts, solicits for, or advertises within the state of Minnesota any program, unless the applicant files with the office a continuous corporate surety bond written by a company authorized to do business in Minnesota conditioned upon the faithful performance of all contracts and agreements with students made by the applicant.

(b)(1) The amount of the surety bond shall be ten percent of the preceding year's gross income from student tuition, fees, and other required institutional charges, but in no event less than \$10,000 nor greater than \$250,000, except that a school may deposit a greater amount at its own discretion. A school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision, unless the school maintains a surety bond equal to at least \$250,000. A school that operates at two or more locations may combine gross income from student tuition, fees, and other required institutional charges for all locations for the purpose of determining the annual surety bond requirement. The gross tuition and fees used to determine the amount of the surety bond required for a school having a license for the sole purpose of recruiting students in Minnesota shall be only that paid to the school by the students recruited from Minnesota.

(2) A school required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in its name and which is also licensed by another state agency or board shall be required to provide a school bond of \$10,000.

(c) The bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum deposited by the school under paragraph (b). The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(d) In lieu of bond, the applicant may deposit with the commissioner of finance a sum equal to the amount of the required surety bond in cash, or securities as may be legally purchased by savings

banks or for trust funds in an aggregate market value equal to the amount of the required surety bond.

(e) Failure of a school to post and maintain the required surety bond or deposit under paragraph (d) shall result in denial, suspension, or revocation of the school's license.

Sec. 22. Minnesota Statutes 2006, section 141.25, is amended by adding a subdivision to read:

Subd. 13. **Schools licensed by another state agency or board.** A school required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in its name and which is also licensed by another state agency or board shall be required to satisfy only the requirements of subdivisions 3, clauses (1), (2), (3), (5), (7), and (10); 4; 5, paragraph (b), clause (2); 7, clauses (1) and (10); 8; 9, clause (13); and 12.

Sec. 23. Minnesota Statutes 2007 Supplement, section 141.28, subdivision 1, is amended to read:

Subdivision 1. **Disclosure required; advertisement restricted.** A Schools, agents of schools, and solicitors may not advertise or represent in writing or orally that the school is approved or accredited by the state of Minnesota, except that any school, agent, or solicitor may represent in advertisements and shall disclose in catalogues, applications, and enrollment materials that the school is duly licensed by the state by prominently displaying the following statement:

"(Name of school) is licensed as a private career school with the Minnesota Office of Higher Education pursuant to Minnesota Statutes, sections 141.21 to 141.32. Licensure is not an endorsement of the institution. Credits earned at the institution may not transfer to all other institutions."

Sec. 24. Minnesota Statutes 2007 Supplement, section 141.35, is amended to read:

141.35 EXEMPTIONS.

Sections 141.21 to 141.32 shall not apply to the following:

- (1) public postsecondary institutions;
- (2) postsecondary institutions registered under sections ~~136A.615~~ 136A.61 to 136A.71;
- (3) schools of nursing accredited by the state Board of Nursing or an equivalent public board of another state or foreign country;
- (4) private schools complying with the requirements of section 120A.22, subdivision 4;
- (5) courses taught to students in a valid apprenticeship program taught by or required by a trade union;
- (6) schools exclusively engaged in training physically or mentally disabled persons for the state of Minnesota;
- (7) schools licensed by boards authorized under Minnesota law to issue licenses except schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;
- (8) schools and educational programs, or training programs, contracted for by persons, firms,

corporations, government agencies, or associations, for the training of their own employees, for which no fee is charged the employee;

(9) schools engaged exclusively in the teaching of purely avocational, recreational, or remedial subjects as determined by the office except schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;

(10) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership;

(11) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale or employment. In making this determination the office may seek the advice and recommendation of the Minnesota Board of the Arts;

(12) classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession, that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession, and that are offered exclusively to an individual practicing the profession;

(13) classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;

(14) classes, courses, or programs providing 16 or fewer clock hours of instruction that are not part of the curriculum for an occupation or entry level employment except schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;

(15) classes, courses, or programs providing instruction in personal development, modeling, or acting;

(16) training or instructional programs, in which one instructor teaches an individual student, that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment; and

(17) schools with no physical presence in Minnesota, as determined by the office, engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions.

Sec. 25. Minnesota Statutes 2006, section 144.1501, subdivision 2, is amended to read:

Subd. 2. **Creation of account.** (a) A health professional education loan forgiveness program account is established. The commissioner of health shall use money from the account to establish a loan forgiveness program:

(1) for medical residents agreeing to practice in designated rural areas or underserved urban communities or specializing in the area of pediatric psychiatry;

(2) for midlevel practitioners agreeing to practice in designated rural areas or to teach ~~for~~ at least 20 hours 12 credit hours, or 720 hours per week year in the nursing field in a postsecondary program

at the undergraduate level or the equivalent at the graduate level;

(3) for nurses who agree to practice in a Minnesota nursing home or intermediate care facility for persons with developmental disability or to teach ~~for~~ at least ~~20 hours~~ 12 credit hours, or 720 hours per week year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(4) for other health care technicians agreeing to teach ~~for~~ at least ~~20 hours~~ 12 credit hours, or 720 hours per week year in their designated field in a postsecondary program at the undergraduate level or the equivalent at the graduate level. The commissioner, in consultation with the Healthcare Education-Industry Partnership, shall determine the health care fields where the need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory technology, radiologic technology, and surgical technology;

(5) for pharmacists who agree to practice in designated rural areas; and

(6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section 51, chapter 303.

(b) Appropriations made to the account do not cancel and are available until expended, except that at the end of each biennium, any remaining balance in the account that is not committed by contract and not needed to fulfill existing commitments shall cancel to the fund.

Sec. 26. [150A.061] ORAL HEALTH PRACTITIONER.

Subdivision 1. Oral health practitioner requirements. The board shall authorize a person to practice as an oral health practitioner if that person is qualified under this section, works under the supervision of a Minnesota-licensed dentist pursuant to a written collaborative management agreement, is licensed by the board, and practices in compliance with this section and rules adopted by the board. No oral health practitioner shall be authorized to practice prior to January 1, 2011. To be qualified to practice under this section, the person must:

(1) be a graduate of an oral health practitioner education program that is accredited by a national accreditation organization to the extent required under subdivision 2 and approved by the board;

(2) pass a comprehensive, competency-based clinical examination that is approved by the board and administered independently of an institution providing oral health practitioner education; and

(3) satisfy the requirements established in this section and by the board.

Subd. 2. Education program approval. If a national accreditation program for midlevel practitioners is established by the Commission on Dental Accreditation or another national accreditation organization, the board shall require that an oral health practitioner be a graduate of an accredited education program.

Subd. 3. Requirement to practice in underserved areas. As a condition of being granted authority to practice as an oral health practitioner under this section, the practitioner must agree to practice in settings serving low-income, uninsured, and underserved patients or in a dental health professional shortage area as determined by the commissioner of health.

Subd. 4. **Application of other laws.** An oral health practitioner authorized to practice under this section is not in violation of section 150A.05 relating to the unauthorized practice of dentistry and chapter 151 relating to authority to prescribe, dispense, or administer drugs.

Subd. 5. **Rulemaking.** The Board of Dentistry may adopt rules to implement this section.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 27. Laws 2007, chapter 144, article 1, section 3, subdivision 18, is amended to read:

Subd. 18. Transfers

The Minnesota Office of Higher Education may transfer unencumbered balances from the appropriations in this section to the state grant appropriation, the interstate tuition reciprocity appropriation, the child care grant appropriation, the Indian scholarship appropriation, the state work study appropriation, the public safety officers' survivors appropriation, and the Minnesota college savings plan appropriation. Transfers from the child care or state work study appropriations may only be made to the extent there is a projected surplus in the appropriation. A transfer may be made only with the prior written approval of the commissioner of finance and prior written notice to the chairs of the senate and house committees with jurisdiction over higher education finance.

Sec. 28. Laws 2007, chapter 144, article 1, section 5, subdivision 2, is amended to read:

Subd. 2. Operations and Maintenance	621,184,000	637,824,000
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This appropriation includes funding for operation and maintenance of the system including amounts to advance the University of Minnesota's efforts to sustain quality and competitiveness; and funding for the "Advancing Education" initiatives including an Ojibwe Indian language program on the Duluth campus.

This appropriation includes funding to establish banded tuition at the Morris, Crookston, and Duluth campuses to reduce tuition costs for students.

This appropriation includes funding for scholarships for undergraduate Minnesota resident students with family income under \$150,000 per year. This appropriation must be matched with \$1.50 of nonstate money for each \$1 of state money.

This appropriation includes funding for the Center for Transportation Studies to complete a study to assess public policy options for reducing the volume of greenhouse gases emitted from the transportation sector in Minnesota. The Center for Transportation Studies must report its preliminary findings to the legislature by February 1, 2008, and must issue its full report by June 1, 2008. This is a onetime appropriation.

This appropriation includes funding to establish an India Center to improve and promote relations with India and Southeast Asia. The center must partner with public and private organizations in Minnesota to:

- (1) foster an understanding of the history, culture, and values of India;
- (2) serve as a resource and catalyst to promote economic, governmental, and academic pursuits involving India; and
- (3) facilitate educational and business exchanges and partnerships, collaborative research, and teaching and training activities for Minnesota students and teachers.

The Board of Regents may establish an advisory council to facilitate the mission and objectives of the India Center and must report on the progress of the India Center by February 15, 2008, to the governor and chairs of the legislative committees responsible for higher education finance. This appropriation must be matched by an equal amount of nonstate money. This is a onetime appropriation.

This appropriation includes funding to assist in the formation of the neighborhood alliance and for projects identified in section 10. The

alliance, the Board of Regents, and the city of Minneapolis may cooperate on the projects and may use public services of other entities to complete all or a portion of a project. This is a onetime appropriation.

This appropriation includes funding to establish a Dakota language teacher training immersion program on the Twin Cities campus to prepare teachers to teach in Dakota language immersion programs.

~~One~~ Two percent of the appropriation in this subdivision for the second year is available when the Board of Regents of the University of Minnesota demonstrates to the commissioner of finance that the board has met at least three of the five following performance goals:

- (1) increase financial support to pay the cost of attendance for students demonstrating financial need;
- (2) maintain or improve the University of Minnesota's rank in its national share of total research and development expenditures reported to the National Science Foundation over the 2007 ranking;
- (3) increase by at least five percent, compared to fiscal year 2007, the number of degrees awarded in science, technology, engineering, mathematics, and health sciences disciplines;
- (4) increase by at least five percent, compared to fiscal year 2007, the amount of financial support from key funding sources for renewable energy research; and
- (5) increase and improve interaction and research activity beneficial to business and industry.

By October 1, 2007, the Board of Regents and the Office of Higher Education must agree on specific numerical indicators and definitions for each of the five goals that will be used to demonstrate the University of Minnesota's attainment of each goal.

On or before April 1, 2008, the Board of Regents must report to the legislative committees with primary jurisdiction over higher education finance and policy the progress of the University of Minnesota toward attaining the goals.

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

Sec. 29. **ORAL PRACTITIONER WORK GROUP.**

Subdivision 1. **Oral health practitioner work group.** By August 1, 2008, the commissioner of health, or the commissioner's designee, in consultation with the Board of Dentistry, shall convene the first meeting of the work group appointed under subdivision 2 to develop recommendations and proposed legislation for the education and regulation of oral health practitioners. The work group's recommendations must include an implementation schedule that allows for enrollment of students in oral health practitioner educational programs by the fall of 2009. The work group shall provide recommendations and proposed legislation on the following issues:

(1) necessary education and competencies, including clinical training requirements, faculty expertise, and facilities;

(2) the appropriate program accreditation;

(3) scope of practice that reflects the education and training of the oral health practitioner and includes the following services: preventive, primary diagnostic, educational, palliative, therapeutic, and restorative oral health services, including preparation of cavities and restoration of primary and permanent teeth using direct placement of appropriate dental materials, temporary placement of crowns and restorations and placement of preformed crowns; pulpotomies on primary teeth; direct and indirect pulp capping in primary and permanent teeth; extractions of primary and permanent teeth; placing and removing sutures; and providing reparative services to patients with defective prosthetic appliances. In recommending scope of practice for the oral health practitioner, the work group may consider which services may be provided to children and which services may be more appropriately provided to adults;

(4) the level of supervision required by a licensed dentist, including any limitations, restrictions, or dentist supervision requirements the work group recommends that should be applied to any of the services or procedures listed in clause (3);

(5) the medications that may be prescribed, administered, and dispensed by an oral health practitioner if authorized by the supervising dentist in a collaborative agreement. These may be limited to medications for anti-infective therapies, nonnarcotic pain management, and prevention;

(6) extractions that may be performed by an oral health practitioner if authorized by the supervising dentist in a collaborative agreement and are within any limitations, restrictions, and level of supervision requirements recommended by the work group;

(7) criteria for determining in which practice settings oral health practitioners should be authorized to practice in order to improve access to dental care for low-income, uninsured, and underserved populations, including a definition of "underserved";

(8) an assessment of the economic impact of oral health practitioners to the provision of dental services and access to these services;

(9) an evaluation process that includes clearly defined outcomes and a process for assessing whether these outcomes were successfully met; and

(10) licensure and regulatory requirements, including licensing fees.

Subd. 2. **Membership and operation of work group.** (a) The work group shall consist of the following members:

(1) one dentist and one dental hygienist appointed by the University of Minnesota School of Dentistry;

(2) two persons appointed by the Minnesota State Colleges and Universities, at least one of whom must be a dentist;

(3) one representative, who must be a dentist, appointed by the Board of Dentistry;

(4) two dentists appointed by the Minnesota Dental Association;

(5) one dental hygienist appointed by the Minnesota Dental Hygienists Association;

(6) two persons representing safety net dental providers serving low-income and uninsured patients appointed by the Minnesota Safety Net Coalition at least one of whom must be a dentist;

(7) a pediatric dentist appointed by the Minnesota Association of Pediatric Dentists;

(8) a representative of the commissioner of health; and

(9) a representative of the commissioner of human services.

(b) The appointing authorities under paragraph (a) must complete their appointments no later than July 15, 2008. The work group must elect a chair from its membership at the first meeting. The commissioner shall provide staff support and meeting space for the work group. The members serve without compensation or reimbursement for any expenses.

Subd. 3. **Research and recommendations.** In developing its recommendations, the work group shall review existing midlevel dental practitioner programs in other countries and in Alaska and proposals for dental therapists, advanced practice dental hygienists, and other models. The work group shall review research on midlevel practitioners and, to the extent possible, base its recommendations on evidence-based strategies that are most likely to: (1) improve access to needed oral health services for low-income, uninsured, and underserved patients; (2) control the costs of education and dental services; (3) preserve quality of care; and (4) protect patients from harm. The work group shall complete its recommendations by December 15, 2008, and the commissioner and Board of Dentistry shall submit a report containing the work group's recommendations and draft legislation to the chairs and ranking minority members of the legislative committees with jurisdiction over health care and higher education issues by January 15, 2009.

Subd. 4. **Costs of implementation.** The commissioner of health may seek private funding or grants to support the activities of the oral health practitioner work group, and any money received is appropriated to the commissioner of health for that purpose. To the extent the costs cannot be covered

with grants and external funding, the commissioner of health may charge a fee to the Minnesota State Colleges and Universities and the University of Minnesota Dental School proposing to develop oral health practitioner education programs to cover the remaining costs. Any fees collected shall be deposited in the state government special revenue fund and appropriated to the commissioner for the activities of the work group.

Subd. 5. **Expiration.** This section expires on the date the report required under subdivision 3 is submitted to the specified legislative members.

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

Sec. 30. **ENROLLMENT PATTERN STUDY.**

The Minnesota Office of Higher Education, as a part of the final report due on the state grant program required in Laws 2007, chapter 144, section 9, shall study and evaluate the enrollment patterns of students from low-income families in higher education. This study may include an analysis of high school preparation levels, the enrollment response to available federal and state financial aid, current net costs of attendance relative to family income, and the patterns of family capacity and likelihood to borrow funds for college. The report shall also identify and prepare cost estimates of additional support services students from low-income families require to be successful in college and analyze current efforts at various institutions in the state. The report shall identify potential changes in the state grant program or related aid programs that would increase the participation and success of students from low-income families in higher education in Minnesota.

Sec. 31. **2010 APPOINTMENTS TO BOARD OF TRUSTEES.**

Notwithstanding Minnesota Statutes, section 136F.02, the governor must consider the recommendation under Minnesota Statutes, section 136F.045, in making appointments to the board of trustees in 2010."

Delete the title and insert:

"A bill for an act relating to higher education; allowing disclosure of certain data and data sharing; defining terms; making technical changes; amending certain scholarship provisions; regulating school names and degree requirements; regulating board selection and membership requirements; requiring a report; requiring certain school bonds and licenses; restricting certain advertising; clarifying exemptions; amending loan forgiveness requirements; authorizing oral health practitioners to practice; regulating oral health practitioners; allowing certain transfers of funds; creating a work group; requiring a study on enrollment patterns; limiting appointments; amending Minnesota Statutes 2006, sections 13.32, subdivision 3, by adding a subdivision; 136A.101, subdivision 8; 136F.90, subdivision 1; 141.25, by adding a subdivision; 144.1501, subdivision 2; Minnesota Statutes 2007 Supplement, sections 136A.121, subdivision 7a; 136A.126; 136A.127; 136A.128, by adding a subdivision; 136A.65, subdivisions 1, 3, 5, 6, 7; 136A.66; 136A.67; 136A.69; 136F.02, subdivision 1; 136F.03, subdivision 4; 141.25, subdivision 5; 141.28, subdivision 1; 141.35; Laws 2007, chapter 144, article 1, sections 3, subdivision 18; 5, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 136F; 150A."

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

Senate Conferees: (Signed) Sandra L. Pappas, Ann Lynch, Claire A. Robling

House Conferees: (Signed) Tom Rukavina, Jeanne Poppe, Carol McFarlane

Senator Pappas moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2942 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. 2942 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed 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 Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 3096: A bill for an act relating to energy; creating programs for government energy conservation investments; removing rulemaking requirement for certain loan and grant programs; establishing microenergy loan program; authorizing issuance of state revenue bonds; modifying provision allowing guaranteed energy savings contracts; requiring a report; appropriating money; amending Minnesota Statutes 2006, section 216C.09; Minnesota Statutes 2007 Supplement, section 471.345, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 16B; 216C; repealing Laws 2007, chapter 57, article 2, section 30.

There has been appointed as such committee on the part of the House:

Kalin, Welti and Magnus.

Senate File No. 3096 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 7, 2008

Mr. President:

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

S.F. No. 2795: A bill for an act relating to real property; providing for conveyance of interests in real property by transfer on death deeds; clarifying acknowledgments made in a representative capacity; clarifying application of certain common law doctrine to registered land; eliminating obsolete language and making other technical and conforming changes; amending Minnesota Statutes 2006, sections 256B.15, subdivisions 1h, 1i; 272.12; 287.22; 508.02; 508.48; 508.52; 508.671, subdivision 1; 508A.02, subdivision 1; 508A.48; 508A.52; 524.2-702; 557.02; Minnesota Statutes 2007 Supplement, section 507.24, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 507.

Senate File No. 2795 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 7, 2008

Senator Latz moved that the Senate do not concur in the amendments by the House to S.F. No. 2795, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 3149:

H.F. No. 3149: A bill for an act relating to the financing and operation of state and local government; making policy, technical, administrative, enforcement, collection, refund, clarifying, and other changes to income, franchise, property, sales and use, minerals, wheelage, mortgage, deed, and estate taxes, and other taxes and tax-related provisions; providing for homestead credit state refund; providing for aids to local governments; providing city foreclosure and deed grants; changing and providing property tax exemptions and credits; modifying job opportunity building zone program; modifying green acre eligibility requirements; providing aggregate resource preservation property tax law; providing seasonal recreational property tax deferral program; modifying eligibility for senior citizen tax deferral program; modifying transit taxing district; modifying levies, property valuation procedures, homestead provisions, property tax classes, and class rates; requiring levy limits under certain contingencies; providing for and modifying sales

tax exemptions; exempting two-wheel, motorized vehicles from wheelage tax; abolishing the political contribution refund; providing exclusion from income for certain veterans' retirement benefits; providing credits; providing for additional financing of metropolitan area transit and paratransit capital expenditures; authorizing issuance of certain obligations; modifying provision governing bonding for county libraries; changing and authorizing powers, duties, and requirements of local governments and authorities and state departments or agencies; modifying, extending, and authorizing certain tax increment financing districts; authorizing and modifying local sales taxes; prohibiting the imposition of new local sales taxes; providing federal updates; changing accelerated sales tax; creating Surplus Lines Association of Minnesota; creating Iron Range revitalization account; changing provisions related to data practices and debt collection; requiring studies; providing appointments; appropriating money; amending Minnesota Statutes 2006, sections 13.51, subdivision 3; 13.585, subdivision 5; 16D.02, subdivisions 3, 6; 16D.04, subdivision 2, as amended; 60A.196; 163.051, subdivision 1; 168.012, subdivision 1, by adding a subdivision; 168.013, subdivision 1f; 168A.03, subdivision 1; 169.01, by adding a subdivision; 169.781, subdivision 1; 216B.1612, by adding a subdivision; 216B.1646; 270A.03, subdivision 7; 270A.08, subdivision 1; 270B.15; 270C.33, subdivision 5; 270C.56, subdivisions 1, as amended, 3; 270C.85, subdivision 2; 272.02, subdivisions 13, 20, 21, 27, 31, 38, 49, by adding subdivisions; 272.03, subdivision 3, by adding a subdivision; 273.11, subdivisions 1, 1a, 8, 14a, 14b, by adding subdivisions; 273.111, subdivisions 3, as amended, 4, 8, 9, 11, 11a, by adding a subdivision; 273.121, as amended; 273.124, subdivisions 1, 6, 13, as amended, 21; 273.128, subdivision 1, as amended; 273.13, subdivisions 23, as amended, 24, 25, as amended, 33, 34, as added; 273.1384, subdivisions 1, 2; 274.01, subdivision 3; 274.014, subdivision 3; 274.14; 275.025, subdivisions 1, 2; 275.065, subdivisions 1c, 6, 8, 9, 10, by adding subdivisions; 275.70, by adding a subdivision; 275.71; 276.04, subdivision 2, as amended; 282.08; 287.20, subdivisions 3a, 9, by adding a subdivision; 289A.12, by adding a subdivision; 289A.18, subdivision 1, as amended; 289A.19, subdivision 2, by adding a subdivision; 289A.20, subdivision 4, as amended; 289A.40, subdivision 1; 289A.50, subdivision 1; 289A.55, by adding a subdivision; 289A.60, subdivision 15, as amended, by adding a subdivision; 290.01, subdivisions 6, 6b, 19a, as amended, 29, by adding a subdivision; 290.06, by adding subdivisions; 290.068, subdivisions 1, 3, by adding subdivisions; 290.07, subdivision 1; 290.091, subdivision 2, as amended; 290.21, subdivision 4; 290.92, subdivisions 1, 26, 31, as added; 290A.03, subdivision 13; 290A.04, subdivisions 2h, 3, 4, by adding subdivisions; 290B.03, subdivision 1; 290B.04, subdivisions 1, 3, 4; 290B.05, subdivision 1; 290B.07; 291.03, subdivision 1; 295.50, subdivision 4; 295.52, subdivision 4, as amended; 295.53, subdivision 4a; 296A.07, subdivision 4; 296A.08, subdivision 3; 296A.16, subdivision 2; 297A.61, subdivisions 22, 29; 297A.665, as amended; 297A.67, subdivision 7, as amended; 297A.70, subdivisions 2, 8; 297A.71, subdivision 23, by adding subdivisions; 297A.75; 297A.99, subdivision 1, as amended; 297A.995, subdivision 10, by adding subdivisions; 297B.01, subdivision 7, by adding a subdivision; 297B.03; 297F.01, subdivision 8; 297F.09, subdivision 10, as amended; 297F.21, subdivision 1; 297G.01, subdivision 9; 297G.09, subdivision 9, as amended; 297H.09; 297I.05, subdivision 12; 298.24, subdivision 1, as amended; 298.75, subdivisions 1, 2, 6, 7; 365A.095; 383A.80, subdivision 4; 383A.81, subdivisions 1, 2; 383B.80, subdivision 4; 383E.20; 429.101, subdivision 1; 469.033, subdivision 6; 469.040, subdivision 4; 469.174, subdivision 10b; 469.177, subdivision 1c, by adding a subdivision; 469.1813, subdivision 8; 469.312, by adding a subdivision; 469.319; 469.3201; 473.39, by adding a subdivision; 473.446, subdivisions 2, 8; 477A.011, subdivisions 34, 36, as amended, by adding subdivisions; 477A.0124, subdivision 5; 477A.013, subdivisions 1, 8, as amended, 9, as amended; 477A.03; Minnesota Statutes 2007 Supplement, sections 115A.1314, subdivision 2; 268.19, subdivision 1; 273.1231, subdivision 7, by adding a subdivision; 273.1232,

subdivision 1; 273.1233, subdivisions 1, 3; 273.1234; 273.1235, subdivisions 1, 3; 273.124, subdivision 14; 273.1393; 275.065, subdivisions 1, 1a, 3; 290.01, subdivision 19b, as amended; 298.227; Laws 1991, chapter 291, article 8, section 27, subdivisions 3, as amended, 4, as amended; Laws 1995, chapter 264, article 5, section 46, subdivision 2; Laws 2003, chapter 127, article 10, section 31, subdivision 1; Laws 2006, chapter 259, article 10, section 14, subdivision 1; Laws 2008, chapter 154, article 2, section 11; article 3, section 7; article 9, sections 23; 24; proposing coding for new law in Minnesota Statutes, chapters 60A; 116J; 169; 216F; 273; 298; 373; 383C; 383D; 383E; 469; proposing coding for new law as Minnesota Statutes, chapter 290D; repealing Minnesota Statutes 2006, sections 10A.322, subdivision 4; 273.11, subdivision 14; 273.111, subdivision 6; 290.06, subdivision 23; 290.191, subdivision 4; 290A.04, subdivisions 2, 2b; 473.4461; 477A.014, subdivision 5; Minnesota Statutes 2007 Supplement, section 477A.014, subdivision 4; Laws 2005, First Special Session chapter 3, article 5, section 24; Minnesota Rules, parts 8031.0100, subpart 3; 8093.2100.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Lenczewski, Marquart, Davnie, Hilstrom and Koenen have been appointed as such committee on the part of the House.

House File No. 3149 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 7, 2008

Senator Bakk moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 3149, and that a Conference Committee of 5 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

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.

APPOINTMENTS

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

H.F. No. 3149: Senators Bakk, Skoe, Larson, Dibble and Moua.

S.F. No. 2795: Senators Latz; Olson, M. and Gimse.

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 651 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 651

A bill for an act relating to the environment; restricting the manufacture and sale of certain polybrominated diphenyl ethers; requiring a report; providing penalties; amending Minnesota Statutes 2007 Supplement, sections 325E.386; 325E.387, by adding a subdivision.

May 6, 2008

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. 651 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. 651 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2007 Supplement, section 144.651, subdivision 9, is amended to read:

Subd. 9. **Information about treatment.** (a) Patients and residents shall be given by their physicians complete and current information concerning their diagnosis, treatment, alternatives, risks, and prognosis as required by the physician's legal duty to disclose. This information shall be in terms and language the patients or residents can reasonably be expected to understand. Patients and residents may be accompanied by a family member or other chosen representative, or both. This information shall include the likely medical or major psychological results of the treatment and its alternatives. In cases where it is medically inadvisable, as documented by the attending physician in a patient's or resident's medical record, the information shall be given to the patient's or resident's guardian or other person designated by the patient or resident as a representative. Individuals have the right to refuse this information.

(b) Every patient or resident suffering from any form of breast cancer shall be fully informed, prior to or at the time of admission and during her stay, of all alternative effective methods of treatment of which the treating physician is knowledgeable, including surgical, radiological, or chemotherapeutic treatments or combinations of treatments and the risks associated with each of those methods.

(c) Every patient receiving maternity care has the right to continuous support from a doula of her choice, in addition to her family, during her stay at the facility, so long as the doula performs doula services within an accepted scope of practice and the hospital's standard of care. Nothing in this paragraph prohibits or restricts a hospital from excluding a doula who has violated an accepted scope of practice or the hospital's standard of care.

Sec. 2. [145.907] PAIN RELIEF INFORMATION FOR PREGNANT PATIENTS.

Physicians, traditional midwives, and other licensed health care professionals providing prenatal care to women must include as part of their prenatal education, information regarding all methods of pain relief, including evidence-based nonpharmacological methods.

Sec. 3. Minnesota Statutes 2007 Supplement, section 325E.386, is amended to read:

325E.386 PRODUCTS CONTAINING CERTAIN POLYBROMINATED DIPHENYL ETHERS BANNED; EXEMPTIONS.

Subdivision 1. **Penta- and octabromodiphenyl ethers.** Except as provided in subdivision 3 2, beginning January 1, 2008, a person may not manufacture, process, or distribute in commerce a product or flame-retardant part of a product containing more than one-tenth of one percent of pentabromodiphenyl ether or octabromodiphenyl ether by mass.

Subd. 2. **Exemptions; penta- and octabromodiphenyl ethers.** The following products containing polybrominated diphenyl ethers are exempt from subdivision 1 and section 325E.387, subdivision 2:

(1) the sale or distribution of any used transportation vehicle with component parts containing polybrominated diphenyl ethers;

(2) the sale or distribution of any used transportation vehicle parts or new transportation vehicle parts manufactured before January 1, 2008, that contain polybrominated diphenyl ethers;

(3) the manufacture, sale, repair, distribution, maintenance, refurbishment, or modification of equipment containing polybrominated diphenyl ethers and used primarily for military or federally funded space program applications. This exemption does not cover consumer-based goods with broad applicability;

(4) the sale or distribution by a business, charity, public entity, or private party of any used product containing polybrominated diphenyl ethers;

(5) the manufacture, sale, or distribution of new carpet cushion made from recycled foam containing more than one-tenth of one percent polybrominated diphenyl ether;

(6) medical devices; or

(7) the manufacture, sale, repair, distribution, maintenance, refurbishment, or modification of telecommunications equipment containing polybrominated diphenyl ethers used by entities eligible to hold authorization in the Public Safety Pool under Code of Federal Regulations, title 47, part 90.

In-state retailers in possession of products on January 1, 2008, that are banned for sale under subdivision 1 may exhaust their stock through sales to the public. Nothing in this section restricts the ability of a manufacturer, importer, or distributor from transporting products containing polybrominated diphenyl ethers through the state, or storing such products in the state for later distribution outside the state.

Subd. 3. **Commercial decabromodiphenyl ether.** (a) Except as provided in subdivision 4, beginning July 1, 2011, a person may not manufacture, process, or distribute in commerce any of the following products containing more than one-tenth of one percent of commercial

decabromodiphenyl ether by mass:

(1) the exterior casing of a television, computer, or computer monitor;

(2) upholstered furniture or textiles intended for indoor use in a home or other residential occupancy; or

(3) mattresses and mattress pads.

(b) The sale or distribution by a business, charity, public entity, or private party of any used product containing commercial decabromodiphenyl ether is exempted from this subdivision.

(c) In-state retailers in possession of products on January 1, 2011, that are banned for sale under this subdivision may exhaust their stock of products located in the state as of that date through sales to the public. Nothing in this section restricts a manufacturer, importer, or distributor from transporting products containing commercial decabromodiphenyl ether through the state or storing such products in the state for later distribution outside the state.

Subd. 4. Exemption process; commercial decabromodiphenyl ether. (a) A manufacturer or user of a product prohibited from manufacture, sale, or distribution under subdivision 3 may apply for an exemption for a specific use of commercial decabromodiphenyl ether under this section by filing a written request with the commissioner. The commissioner may grant an exemption for a term not to exceed three years. The exemption is renewable upon written request. An initial or renewal request for exemption must include at least the following:

(1) a policy statement articulating upper management support for eliminating or reducing to the maximum feasible extent the use of commercial decabromodiphenyl ether;

(2) a description of the product and the amount of commercial decabromodiphenyl ether distributed for sale and use in the state on an annual basis;

(3) a description of the recycling and disposal system used for the product in the state and an estimate of the amount of product or commercial decabromodiphenyl ether that is recycled or disposed of in the state on an annual basis;

(4) a description of the manufacturer's or user's past and ongoing efforts to eliminate or reduce the amount of commercial decabromodiphenyl ether used in the product;

(5) an assessment of options available to reduce or eliminate the use of commercial decabromodiphenyl ether, including any alternatives that do not contain commercial decabromodiphenyl ether, perform the same technical function, are commercially available, and are economically practicable;

(6) a statement of objectives in numerical terms and a schedule for achieving the elimination of commercial decabromodiphenyl ether and an environmental assessment of alternative products, including but not limited to human health, solid waste, hazardous waste, and wastewater impacts associated with production, use, recycling, and disposal of the alternatives;

(7) a listing of options considered not to be technically or economically practicable; and

(8) certification of the accuracy of the information contained in the request, signed and dated by an official of the manufacturer or user.

(b) The commissioner may grant an initial or renewal exemption for a specific use of commercial decabromodiphenyl ether, with or without conditions, upon finding that the applicant has demonstrated that there is no alternative that performs the same technical function, is commercially available, is economically practicable, and provides net health and environmental benefits to the state.

Subd. 5. **Fees for exemption applicants.** The application fee for an exemption under subdivision 4 is \$2,000 per exemption. The fee is exempt from section 16A.1285. Revenues from application fees must be deposited in the environmental fund.

Sec. 4. Minnesota Statutes 2007 Supplement, section 325E.387, is amended by adding a subdivision to read:

Subd. 3. **Participation in interstate clearinghouse.** The commissioner may participate in a regional or national multistate clearinghouse to assist in carrying out the requirements of this section. The clearinghouse is authorized to maintain information on behalf of Minnesota, including, but not limited to:

- (1) a list of all products containing polybrominated diphenyl ethers; and
- (2) information on all exemptions granted by the state.

Sec. 5. **[325F.172] DEFINITIONS.**

For the purposes of sections 325F.172 to 325F.174, the following terms have the meanings given them.

- (a) "BBP" means benzyl butyl phthalate, CAS # 85-68-7.
- (b) "Child" means a person under three years of age.
- (c) "Children's product" means a product designed or intended by a manufacturer to be used by a child:

- (1) as a toy or an article of clothing;
- (2) to facilitate sleep, relaxation, or feeding; or
- (3) to be rubbed, poured, sprinkled, sprayed on, introduced into, or otherwise applied to the human body or any part thereof, including any article used as a component of such a product.

- (d) "DBP" means di-n-butyl phthalate, CAS # 84-74-2.
- (e) "DEHP" means di (2-ethylhexyl) phthalate, CAS # 117-81-7.
- (f) "DIDP" means di-isodecyl phthalate, CAS # 26761-40-0.
- (g) "DINP" means di-iso-nonyl phthalate, CAS # 71549-78-5.
- (h) "DNOP" means di-n-octyl phthalate, CAS # 117-84-6.

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

Sec. 6. **[325F.173] PHTHALATES IN CHILDREN'S PRODUCTS; BAN.**

(a) Beginning January 1, 2009, no manufacturer may sell or offer in this state a new children's product that contains one of the following phthalates: DEHP, DBP, or BBP, in concentrations exceeding 0.1 percent, including plastic tubing used to deliver a solution intravenously to a small child.

(b) Beginning January 1, 2009, no manufacturer may sell or offer in this state any new children's product that can be placed in a child's mouth and contains one of the following phthalates: DINP, DIDP, or DNOP, in concentrations exceeding 0.1 percent.

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

Sec. 7. [325F.174] REPLACEMENT CHEMICALS.

A manufacturer shall not replace phthalates as a result of the prohibition in section 325F.173 with a chemical that is:

(1) classified as "known to be a human carcinogen" or "reasonably anticipated to be a human carcinogen" in the most recent Report on Carcinogens published by the National Toxicology Program in the United States Department of Health and Human Services; or

(2) identified by the federal Environmental Protection Agency as causing birth defects or reproductive or environmental harm.

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

Sec. 8. [325F.175] PARTICIPATION IN INTERSTATE CLEARINGHOUSE.

The Minnesota Pollution Control Agency may participate in the establishment and implementation of a multistate clearinghouse to identify children's products containing bisphenol-A and phthalates and to evaluate safer alternatives that may be substituted for those chemicals.

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

Sec. 9. REPORT.

(a) By January 15, 2011, the Pollution Control Agency shall report to the senate and house of representatives committees with jurisdiction over environmental and natural resources, commerce, public safety, and public health regarding specific flame-retardant alternatives available for decabromodiphenyl ether.

(b) The Pollution Control Agency shall convene a fire safety committee to identify and evaluate the safety and effectiveness of flame-retardant alternatives before decabromodiphenyl ether is phased out. The recommendations of the fire safety committee shall be incorporated into the report required under paragraph (a).

(c) The fire safety committee consists of the commissioner or designee of the Pollution Control Agency, as chair and nonvoting member, with the following members:

(1) a representative of the commissioner of health;

(2) a representative of the State Fire Marshal;

(3) a representative appointed by the president of the Minnesota State Fire Chiefs Association;

(4) a representative appointed by the president of the Minnesota Professional Firefighters Association;

(5) a representative appointed by the president of the Fire Marshals Association of Minnesota;

(6) a representative of the Minnesota State Fire Departments Association;

(7) a representative of an environmental health coalition; and

(8) a scientist from the environmental health coalition as a nonvoting member.

Sec. 10. APPROPRIATION.

\$57,000 is appropriated from the environmental fund to the commissioner of the Pollution Control Agency for the purposes of sections 3, 4, and 9."

Delete the title and insert:

"A bill for an act relating to health; modifying provisions relating to maternity care; banning the use of certain phthalates, flame retardants, or other polymers or chemicals; requiring reports; appropriating money; amending Minnesota Statutes 2007 Supplement, sections 144.651, subdivision 9; 325E.386; 325E.387, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 145; 325F."

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

Senate Conferees: (Signed) John Marty, Sandra L. Pappas, Jim Carlson, Patricia Torres Ray

House Conferees: (Signed) Karen Clark, Carolyn Laine, Paul Thissen, Jim Abeler

Senator Marty moved that the foregoing recommendations and Conference Committee Report on S.F. No. 651 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. 651 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 45 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	Dahle	Larson	Olson, M.	Sheran
Bakk	Dibble	Latz	Pappas	Sieben
Berglin	Doll	Lourey	Pogemiller	Skogen
Betzold	Erickson Ropes	Lynch	Prettner Solon	Sparks
Bonoff	Foley	Marty	Rest	Stumpf
Carlson	Frederickson	Metzen	Rummel	Tomassoni
Chaudhary	Higgins	Moua	Saltzman	Torres Ray
Clark	Kubly	Murphy	Saxhaug	Vickerman
Cohen	Langseth	Olseen	Scheid	Wiger

Those who voted in the negative were:

Day	Fischbach	Gimse	Ingebrigtsen	Jungbauer
Dille	Gerlach	Hann	Johnson	Koch

Limmer
Michel

Olson, G.
Ortman

Robling
Rosen

Senjem
Skoe

Vandevier
Wergin

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

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2996, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2996 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 7, 2008

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2996

A bill for an act relating to public safety; allowing persons facing civil commitment as sexually dangerous persons or sexual psychopathic personalities to choose to be confined in correctional facilities while the petition is being adjudicated; addressing the cost of care for persons facing civil commitment; addressing access to certain data; modifying intensive supervised release provisions; modifying fireworks provisions; modifying registration requirements for predatory offenders; establishing a working group to review, assess, and make recommendations regarding the modification and application of controlled substance laws; providing for a report; requiring studies; amending Minnesota Statutes 2006, sections 13.851, by adding a subdivision; 243.166, subdivisions 1a, 3a, 4; 243.167, subdivision 2; 244.05, subdivision 6; 253B.045, subdivisions 1, 2, by adding a subdivision; 253B.185, subdivision 5; 299C.41, as added if enacted; 609.115, by adding a subdivision; 624.20, subdivision 1; 641.05; Minnesota Statutes 2007 Supplement, section 253B.185, subdivision 1b.

May 5, 2008

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 2996 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2996 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 13.851, is amended by adding a subdivision to read:

Subd. 9. **Civil commitment of sexual offenders.** Data relating to the preparation of a petition to commit an individual as a sexual psychopathic personality or sexually dangerous person is governed by section 253B.185, subdivision 1b.

Sec. 2. Minnesota Statutes 2006, section 13.87, subdivision 3, is amended to read:

Subd. 3. **Internet access.** (a) The Bureau of Criminal Apprehension shall establish and maintain an Internet Web site containing public criminal history data by July 1, 2004.

(b) Notwithstanding section 13.03, subdivision 3, paragraph (a), the bureau may charge a fee for Internet access to public criminal history data provided through August 1, 2005. The fee may not exceed \$5 per inquiry or the amount needed to recoup the actual cost of implementing and providing Internet access, whichever is less. Fees collected must be deposited in the general fund as a nondedicated receipt.

(c) The Web site must include a notice to the subject of data of the right to contest the accuracy or completeness of data, as provided under section 13.04, subdivision 4, and provide a telephone number and address that the subject may contact for further information on this process.

(d) The Web site must include the effective date of data that is posted.

(e) The Web site must include a description of the types of criminal history data not available on the site, including arrest data, juvenile data, criminal history data from other states, federal data, data on convictions where 15 years have elapsed since discharge of the sentence, and other data that are not accessible to the public.

(f) A person who intends to access the Web site to obtain information regarding an applicant for employment, housing, or credit must disclose to the applicant the intention to do so. The Web site must include a notice that a person obtaining such access must notify the applicant when a background check using this Web site has been conducted.

(g) This subdivision does not create a civil cause of action on behalf of the data subject.

~~(h) This subdivision expires July 31, 2007.~~

EFFECTIVE DATE. This section is effective retroactively from July 31, 2007.

Sec. 3. Minnesota Statutes 2006, section 241.27, is amended by adding a subdivision to read:

Subd. 1a. **Marketing plan.** The commissioner of corrections, in consultation with the commissioner of employment and economic development, shall develop, implement, and maintain a formal marketing plan to attract private sector businesses and industries to employ inmate services through MINNCOR industries. The plan shall be reviewed and updated annually by the commissioner of corrections.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 4. Minnesota Statutes 2006, section 241.301, is amended to read:

241.301 FINGERPRINTS OF INMATES, PAROLEES, AND PROBATIONERS FROM OTHER STATES.

The commissioner of corrections shall establish procedures so that whenever this state receives an inmate, parolee, or probationer from another state under sections 241.28 to 241.30 or ~~243.16~~ 243.1605, fingerprints and thumbprints of the inmate, parolee, or probationer are obtained and forwarded to the bureau of criminal apprehension.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 5. Minnesota Statutes 2006, section 243.1606, subdivision 3, is amended to read:

Subd. 3. **Annual report.** By ~~January 15~~ March 1 of each year, the council shall report to the governor and the legislature chairs and ranking minority members of the senate and house committees having jurisdiction over criminal justice policy on its activities and the activities of the interstate commission and executive committee as described in section 243.1605 for the preceding year. The report also must include an assessment of how the interstate compact is functioning both within and without the state.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 6. Minnesota Statutes 2006, section 243.166, subdivision 3a, is amended to read:

Subd. 3a. **Registration procedure when person lacks primary address.** (a) If a person leaves a primary address and does not have a new primary address, the person shall register with the law enforcement authority that has jurisdiction in the area where the person is staying within 24 hours of the time the person no longer has a primary address.

(b) Notwithstanding the time period for registration in paragraphs (a) and (c), a person with a primary address of a correctional facility who is scheduled to be released from the facility and who does not have a new primary address shall register with the law enforcement authority that has jurisdiction in the area where the person will be staying at least three days before the person is released from the correctional facility.

(c) A person who lacks a primary address shall register with the law enforcement authority that has jurisdiction in the area where the person is staying within 24 hours after entering the jurisdiction. Each time a person who lacks a primary address moves to a new jurisdiction without acquiring a new primary address, the person shall register with the law enforcement authority that has jurisdiction

in the area where the person is staying within 24 hours after entering the jurisdiction.

~~(e)~~ (d) Upon registering under this subdivision, the person shall provide the law enforcement authority with all of the information the individual is required to provide under subdivision 4a. However, instead of reporting the person's primary address, the person shall describe the location of where the person is staying with as much specificity as possible.

~~(d)~~ (e) Except as otherwise provided in paragraph ~~(e)~~ (f), if a person continues to lack a primary address, the person shall report in person on a weekly basis to the law enforcement authority with jurisdiction in the area where the person is staying. This weekly report shall occur between the hours of 9:00 a.m. and 5:00 p.m. The person is not required to provide the registration information required under subdivision 4a each time the offender reports to an authority, but the person shall inform the authority of changes to any information provided under this subdivision or subdivision 4a and shall otherwise comply with this subdivision.

~~(e)~~ (f) If the law enforcement authority determines that it is impractical, due to the person's unique circumstances, to require a person lacking a primary address to report weekly and in person as required under paragraph ~~(d)~~ (e), the authority may authorize the person to follow an alternative reporting procedure. The authority shall consult with the person's corrections agent, if the person has one, in establishing the specific criteria of this alternative procedure, subject to the following requirements:

(1) the authority shall document, in the person's registration record, the specific reasons why the weekly in-person reporting process is impractical for the person to follow;

(2) the authority shall explain how the alternative reporting procedure furthers the public safety objectives of this section;

(3) the authority shall require the person lacking a primary address to report in person at least monthly to the authority or the person's corrections agent and shall specify the location where the person shall report. If the authority determines it would be more practical and would further public safety for the person to report to another law enforcement authority with jurisdiction where the person is staying, it may, after consulting with the other law enforcement authority, include this requirement in the person's alternative reporting process;

(4) the authority shall require the person to comply with the weekly, in-person reporting process required under paragraph ~~(d)~~ (e), if the person moves to a new area where this process would be practical;

(5) the authority shall require the person to report any changes to the registration information provided under subdivision 4a and to comply with the periodic registration requirements specified under paragraph ~~(f)~~ (g); and

(6) the authority shall require the person to comply with the requirements of subdivision 3, paragraphs (b) and (c), if the person moves to a primary address.

~~(f)~~ (g) If a person continues to lack a primary address and continues to report to the same law enforcement authority, the person shall provide the authority with all of the information the individual is required to provide under this subdivision and subdivision 4a at least annually, unless the person is required to register under subdivision 1b, paragraph (c), following commitment pursuant to a court commitment under section 253B.185 or a similar law of another state or the

United States. If the person is required to register under subdivision 1b, paragraph (c), the person shall provide the law enforcement authority with all of the information the individual is required to report under this subdivision and subdivision 4a at least once every three months.

~~(g)~~ (h) A law enforcement authority receiving information under this subdivision shall forward registration information and changes to that information to the bureau within two business days of receipt of the information.

~~(h)~~ (i) For purposes of this subdivision, a person who fails to report a primary address will be deemed to be a person who lacks a primary address, and the person shall comply with the requirements for a person who lacks a primary address.

EFFECTIVE DATE. This section is effective August 1, 2008, and applies to predatory offenders required to register on or after that date.

Sec. 7. Minnesota Statutes 2006, section 243.166, subdivision 4, is amended to read:

Subd. 4. **Contents of registration.** (a) The registration provided to the corrections agent or law enforcement authority, must consist of a statement in writing signed by the person, giving information required by the bureau, a fingerprint card, and photograph of the person taken at the time of the person's release from incarceration or, if the person was not incarcerated, at the time the person initially registered under this section. The registration information also must include a written consent form signed by the person allowing a treatment facility or residential housing unit or shelter to release information to a law enforcement officer about the person's admission to, or residence in, a treatment facility or residential housing unit or shelter. Registration information on adults and juveniles may be maintained together notwithstanding section 260B.171, subdivision 3.

(b) For persons required to register under subdivision 1b, paragraph (c), following commitment pursuant to a court commitment under section 253B.185 or a similar law of another state or the United States, in addition to other information required by this section, the registration provided to the corrections agent or law enforcement authority must include the person's offense history and documentation of treatment received during the person's commitment. This documentation is limited to a statement of how far the person progressed in treatment during commitment.

(c) Within three days of receipt, the corrections agent or law enforcement authority shall forward the registration information to the bureau. The bureau shall ascertain whether the person has registered with the law enforcement authority in the area of the person's primary address, if any, or if the person lacks a primary address, where the person is staying, as required by subdivision 3a. If the person has not registered with the law enforcement authority, the bureau shall send one copy to that authority.

(d) The corrections agent or law enforcement authority may require that a person required to register under this section appear before the agent or authority to be photographed. The agent or authority shall forward the photograph to the bureau.

(1) Except as provided in clause (2), the agent or authority shall require a person required to register under this section who is classified as a level III offender under section 244.052 to appear before the agent or authority at least every six months to be photographed.

(2) The requirements of this paragraph shall not apply during any period where the person to be photographed is: (i) committed to the commissioner of corrections and incarcerated, (ii) incarcerated

in a regional jail or county jail, or (iii) committed to the commissioner of human services and receiving treatment in a secure treatment facility.

(e) During the period a person is required to register under this section, the following provisions apply:

(1) Except for persons registering under subdivision 3a, the bureau shall mail a verification form to the person's last reported primary address. This verification form must provide notice to the offender that, if the offender does not return the verification form as required, information about the offender may be made available to the public through electronic, computerized, or other accessible means. For persons who are registered under subdivision 3a, the bureau shall mail an annual verification form to the law enforcement authority where the offender most recently reported. The authority shall provide the verification form to the person at the next weekly meeting and ensure that the person completes and signs the form and returns it to the bureau. Notice is sufficient under this paragraph, if the verification form is sent by first class mail to the person's last reported primary address, or for persons registered under subdivision 3a, to the law enforcement authority where the offender most recently reported.

(2) The person shall mail the signed verification form back to the bureau within ten days after receipt of the form, stating on the form the current and last address of the person's residence and the other information required under subdivision 4a.

(3) In addition to the requirements listed in this section, a person who is assigned to risk level II or III under section 244.052, and who is no longer under correctional supervision for a registration offense, or a failure to register offense, but who resides, works, or attends school in Minnesota, shall have an annual in-person contact with a law enforcement authority as provided in this section. If the person resides in Minnesota, the annual in-person contact shall be with the law enforcement authority that has jurisdiction over the person's primary address or, if the person has no address, the location where the person is staying. If the person does not reside in Minnesota but works or attends school in this state, the person shall have an annual in-person contact with the law enforcement authority or authorities with jurisdiction over the person's school or workplace. During the month of the person's birth date, the person shall report to the authority to verify the accuracy of the registration information and to be photographed. Within three days of this contact, the authority shall enter information as required by the bureau into the predatory offender registration database and submit an updated photograph of the person to the bureau's predatory offender registration unit.

(4) If the person fails to mail the completed and signed verification form to the bureau within ten days after receipt of the form, or if the person fails to report to the law enforcement authority during the month of the person's birth date, the person is in violation of this section.

(5) For any person who fails to mail the completed and signed verification form to the bureau within ten days after receipt of the form and who has been determined to be a risk level III offender under section 244.052, the bureau shall immediately investigate and notify local law enforcement authorities to investigate the person's location and to ensure compliance with this section. The bureau also shall immediately give notice of the person's violation of this section to the law enforcement authority having jurisdiction over the person's last registered address or addresses.

For persons required to register under subdivision 1b, paragraph (c), following commitment pursuant to a court commitment under section 253B.185 or a similar law of another state or the United States, the bureau shall comply with clause (1) at least four times each year. For persons

who, under section 244.052, are assigned to risk level III and who are no longer under correctional supervision for a registration offense or a failure to register offense, the bureau shall comply with clause (1) at least two times each year. For all other persons required to register under this section, the bureau shall comply with clause (1) each year within 30 days of the anniversary date of the person's initial registration.

(f) When sending out a verification form, the bureau shall determine whether the person to whom the verification form is being sent has signed a written consent form as provided for in paragraph (a). If the person has not signed such a consent form, the bureau shall send a written consent form to the person along with the verification form. A person who receives this written consent form shall sign and return it to the bureau at the same time as the verification form.

EFFECTIVE DATE. This section is effective August 1, 2008, and applies to predatory offenders required to register on or after that date.

Sec. 8. Minnesota Statutes 2006, section 243.167, subdivision 2, is amended to read:

Subd. 2. **When required.** (a) In addition to the requirements of section 243.166, a person also shall register under section 243.166 if:

(1) the person is convicted of a crime against the person; and

(2) the person was previously convicted of or adjudicated delinquent for an offense listed in section 243.166, or a comparable offense in another state, but was not required to register for the offense because the registration requirements of that section did not apply to the person at the time the offense was committed or at the time the person was released from imprisonment.

(b) A person who was previously required to register in any state and who has completed the registration requirements of that state shall again register under section 243.166 if the person commits a crime against the person.

EFFECTIVE DATE. This section is effective August 1, 2008, and applies to persons who commit crimes against a person on or after that date.

Sec. 9. Minnesota Statutes 2006, section 253B.045, subdivision 1, is amended to read:

Subdivision 1. **Restriction.** Except when ordered by the court pursuant to a finding of necessity to protect the life of the proposed patient or others or as provided under subdivision 1a, no person subject to the provisions of this chapter shall be confined in a jail or correctional institution, except pursuant to chapter 242 or 244.

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

Sec. 10. Minnesota Statutes 2006, section 253B.045, is amended by adding a subdivision to read:

Subd. 1a. **Exception.** A person who is being petitioned for commitment under section 253B.185 and who is placed under a judicial hold order under section 253B.07, subdivision 2b or 7, may be confined at a Department of Corrections or a county correctional or detention facility, rather than a secure treatment facility, until a determination of the commitment petition as specified in this subdivision.

(a) A court may order that a person who is being petitioned for commitment under section

253B.185 be confined in a Department of Corrections facility pursuant to the judicial hold order under the following circumstances and conditions:

(1) The person is currently serving a sentence in a Department of Corrections facility and the court determines that the person has made a knowing and voluntary (i) waiver of the right to be held in a secure treatment facility and (ii) election to be held in a Department of Corrections facility. The order confining the person in the Department of Corrections facility shall remain in effect until the court vacates the order or the person's criminal sentence and conditional release term expire.

In no case may the person be held in a Department of Corrections facility pursuant only to this subdivision, and not pursuant to any separate correctional authority, for more than 210 days.

(2) A person who has elected to be confined in a Department of Corrections facility under this subdivision may revoke the election by filing a written notice of intent to revoke the election with the court and serving the notice upon the Department of Corrections and the county attorney. The court shall order the person transferred to a secure treatment facility within 15 days of the date that the notice of revocation was filed with the court, except that, if the person has additional time to serve in prison at the end of the 15-day period, the person shall not be transferred to a secure treatment facility until the person's prison term expires. After a person has revoked an election to remain in a Department of Corrections facility under this subdivision, the court may not adopt another election to remain in a Department of Corrections facility without the agreement of both parties and the Department of Corrections.

(3) Upon petition by the commissioner of corrections, after notice to the parties and opportunity for hearing and for good cause shown, the court may order that the person's place of confinement be changed from the Department of Corrections to a secure treatment facility.

(4) While at a Department of Corrections facility pursuant to this subdivision, the person shall remain subject to all rules and practices applicable to correctional inmates in the facility in which the person is placed including, but not limited to, the powers and duties of the commissioner of corrections under section 241.01, powers relating to use of force under section 243.52, and the right of the commissioner of corrections to determine the place of confinement in a prison, reformatory, or other facility.

(5) A person may not be confined in a Department of Corrections facility under this provision beyond the end of the person's executed sentence or the end of any applicable conditional release period, whichever is later. If a person confined in a Department of Corrections facility pursuant to this provision reaches the person's supervised release date and is subject to a period of conditional release, the period of conditional release shall commence on the supervised release date even though the person remains in the Department of Corrections facility pursuant to this provision. At the end of the later of the executed sentence or any applicable conditional release period, the person shall be transferred to a secure treatment facility.

(6) Nothing in this section may be construed to establish a right of an inmate in a state correctional facility to participate in sex offender treatment. This section must be construed in a manner consistent with the provisions of section 244.03.

(b) The committing county may offer a person who is being petitioned for commitment under section 253B.185 and who is placed under a judicial hold order under section 253B.07, subdivision 2b or 7, the option to be held in a county correctional or detention facility rather than a secure

treatment facility, under such terms as may be agreed to by the county, the commitment petitioner, and the commitment respondent. If a person makes such an election under this paragraph, the court hold order shall specify the terms of the agreement, including the conditions for revoking the election.

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

Sec. 11. Minnesota Statutes 2006, section 253B.045, subdivision 2, is amended to read:

Subd. 2. **Facilities.** Each county or a group of counties shall maintain or provide by contract a facility for confinement of persons held temporarily for observation, evaluation, diagnosis, treatment, and care. When the temporary confinement is provided at a regional treatment center, the commissioner shall charge the county of financial responsibility for the costs of confinement of persons hospitalized under section 253B.05, subdivisions 1 and 2, and section 253B.07, subdivision 2b, except that the commissioner shall bill the responsible health plan first. If the person has health plan coverage, but the hospitalization does not meet the criteria in subdivision 6 or section 62M.07, 62Q.53, or 62Q.535, the county is responsible. When a person is temporarily confined in a Department of Corrections facility solely under subdivision 1a, and not based on any separate correctional authority: (1) the commissioner of corrections may charge the county of financial responsibility for the costs of confinement; and (2) the Department of Human Services shall use existing appropriations to fund all remaining nonconfinement costs. The funds received by the commissioner for the confinement and nonconfinement costs are appropriated to the department for these purposes. "County of financial responsibility" means the county in which the person resides at the time of confinement or, if the person has no residence in this state, the county which initiated the confinement. The charge for confinement in a facility operated by the commissioner of human services shall be based on the commissioner's determination of the cost of care pursuant to section 246.50, subdivision 5. When there is a dispute as to which county is the county of financial responsibility, the county charged for the costs of confinement shall pay for them pending final determination of the dispute over financial responsibility. Disputes about the county of financial responsibility shall be submitted to the commissioner to be settled in the manner prescribed in section 256G.09.

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

Sec. 12. Minnesota Statutes 2006, section 253B.08, subdivision 1, is amended to read:

Subdivision 1. **Time for commitment hearing.** (a) The hearing on the commitment petition shall be held within 14 days from the date of the filing of the petition, except that the hearing on a commitment petition pursuant to section 253B.185 shall be held within 90 days from the date of the filing of the petition. For good cause shown, the court may extend the time of hearing up to an additional 30 days. The proceeding shall be dismissed if the proposed patient has not had a hearing on a commitment petition within the allowed time.

(b) The proposed patient, or the head of the treatment facility in which the person is held, may demand in writing at any time that the hearing be held immediately. Unless the hearing is held within five days of the date of the demand, exclusive of Saturdays, Sundays and legal holidays, the petition shall be automatically discharged if the patient is being held in a treatment facility pursuant to court order. For good cause shown, the court may extend the time of hearing on the demand for an additional ten days. This paragraph does not apply to a commitment petition brought under section 253B.18 or 253B.185.

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

Sec. 13. Minnesota Statutes 2007 Supplement, section 253B.185, subdivision 1b, is amended to read:

Subd. 1b. **County attorney access to data.** Notwithstanding sections 144.291 to 144.298; 245.467, subdivision 6; 245.4876, subdivision 7; 260B.171; 260B.235, subdivision 8; 260C.171; and 609.749, subdivision 6, or any provision of chapter 13 or other state law, prior to filing a petition for commitment as a sexual psychopathic personality or as a sexually dangerous person, and upon notice to the proposed patient, the county attorney or the county attorney's designee may move the court for an order granting access to any records or data, to the extent it relates to the proposed patient, for the purpose of determining whether good cause exists to file a petition and, if a petition is filed, to support the allegations set forth in the petition.

The court may grant the motion if: (1) the Department of Corrections refers the case for commitment as a sexual psychopathic personality or a sexually dangerous person; or (2) upon a showing that the requested category of data or records may be relevant to the determination by the county attorney or designee. The court shall decide a motion under this subdivision within 48 hours after a hearing on the motion. Notice to the proposed patient need not be given upon a showing that such notice may result in harm or harassment of interested persons or potential witnesses.

Notwithstanding any provision of chapter 13 or other state law, a county attorney considering the civil commitment of a person under this section may obtain records and data from the Department of Corrections or any probation or parole agency in this state upon request, without a court order, for the purpose of determining whether good cause exists to file a petition and, if a petition is filed, to support the allegations set forth in the petition. At the time of the request for the records, the county attorney shall provide notice of the request to the person who is the subject of the records.

Data collected pursuant to this subdivision shall retain their original status and, if not public, are inadmissible in any court proceeding unrelated to civil commitment, unless otherwise permitted.

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

Sec. 14. Minnesota Statutes 2006, section 253B.185, subdivision 5, is amended to read:

Subd. 5. **Financial responsibility.** (a) For purposes of this subdivision, "state facility" has the meaning given in section 246.50 and also includes a Department of Corrections facility when the proposed patient is confined in such a facility pursuant to section 253B.045, subdivision 1a.

(b) Notwithstanding sections 246.54, 253B.045, and any other law to the contrary, when a petition is filed for commitment under this section pursuant to the notice required in section 244.05, subdivision 7, the state and county are each responsible for 50 percent of the cost of the person's confinement at a state facility or county jail, prior to commitment.

(c) The county shall submit an invoice to the state court administrator for reimbursement of the state's share of the cost of confinement.

(d) Notwithstanding paragraph (b), the state's responsibility for reimbursement is limited to the amount appropriated for this purpose.

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

Sec. 15. Minnesota Statutes 2006, section 299C.41, subdivision 2, as added by Laws 2008, chapter 242, section 3, is amended to read:

Subd. 2. **Data classification.** (a) Credentialing data held by a government entity are classified as private data on individuals as defined in section 13.02, subdivision 12, or nonpublic data as defined in section 13.02, subdivision 9.

(b) Auditing data and workflow and routing data maintained by the Bureau of Criminal Apprehension are classified as confidential data on individuals as defined in section 13.02, subdivision 3, or protected nonpublic data as defined in section 13.02, subdivision 13, until the investigation is inactive as defined in section 13.82, subdivision 7. Once the investigation is inactive, and the recipient of the data authorizes release to the data subject, the auditing data and workflow and routing data maintained by the Bureau of Criminal Apprehension are classified as private data on individuals as defined in section 13.02, subdivision 12, or nonpublic data as defined in section 13.02, subdivision 9. The same data maintained by any other government entity are classified as provided by other law.

Sec. 16. Minnesota Statutes 2006, section 373.47, subdivision 1, is amended to read:

Subdivision 1. **Authority to incur debt.** Subject to prior approval by the ~~Public Safety Radio System Planning Committee~~ Statewide Radio Board under section 403.36, the governing body of a county may finance the cost of designing, constructing, and acquiring public safety communication system infrastructure and equipment for use on the statewide, shared public safety radio system by issuing:

(1) capital improvement bonds under section 373.40, as if the infrastructure and equipment qualified as a "capital improvement" within the meaning of section 373.40, subdivision 1, paragraph (b); and

(2) capital notes under the provisions of section 373.01, subdivision 3, as if the equipment qualified as "capital equipment" within the meaning of section 373.01, subdivision 3.

EFFECTIVE DATE. This section is effective August 1, 2008.

Sec. 17. **[480.237] ELECTRONIC PAYMENTS; CONVENIENCE FEES; RECORDS ACCESS.**

(a) The judicial branch may accept credit cards, charge cards, debit cards, or other methods of electronic funds transfer for government fees and payments ordered by a court.

(b) The judicial branch may impose a convenience fee to be added to each transaction. The total amount of the convenience fee may not exceed the transaction fee charged by a processing contractor for the credit services during the most recent collection period. Each court imposing a convenience fee must notify the person using the credit services of the fee before the transaction is processed. Fees collected under this section are appropriated to the level of court that imposed the fee for the purposes of paying the processing contractor.

(c) Records relating to credit card, charge card, debit card, or other method of electronic funds transfer account numbers collected by the judicial branch in connection with a transaction under this section are not accessible to the general public.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 18. Minnesota Statutes 2006, section 609.115, is amended by adding a subdivision to read:

Subd. 10. Military veterans. (a) When a defendant appears in court and is convicted of a crime, the court shall inquire whether the defendant is currently serving in or is a veteran of the armed forces of the United States.

(b) If the defendant is currently serving in the military or is a veteran and has been diagnosed as having a mental illness by a qualified psychiatrist or clinical psychologist or physician, the court may:

(1) order that the officer preparing the report under subdivision 1 consult with the United States Department of Veterans Affairs, Minnesota Department of Veterans Affairs, or another agency or person with suitable knowledge or experience, for the purpose of providing the court with information regarding treatment options available to the defendant, including federal, state, and local programming; and

(2) consider the treatment recommendations of any diagnosing or treating mental health professionals together with the treatment options available to the defendant in imposing sentence.

EFFECTIVE DATE. This section is effective August 1, 2008.

Sec. 19. Minnesota Statutes 2006, section 609.117, subdivision 3, is amended to read:

Subd. 3. Offenders from other states. When the state accepts an offender from another state under the interstate compact authorized by section 243.16 243.1605, the acceptance is conditional on the offender providing a biological specimen for the purposes of DNA analysis as defined in section 299C.155, if the offender was initially charged with committing or attempting to commit a felony offense and was convicted of that offense or of any offense arising out of the same set of circumstances. The specimen must be provided under supervision of staff from the Department of Corrections or a Community Corrections Act county within 15 business days after the offender reports to the supervising agent. The cost of obtaining the biological specimen is the responsibility of the agency providing supervision.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 20. Minnesota Statutes 2006, section 641.05, is amended to read:

641.05 RECORD OF INMATES; ~~RETURN TO COURT~~; BUREAU OF CRIMINAL APPREHENSION.

(a) Every sheriff shall, at the expense of the county, maintain a permanent record of all persons committed to any jail under the sheriff's charge. It shall contain the name of every person committed, by what authority, residence, date of commitment, and, if for a criminal offense, a description of the person, when and by what authority liberated, and, in case of escape, the time and manner thereof. At the opening of each term of district court the sheriff shall make a certified transcript ~~therefrom~~ from the record to ~~such~~ the court, showing all cases ~~therein~~ not previously disposed of.

(b) Upon intake into the jail facility, the name of the committed person shall be checked against the Bureau of Criminal Apprehension predatory offender registration database to determine whether the person is a registered predatory offender. In the event that the person is registered, the

sheriff or designee shall notify the bureau of the person's admission into the jail facility. At the time of discharge from the facility, the sheriff or designee shall provide the person with a change of information form for the purposes of reporting the address where the person will be living upon release from the facility.

(c) Every sheriff who intentionally neglects or refuses to ~~so~~ report under paragraph (a) or (b) shall be guilty of a gross misdemeanor.

EFFECTIVE DATE. This section is effective August 1, 2008, and applies to crimes committed on or after that date.

Sec. 21. Minnesota Statutes 2006, section 641.18, is amended to read:

641.18 SOLITARY SECURE CONFINEMENT.

When any prisoner is unruly or disobeys any regulation for the management of jails, the prisoner may be kept in ~~solitary~~ secure confinement as provided in section 641.09.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 22. Laws 2007, chapter 54, article 1, section 5, is amended to read:

Sec. 5. **TRIAL COURTS** \$ 246,077,000 \$ 254,916,000

New Judge Units. \$1,792,000 the first year and \$3,241,000 the second year are for an increase in judge units, including three trial court judge units in the First Judicial District, one trial court judge unit in the Seventh Judicial District, one trial court judge unit in the Ninth Judicial District and two trial court judge units in the Tenth Judicial District. These new judge units begin on January 1, 2008. Each judge unit consists of a judge, law clerk, and court reporter.

~~**Maintain and Expand Drug Courts.** \$2,096,000 the first year and \$2,097,000 the second year are to maintain and to establish new drug courts.~~

Guardian Ad Litem Services. \$1,260,000 the first year and \$1,629,000 the second year are for guardian ad litem services.

Interpreter Services. \$606,000 the first year and \$777,000 the second year are for interpreter services.

Psychological Services. \$1,531,000 the first year and \$2,151,000 the second year are for

psychological services.

In Forma Pauperis Services. \$178,000 each year is for in forma pauperis services.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 23. Laws 2007, chapter 54, article 1, section 9, is amended to read:

Sec. 9. BOARD OF PUBLIC DEFENSE	\$	66,348,000	\$	69,519,000
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~~**District Public Defense Caseload Increase.** \$3,213,000 the first year and \$5,009,000 the second year are for 34 new full-time equivalent attorneys and 11 new full-time equivalent support staff positions to address caseload increases. Of this amount, \$200,000 each year is for transcript costs.~~

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 24. **GUIDELINES FOR REVOCATION OF PAROLE AND SUPERVISED RELEASE; DEPARTMENT OF CORRECTIONS INTERNAL REVIEW; REPORT TO LEGISLATURE.**

The commissioner of corrections shall perform an internal review of the department's guidelines for revocation of parole and supervised release. At a minimum, the commissioner shall assess: (1) the appropriateness and proportionality of the sanctions set forth in the guidelines; (2) the use of intermediate sanctions and the potential for expanding the use and number of intermediate sanctions; and (3) the option of capping the number of days that an offender may be re-incarcerated for a parole or supervised release violation. By March 1, 2009, the commissioner shall report the results of the internal review to the chairs and ranking minority members of the senate and house committees and divisions having jurisdiction over criminal justice policy and funding.

EFFECTIVE DATE. This section is effective August 1, 2008.

Sec. 25. **JOINT PHYSICAL CUSTODY; STUDY GROUP.**

(a) The state court administrator shall convene a study group of 12 members to consider the impact that a presumption of joint physical custody would have in Minnesota. The evaluation must consider the positive and negative impact on parents and children of adopting a presumption of joint physical custody, the fiscal impact of adopting this presumption, and the experiences of other states that have adopted a presumption of joint physical custody. The study must consider data and information from academic and research professionals.

(b) In appointing members to the study group, the state court administrator must ensure that the viewpoint of parent advocacy groups, academics, policy analysts, judges, court administrators, attorneys, domestic violence advocates, citizen members who are not associated with a parent advocacy group, and other interested parties are represented. At least one member of the study group must be a representative of the Department of Human Services. The state court administrator must consult with the chairs and ranking minority members of the budget and policy committees

in the house and senate with jurisdiction over family law on the composition of the working group. The state court administrator shall report to the legislature on the evaluation of presumption of joint physical custody, the experiences of other states, and recommendations made by the study group no later than January 15, 2009.

Sec. 26. COMPREHENSIVE FAMILY COURT PROCESS; STUDY.

The state court administrator shall report on a plan to conduct a multidisciplinary, comprehensive study on family law to the chairs and ranking minority members of the budget and policy committees in the house and senate with jurisdiction over family law no later than January 15, 2009.

Sec. 27. WORKING GROUP ON CONTROLLED SUBSTANCE LAWS; REPORT TO LEGISLATURE.

Subdivision 1. **Establishment; membership; staff.** (a) The speaker of the house of representatives and the Subcommittee on Committees of the Committee on Rules and Administration of the senate shall jointly appoint a working group on the state's controlled substance laws. The working group shall include:

- (1) two representatives of the Minnesota County Attorneys Association;
- (2) two representatives of the Board of Public Defense;
- (3) three representatives of state law enforcement associations, including one sheriff, one chief of police, and one member of the Minnesota Police and Peace Officers Association;
- (4) two representatives of the Judicial Council;
- (5) one representative from community corrections or probation;
- (6) one expert in the fields of drug treatment and controlled substance laws;
- (7) two individuals who are not affiliated with any of the organizations in clauses (1) to (6) and who have relevant experience related to sentencing policy or the criminal justice field; and
- (8) four community members that reside in areas adversely affected by controlled substance crimes and violent crimes, two of whom shall be appointed by the speaker of the house of representatives and two of whom shall be appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate. One of the community members appointed by the senate must be a member of a community crime prevention organization. Of the community members appointed by the senate, one must reside in Minneapolis and one must reside in greater Minnesota. Of the community members appointed by the house, one must reside in St. Paul and one must reside in a suburb of Minneapolis or St. Paul.

(b) Before making the appointments required under paragraph (a), the legislative appointing authorities must consider the recommendations of the chairs and ranking minority members of the committees and divisions with jurisdiction over criminal justice policy and funding.

(c) The appointments under paragraph (a) must be completed by July 1, 2008. Staff support for the working group shall be provided by the Sentencing Guidelines Commission. The executive director of the Sentencing Guidelines Commission or the executive director's designee shall convene the first meeting of the working group. The working group shall elect its chair from its membership

at the first meeting.

Subd. 2. **Subject matter.** (a) The working group must review, assess, and make specific recommendations, including any necessary draft legislation regarding the following alternatives for modification and application of Minnesota's controlled substance laws:

- (1) revising the threshold amounts for Minnesota's controlled substance crimes;
- (2) establishing a separate sentencing guidelines grid for drug offenses;
- (3) establishing additional aggravating factors so as to target certain particularly dangerous offenders;
- (4) revising the criminal history point calculations for repeat drug offenders;
- (5) maximizing the use of deferred prosecutions for low-level drug offenders under section 152.18 throughout the state; and
- (6) increasing the use of the early release program for nonviolent controlled substance offenders who successfully complete drug treatment while incarcerated as provided in section 244.055.

(b) As part of its review of the various possible reforms, the working group may also study and consider:

- (1) the significance, if any, of current rates of departure from presumptive guideline sentences for controlled substance crimes;
- (2) the significance, if any, of current rates of departure from presumptive guideline sentences for controlled substance crimes for identifiable categories of offenders;
- (3) the impact that recent United States Supreme Court criminal sentencing decisions have on implementing further reform;
- (4) the barriers to comparing Minnesota's sentencing data with data from other states;
- (5) strategies for reducing probation and supervised release violations among drug offenders;
- (6) strategies for increasing the efficacy of programs that are now available to treat drug offenders;
- (7) the likely impact of any recommended change in policy upon victims of drug-related crimes and the neighborhoods in which these crimes occur;
- (8) the likely impact of any recommended change in policy upon the efficacy of law enforcement, prosecution, public defender, or court personnel; or
- (9) any other sentencing-related matter that the working group sees fit to consider.

Subd. 3. **Report to legislature.** The working group shall report its findings and recommendations to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over criminal justice policy and funding by January 15, 2009. The working group expires upon the submission of the report required by this subdivision.

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

Sec. 28. **REPEALER.**

(a) Minnesota Statutes 2006, sections 242.193, subdivision 1; 242.39; and 609.103, are repealed.

(b) Laws 2008, chapter 242, section 3, subdivision 4, is repealed.

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

Delete the title and insert:

"A bill for an act relating to public safety; allowing persons facing civil commitment as sexually dangerous persons or sexual psychopathic personalities to choose to be confined in correctional facilities while the petition is being adjudicated; addressing the cost of care for persons facing civil commitment; addressing access to certain data; modifying registration requirements for predatory offenders; excluding persons who are mentally ill and dangerous, sexual psychopathic personality, or sexually dangerous from a commitment hearing on demand; requiring the commissioner of corrections to develop a marketing plan for MINNCOR industries; requiring the commissioner of corrections to conduct an internal review of parole and supervised release procedures and sanctions; authorizing the judicial branch to accept electronic payments and collect convenience fees on credit card payments; giving the Board of Public Defense and district courts greater flexibility in the use of appropriations for this biennium; authorizing courts to take certain actions relating to military veterans with mental illnesses who have been convicted of a crime; removing a sunset on the law governing Internet access to Bureau of Criminal Apprehension data; making technical corrections to certain provisions of the criminal code and corrections; eliminating juvenile residential treatment grants and juvenile restitution grants; authorizing a correctional facility to define a discipline policy for the length of time of a secure confinement; establishing a working group to review, assess, and make recommendations regarding the modification and application of controlled substance laws; establishing a study group regarding joint physical custody; providing for reports; amending Minnesota Statutes 2006, sections 13.851, by adding a subdivision; 13.87, subdivision 3; 241.27, by adding a subdivision; 241.301; 243.1606, subdivision 3; 243.166, subdivisions 3a, 4; 243.167, subdivision 2; 253B.045, subdivisions 1, 2, by adding a subdivision; 253B.08, subdivision 1; 253B.185, subdivision 5; 299C.41, subdivision 2, as added; 373.47, subdivision 1; 609.115, by adding a subdivision; 609.117, subdivision 3; 641.05; 641.18; Minnesota Statutes 2007 Supplement, section 253B.185, subdivision 1b; Laws 2007, chapter 54, article 1, sections 5; 9; proposing coding for new law in Minnesota Statutes, chapter 480; repealing Minnesota Statutes 2006, sections 242.193, subdivision 1; 242.39; 609.103; Laws 2008, chapter 242, section 3, subdivision 4."

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

House Conferees: (Signed) Michael Paymar, Tina Liebling, Rob Eastlund

Senate Conferees: (Signed) Linda Higgins, Mee Moua, Bill G. Ingebrigtsen

Senator Higgins moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2996 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.

H.F. No. 2996 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 61 and nays 2, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Jungbauer Vandever

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 3722, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 3722 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 7, 2008

CONFERENCE COMMITTEE REPORT ON H. F. NO. 3722

A bill for an act relating to economic development; providing military reservist economic injury loans; defining terms; appropriating money; amending Minnesota Statutes 2007 Supplement, section 116L.17, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116J.

May 5, 2008

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 3722 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 3722 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2007 Supplement, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

- (1) member of the legislature;
- (2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or attorney in the Office of Senate Counsel and Research or House Research;
- (3) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (4) solicitor general or deputy, assistant, or special assistant attorney general;
- (5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;
- (6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;
- (7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;
- (8) executive director of the State Board of Investment;
- (9) deputy of any official listed in clauses (7) and (8);
- (10) judge of the Workers' Compensation Court of Appeals;
- (11) administrative law judge or compensation judge in the State Office of Administrative Hearings or referee in the Department of Employment and Economic Development;
- (12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;
- (13) member or chief administrator of a metropolitan agency;
- (14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;
- (15) member or executive director of the Higher Education Facilities Authority;
- (16) member of the board of directors or president of Minnesota Technology, Inc.;
- (17) member of the board of directors or executive director of the Minnesota State High School

League;

(18) member of the Minnesota Ballpark Authority established in section 473.755;

(19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

(20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13; or

(21) supervisor of a soil and water conservation district; or

(22) director of Explore Minnesota Tourism.

Sec. 2. [115A.936] CONSTRUCTION DEBRIS AS COVER MATERIAL PROHIBITED.

(a) Construction debris or residuals from processed construction debris containing any amount of gypsum shall not be managed as cover material at disposal facilities unless:

(1) residual material is managed in an industrial or construction and demolition disposal facility equipped with a liner and leachate collection system;

(2) residual material is not mechanically pulverized or size-reduced prior to processing, screening, or application;

(3) a maximum effort is made to remove gypsum from the waste prior to processing, screening, or application;

(4) residual material is mixed at a ratio of one part soil to one part residual material prior to application; and

(5) the disposal facility does not accept any amount of cover material greater than what is operationally necessary.

(b) For the purposes of this section, "residual material" means construction debris or residuals from processed construction debris containing any amount of gypsum.

Sec. 3. [116J.976] STATE APPROVAL OF GOVERNMENT PROCUREMENT AGREEMENTS.

Any decision of the state to enter into government procurement agreements relating to United States trade agreements must be approved by the governor and the legislature.

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

Sec. 4. [116J.977] TRADE POLICY ADVISORY GROUP.

Subdivision 1. **Establishment.** The trade policy advisory group is established to advise and assist the governor and the legislature regarding government procurement agreements of United States trade agreements.

Subd. 2. **Membership.** (a) The trade policy advisory group shall be comprised of nine members as follows:

(1) the governor, or the governor's designee;

(2) the commissioner of employment and economic development, or the commissioner's designee;

(3) the commissioner of agriculture, or the commissioner's designee;

(4) the commissioner of administration, or the commissioner's designee;

(5) the attorney general, or a designee;

(6) two senators, including one member from the majority party and one member from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate; and

(7) two members of the house of representatives, including one member appointed by the speaker of the house and one member appointed by the minority leader.

(b) Members of the trade policy advisory group shall serve for a term of two years and may be reappointed. Members shall serve until their successors have been appointed.

(c) The trade policy advisory group may invite representatives from other state agencies, industries, trade and labor organizations, nongovernmental organizations, and local governments to join the group as nonvoting ex officio members.

Subd. 3. **Administration.** (a) The commissioner of employment and economic development or the commissioner's designee shall:

(1) coordinate with the other appointing authorities to designate their representatives; and

(2) provide meeting space and administrative services for the group.

(b) The members shall elect a chair from the legislative members of the working group. The chair will assume responsibility for convening future meetings of the group.

(c) Public members of the advisory group serve without compensation or payment of expenses.

Subd. 4. **Duties.** The trade policy advisory group shall:

(1) serve as an advisory group to the governor and the legislature on matters relating to government procurement agreements of United States trade agreements;

(2) assess the potential impact of government procurement agreements on the state's economy;

(3) advise the governor and the legislature of the group's findings and make recommendations, including any draft legislation necessary to implement the recommendations, to the governor and the legislature;

(4) determine, on a case-by-case basis, the impact of a specific government procurement agreement by requesting input from state agencies, seeking expert advice, convening public hearings, and taking other reasonable and appropriate actions;

(5) provide advice on other issues related to trade agreements other than government procurement agreements when specifically requested by the governor or the legislature;

(6) request information from the Office of the United States Trade Representative necessary

to conduct an appropriate review of government procurement agreements or other trade issues as directed by the governor or the legislature; and

(7) receive information obtained by the United States Trade Representative's Single Point of Contact for Minnesota.

Subd. 5. **Expiration.** Notwithstanding section 15.059, subdivision 5, this section expires June 30, 2012.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 5. [116J.996] MILITARY RESERVIST ECONOMIC INJURY LOANS.

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Active service" has the meaning given in section 190.05.

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

(d) "Eligible business" means a small business, as defined in section 645.445, that was operating in Minnesota on the date a military reservist received orders for active service.

(e) "Essential employee" means a military reservist who is an owner or employee of an eligible business and whose managerial or technical expertise is critical to the day-to-day operation of the eligible business.

(f) "Military reservist" means a member of the reserve component of the armed forces.

(g) "Reserve component of the armed forces" has the meaning given it in United States Code, title 10, section 101(c).

(h) "Substantial economic injury" means an economic harm to an eligible business that results in the inability of the eligible business to:

(1) meet its obligations as they mature;

(2) pay its ordinary and necessary operating expenses; or

(3) manufacture, produce, market, or provide a product or service ordinarily manufactured, produced, marketed, or provided by the eligible business.

Subd. 2. **Loan program.** The commissioner may make onetime, interest-free loans of up to \$20,000 per borrower to eligible businesses that have sustained or are likely to sustain substantial economic injury as a result of the call to active service for 180 days or more of an essential employee. Loans must be made for the purpose of preventing, remedying, or ameliorating the substantial economic injury.

Subd. 3. **Revolving loan account.** The commissioner shall use money appropriated for the purpose to establish a revolving loan account. All repayments of loans made under this section must be deposited into this account. Interest earned on money in the account accrues to the account. Money in the account is appropriated to the commissioner for purposes of the loan program created in this section, including costs incurred by the commissioner to establish and administer the program.

Subd. 4. **Rules.** Using the expedited rulemaking procedures of section 14.389, the commissioner

shall develop and publish expedited rules for loan applications, use of funds, needed collateral, terms of loans, and other details of military reservist economic injury loans.

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

Sec. 6. Minnesota Statutes 2007 Supplement, section 116L.17, subdivision 1, is amended to read:

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

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

(c) "Dislocated worker" means an individual who is a resident of Minnesota at the time employment ceased or was working in the state at the time employment ceased and:

(1) has been permanently separated or has received a notice of permanent separation from public or private sector employment and is eligible for or has exhausted entitlement to unemployment benefits, and is unlikely to return to the previous industry or occupation;

(2) has been long-term unemployed and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual resides, including older individuals who may have substantial barriers to employment by reason of age;

(3) has been terminated or has received a notice of termination of employment as a result of a plant closing or a substantial layoff at a plant, facility, or enterprise;

(4) has been self-employed, including farmers and ranchers, and is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters;

(5) has been permanently separated from employment in a restaurant, bar, or lawful gambling organization from October 1, 2007, to October 1, 2009, due to the implementation of any state law prohibiting smoking; ~~or~~

(6) is a veteran as defined by section 197.447, has been discharged or released from active duty under honorable conditions within the last 36 months, and (i) is unemployed or (ii) is employed in a job which pays less than what the veteran could verifiably earn; or

~~(6)~~ (7) is a displaced homemaker. A "displaced homemaker" is an individual who has spent a substantial number of years in the home providing homemaking service and (i) has been dependent upon the financial support of another; and now due to divorce, separation, death, or disability of that person, must find employment to self support; or (ii) derived the substantial share of support from public assistance on account of dependents in the home and no longer receives such support.

To be eligible under this clause, the support must have ceased while the worker resided in Minnesota.

(d) "Eligible organization" means a state or local government unit, nonprofit organization, community action agency, business organization or association, or labor organization.

(e) "Plant closing" means the announced or actual permanent shutdown of a single site of

employment, or one or more facilities or operating units within a single site of employment.

(f) "Substantial layoff" means a permanent reduction in the workforce, which is not a result of a plant closing, and which results in an employment loss at a single site of employment during any 30-day period for at least 50 employees excluding those employees that work less than 20 hours per week.

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

Sec. 7. Minnesota Statutes 2006, section 116L.17, subdivision 4, is amended to read:

Subd. 4. **Use of funds.** Funds granted by the board under this section may be used for any combination of the following, except as otherwise provided in this section:

(1) employment transition services such as developing readjustment plans for individuals; outreach and intake; early readjustment; job or career counseling; testing; orientation; assessment of skills and aptitudes; provision of occupational and labor market information; job placement assistance; job search; job development; prelayoff assistance; relocation assistance; and programs provided in cooperation with employers or labor organizations to provide early intervention in the event of plant closings or substantial layoffs;

(2) support services, including assistance to help the participant relocate to employ existing skills; out-of-area job search assistance; family care assistance, including child care; commuting assistance; emergency housing and rental assistance; counseling assistance, including personal and financial; health care; emergency health assistance; emergency financial assistance; work-related tools and clothing; and other appropriate support services that enable a person to participate in an employment and training program with the goal of reemployment;

(3) specific, short-term training to help the participant enhance current skills in a similar occupation or industry; entrepreneurial training, customized training, or on-the-job training; basic and remedial education to enhance current skills; and literacy and work-related English training for non-English speakers; and

(4) long-term training in a new occupation or industry, including occupational skills training or customized training in an accredited program recognized by one or more relevant industries. Long-term training shall only be provided to dislocated workers whose skills are obsolete and who have no other transferable skills likely to result in employment at a comparable wage rate. Training shall only be provided for occupations or industries with reasonable expectations of job availability based on the service provider's thorough assessment of local labor market information where the individual currently resides or is willing to relocate. This clause shall not restrict training in personal services or other such industries.

Sec. 8. **[181.985] WORKPLACE COMMUNICATIONS.**

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

(b) "Public employee" has the meaning given in section 179A.03, subdivision 14.

(c) "Public employer" has the meaning given in section 179A.03, subdivision 15.

(d) "Communication" means any printed or electronic document, letter, brochure, flyer,

advertisement, e-mail, text message, or similar means pertaining to union business or labor organizing as provided under state law.

(e) "Employee organization" has the meaning given in section 179A.03, subdivision 6.

Subd. 2. **Collective bargaining agreements.** Minnesota Statutes, chapter 179A, shall not prohibit a collective bargaining agreement from including provisions related to workplace communications.

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

Sec. 9. Minnesota Statutes 2007 Supplement, section 214.04, subdivision 3, is amended to read:

Subd. 3. **Officers; staff.** The executive director of each health-related board and the executive secretary of each non-health-related board shall be the chief administrative officer for the board but shall not be a member of the board. The executive director or executive secretary shall maintain the records of the board, account for all fees received by it, supervise and direct employees servicing the board, and perform other services as directed by the board. The executive directors, executive secretaries, and other employees of the following boards shall be hired by the board, and the executive directors or executive secretaries shall be in the unclassified civil service, except as provided in this subdivision:

- (1) Dentistry;
- (2) Medical Practice;
- (3) Nursing;
- (4) Pharmacy;
- (5) Accountancy;
- (6) Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design;
- (7) Barber Examiners;
- (8) Cosmetology;
- (9) Teaching;
- (10) Peace Officer Standards and Training;
- (11) Social Work;
- (12) Marriage and Family Therapy;
- (13) Dietetics and Nutrition Practice; ~~and~~
- (14) Licensed Professional Counseling; and
- (15) Combative Sports Commission.

The executive directors or executive secretaries serving the boards are hired by those boards and are in the unclassified civil service, except for part-time executive directors or executive secretaries,

who are not required to be in the unclassified service. Boards not requiring full-time executive directors or executive secretaries may employ them on a part-time basis. To the extent practicable, the sharing of part-time executive directors or executive secretaries by boards being serviced by the same department is encouraged. Persons providing services to those boards not listed in this subdivision, except executive directors or executive secretaries of the boards and employees of the attorney general, are classified civil service employees of the department servicing the board. To the extent practicable, the commissioner shall ensure that staff services are shared by the boards being serviced by the department. If necessary, a board may hire part-time, temporary employees to administer and grade examinations.

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

Sec. 10. Minnesota Statutes 2007 Supplement, section 268.047, subdivision 1, is amended to read:

Subdivision 1. **General rule.** Unemployment benefits paid to an applicant, including extended, ~~additional,~~ and shared work benefits, will be used in computing the future tax rate of a taxpaying base period employer or charged to the reimbursable account of a base period nonprofit or government employer that has elected to be liable for reimbursements except as provided in subdivisions 2 and 3. The amount of unemployment benefits used in computing the future tax rate of taxpaying employers or charged to the reimbursable account of a nonprofit or government employer that has elected to be liable for reimbursements is the same percentage of the total amount of unemployment benefits paid as the percentage of wage credits from the employer is of the total amount of wage credits from all the applicant's base period employers.

In making computations under this subdivision, the amount of wage credits, if not a whole dollar, must be computed to the nearest whole dollar.

Sec. 11. Minnesota Statutes 2007 Supplement, section 268.047, subdivision 2, is amended to read:

Subd. 2. **Exceptions for all employers.** Unemployment benefits paid will not be used in computing the future tax rate of a taxpaying base period employer or charged to the reimbursable account of a base period nonprofit or government employer that has elected to be liable for reimbursements when:

(1) the applicant was discharged from the employment because of aggravated employment misconduct as determined under section 268.095. This exception applies only to unemployment benefits paid for periods after the applicant's discharge from employment;

(2) an applicant's discharge from that employment occurred because a law required removal of the applicant from the position the applicant held;

(3) the employer is in the tourist or recreation industry and is in active operation of business less than 15 calendar weeks each year and the applicant's wage credits from the employer are less than 600 times the applicable state or federal minimum wage;

(4) the employer provided regularly scheduled part-time employment to the applicant during the applicant's base period and continues to provide the applicant with regularly scheduled part-time employment during the benefit year of at least 90 percent of the part-time employment provided in the base period, and is an involved employer because of the applicant's loss of other employment.

This exception terminates effective the first week that the employer fails to meet the benefit year employment requirements. This exception applies to educational institutions without consideration of the period between academic years or terms;

(5) the employer is a fire department or firefighting corporation or operator of a life-support transportation service, and continues to provide employment for the applicant as a volunteer firefighter or a volunteer ambulance service personnel during the benefit year on the same basis that employment was provided in the base period. This exception terminates effective the first week that the employer fails to meet the benefit year employment requirements;

(6) the applicant's unemployment from this employer was a direct result of the condemnation of property by a governmental agency, a fire, flood, or act of nature, where 25 percent or more of the employees employed at the affected location, including the applicant, became unemployed as a result. This exception does not apply where the unemployment was a direct result of the intentional act of the employer or a person acting on behalf of the employer;

(7) the unemployment benefits were paid by another state as a result of the transferring of wage credits under a combined wage arrangement provided for in section 268.131;

(8) the applicant stopped working because of a labor dispute at the applicant's primary place of employment if the employer was not a party to the labor dispute;

(9) the unemployment benefits were determined overpaid unemployment benefits under section 268.18; ~~or~~

(10) the applicant was employed as a replacement worker, for a period of six months or longer, for an employee who is in the military reserve and was called for active duty during the time the applicant worked as a replacement, and the applicant was laid off because the employee returned to employment after active duty; or

(11) the trust fund was reimbursed for the unemployment benefits by the federal government.

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

Sec. 12. Minnesota Statutes 2007 Supplement, section 268.085, subdivision 3, is amended to read:

Subd. 3. **Payments that delay unemployment benefits.** (a) An applicant is not eligible to receive unemployment benefits for any week with respect to which the applicant is receiving, has received, or has filed for payment, equal to or in excess of the applicant's weekly unemployment benefit amount, in the form of:

(1) vacation pay paid upon temporary, indefinite, or seasonal separation. This clause does not apply to (i) vacation pay paid upon a permanent separation from employment, or (ii) vacation pay paid from a vacation fund administered by a union or a third party not under the control of the employer;

(2) severance pay, bonus pay, sick pay, and any other payments, except earnings under subdivision 5, and back pay under subdivision 6, paid by an employer because of, upon, or after separation from employment, but only if the payment is considered wages at the time of payment under section 268.035, subdivision 29; or

(3) pension, retirement, or annuity payments from any plan contributed to by a base period employer including the United States government, except Social Security benefits that are provided for in subdivision 4. The base period employer is considered to have contributed to the plan if the contribution is excluded from the definition of wages under section 268.035, subdivision 29, clause (1).

An applicant is not considered to have received the lump sum payment if the applicant immediately deposits that payment in a qualified pension plan or account.

(b) This subdivision applies to all the weeks of payment. Payments under paragraph (a), clauses (1) and (2), are applied to the period immediately following the last day of employment ~~and~~. The number of weeks of payment, ~~for purposes of those clauses,~~ is determined as follows:

(1) if the payments are made periodically, the total of the payments to be received is divided by the applicant's last level of regular weekly pay from the employer; or

(2) if the payment is made in a lump sum, that sum is divided by the applicant's last level of regular weekly pay from the employer.

(c) If the payment is less than the applicant's weekly unemployment benefit amount, unemployment benefits are reduced by the amount of the payment. If the computation of reduced unemployment benefits is not a whole dollar, it is rounded down to the next lower whole dollar.

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

Sec. 13. Minnesota Statutes 2007 Supplement, section 268.085, subdivision 9, is amended to read:

Subd. 9. **Business owners.** Wage credits from an employer may not be used for unemployment benefit purposes by any applicant who:

(1) individually, jointly, or in combination with the applicant's spouse, parent, or child owns or controls directly or indirectly 25 percent or more interest in the employer; ~~or~~

(2) is the spouse, parent, or minor child of any individual who owns or controls directly or indirectly 25 percent or more interest in the employer; ~~and~~

~~(2) is temporarily, seasonally, or indefinitely unemployed and not permanently separated from the employment.~~

This subdivision is effective when the applicant has been paid ~~four~~ five times the applicant's weekly unemployment benefit amount in the current benefit year. This subdivision does not apply if the applicant had wages paid of \$7,500 or more from the employer covered by this subdivision in each of the 16 calendar quarters prior to the effective date of the benefit account.

EFFECTIVE DATE. This section is effective July 6, 2008, and applies to applications for unemployment benefits filed on or after that date.

Sec. 14. Minnesota Statutes 2007 Supplement, section 268.085, subdivision 16, is amended to read:

Subd. 16. **Actively seeking suitable employment defined.** (a) "Actively seeking suitable

employment" means those reasonable, diligent efforts an individual in similar circumstances would make if genuinely interested in obtaining suitable employment under the existing conditions in the labor market area. Limiting the search to positions that are not available or are above the applicant's training, experience, and qualifications is not "actively seeking suitable employment."

(b) To be considered "actively seeking suitable employment" an applicant must, when reasonable, contact those employers from whom the applicant was laid off because of lack of work and request suitable employment.

(c) If reasonable prospects of suitable employment in the applicant's usual or customary occupation do not exist, the applicant must actively seek other suitable employment to be considered "actively seeking suitable employment." This applies to an applicant who is seasonally unemployed.

(d) An applicant who is seeking employment only through a union is ~~not considered~~ actively seeking suitable employment ~~unless if the applicant is in an occupation where it is required by union rule that all the hiring in that locality is done through the union, or that all members are~~ If the applicant is a union member who is restricted to obtaining employment among signatory contractors in the construction industry, seeking employment only with those signatory contractors is considered actively seeking employment. The applicant must be a union member in good standing, registered with the union for employment, and in compliance with other union rules to be considered "actively seeking suitable employment."

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

Sec. 15. Minnesota Statutes 2006, section 268.125, subdivision 1, is amended to read:

Subdivision 1. **Additional unemployment benefits; when available.** Additional unemployment benefits are available if:

(1) a county had a total unemployment rate for the prior 12-calendar month period of at least 1.8 times the state average unemployment rate for the prior 12-calendar month period and the state average unemployment rate for the same 12-calendar month period was at least 4.6 percent. The commissioner must calculate the applicable unemployment rates within 30 calendar days following the end of the month. Once it has been calculated that the total unemployment rate in a county equals or exceeds 1.8 times the state average unemployment rate for the prior 12-calendar month period, the additional benefits are available beginning the Sunday following the date of calculation and continuing for a minimum of 13 calendar weeks. This clause expires June 30, 2009; or

~~(1)~~ (2) (i) at a facility that had 100 or more employees, the employer reduced operations, resulting within a one-month period in the layoff of 50 percent or more of the facility's work force, including reductions caused as a result of a major natural disaster declared by the president;

~~(2)~~ (ii) the employer has no expressed plan to resume operations that would lead to the reemployment of those employees in the immediate future; and

~~(3)~~ (iii) the seasonally adjusted unemployment rate in the county that the facility is located was ten percent or more during the month of the reduction or any of the three months before or after the month of the reduction.

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

retroactively from January 1, 2008.

Sec. 16. Minnesota Statutes 2006, section 268.125, subdivision 2, is amended to read:

Subd. 2. **Payment of unemployment benefits from trust fund; effect on employer.** Additional unemployment benefits are payable from the trust fund. Additional unemployment benefits paid will not be used in computing the experience rating of a taxpaying employer nor charged to the reimbursing account of a nonprofit or government employer. This subdivision expires June 30, 2009.

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

Sec. 17. Minnesota Statutes 2007 Supplement, section 268.125, subdivision 3, is amended to read:

Subd. 3. **Eligibility conditions.** An applicant is eligible to receive additional unemployment benefits for any week during the applicant's benefit year if:

(1) for any week during which benefits are available under subdivision 1, clause (1):

(i) the applicant resides in a county that meets the requirements of subdivision 1, clause (1), and resided in that county each week that regular unemployment benefits were paid;

(ii) the applicant was not paid unemployment benefits for any week in the 12 months before the effective date of the applicant's benefit account;

(iii) the applicant meets the same eligibility requirements that are required for regular unemployment benefits under section 268.069; and

(iv) the applicant has exhausted regular unemployment benefits under section 268.07, is not entitled to receive extended unemployment benefits under section 268.115, and is not entitled to receive unemployment benefits under any other state or federal law for that week. This clause expires June 30, 2009; or

~~(1) (2) the applicant was laid off from employment as a result of a reduction under subdivision 1, clause (2), or was laid off because of lack of work from that employer during the three-month period before, or the three-month period after, the month of the reduction under subdivision 1, clause (2);~~

~~(2) (3) the applicant meets the same eligibility requirements that are required for regular unemployment benefits under section ~~268.085~~ 268.069;~~

~~(3) the applicant is not ineligible under section 268.095 because of a quit or a discharge;~~

(4) the applicant has exhausted regular unemployment benefits under section 268.07, is not entitled to receive extended unemployment benefits under section 268.115, and is not entitled to receive unemployment benefits under any other state or federal law for that week; and

(5) a majority of the applicant's wage credits were from the employer that had a reduction in operations under subdivision 1, clause (2).

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from January 1, 2008, except clause (1), item (ii), which shall be effective January 1, 2009.

Sec. 18. Minnesota Statutes 2006, section 268.125, is amended by adding a subdivision to read:

Subd. 6. **Notice.** The commissioner must notify applicants of the availability of additional unemployment benefits by contacting applicants by mail or electronic transmission, by posting a notice on the department's official Web site, and by appropriate announcement. This subdivision expires June 30, 2009.

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

Sec. 19. Minnesota Statutes 2006, section 299M.03, subdivision 2, is amended to read:

Subd. 2. **Journeyman certificate.** Except for residential installations by the owner of an occupied one- or two-family dwelling, a person may not install, connect, alter, repair, or add to a fire protection system, under the supervision of a fire protection contractor, unless annually certified to perform those duties as a journeyman sprinkler fitter or as a registered apprentice sprinkler fitter. This subdivision does not apply to a person ~~altering~~ maintaining or repairing a fire protection system if the system uses ~~low pressure water and the system~~ is located in a facility regulated under the federal Mine Occupational Safety and Health Act.

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

Sec. 20. Minnesota Statutes 2006, section 341.21, as amended by Laws 2007, chapter 135, article 3, section 30, is amended to read:

341.21 DEFINITIONS.

Subdivision 1. **Applicability.** The definitions in this section apply to this chapter.

Subd. 2. **Boxing.** "Boxing" means the act of attack and defense with the fists, using padded gloves, that is practiced as a sport under the rules of the Association of Boxing Commissions, or equivalent. Where applicable, boxing includes tough person contests.

Subd. 2a. **Combatant.** "Combatant" means an individual who employs the act of attack and defense as a boxer, tough person, or mixed martial artist while engaged in a combative sport.

Subd. 2b. **Combative sport.** "Combative sport" means a sport that employs the act of attack and defense with the fists, with or without using padded gloves, or feet that is practiced as a sport under the rules of the Association of Boxing Commissions, unified rules for mixed martial arts, or their equivalent. Combative sports include professional boxing and professional and amateur tough person and professional and amateur mixed martial arts contests.

Subd. 3. **Commission.** "Commission" means the ~~Minnesota Boxing~~ Combative Sports Commission.

Subd. 4. **Combative sports contest.** "Combative sports contest" means ~~any~~ a professional boxing, a professional or amateur tough person, or a professional or amateur mixed martial art bout, competition ~~contest~~, match, or exhibition.

Subd. 4a. **Director.** "Director" means the executive director of the commission.

Subd. 4b. **HBV.** "HBV" means the hepatitis B virus with the e-antigen present in the most recent blood test.

Subd. 4c. **HCV.** "HCV" means the hepatitis C virus.

Subd. 4d. **HIV.** "HIV" means the human immunodeficiency virus.

Subd. 4e. **Individual.** "Individual" means a living human being.

Subd. 4f. **Mixed martial arts contest.** "Mixed martial arts contest" means a contest between two or more individuals consisting of any combination of full contact martial art including, but not limited to, Muay Thai and Karate, kickboxing, wrestling, grappling, or other recognized martial art.

Subd. 4g. **Person.** "Person" means an individual, corporation, partnership, limited liability company, organization, or other business entity organized and existing under law, its officers and directors, or a person holding 25 percent or more of the ownership of a corporation that is authorized to do business under the laws of this state.

Subd. 5. **Professional.** "Professional" means any person who competes for any money prize or a prize that exceeds the value of \$50 or teaches, pursues, or assists in the practice of boxing a combative sport as a means of obtaining a livelihood or pecuniary gain.

~~Subd. 6. **Director.** "Director" means the executive director of the commission.~~

Subd. 7. **Tough person contest.** "Tough person contest," including contests marketed as tough man ~~and~~ or tough woman contests, means ~~any boxing match consisting a contest of one minute rounds~~ two-minute rounds consisting of not more than four rounds between two or more persons individuals who use their hands, or their feet, or both, in any manner. Tough person contest does not include ~~kick boxing~~ kickboxing or any recognized martial arts ~~competition~~ contest.

~~Subd. 8. **Mixed martial arts.** "Mixed martial arts" means any combination of boxing, kick boxing, wrestling, grappling, or other recognized martial arts.~~

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

Sec. 21. Minnesota Statutes 2007 Supplement, section 341.22, is amended to read:

341.22 BOXING COMBATIVE SPORTS COMMISSION.

There is hereby created the Minnesota Boxing Combative Sports Commission consisting of nine members who are citizens of this state. The members must be appointed by the governor. One member of the commission must be a retired judge of the Minnesota district court, Minnesota Court of Appeals, Minnesota Supreme Court, the United States District Court for the District of Minnesota, or the Eighth Circuit Court of Appeals, and at least ~~three~~ four members must have knowledge of the boxing industry. At least four members must have knowledge of the mixed martial arts industry. The governor shall make serious efforts to appoint qualified women to serve on the commission. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements must be as provided in sections 214.07 to 214.09. Unless otherwise provided, the provision of staff, administrative services, and office space; the review and processing of complaints; the setting of fees; and other provisions relating to commission operations must be are as provided in chapter 214. The purpose of the commission is to protect health, promote safety, and ensure fair events.

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

Sec. 22. Minnesota Statutes 2006, section 341.23, is amended to read:

341.23 LIMITATIONS.

No member of the ~~Boxing~~ commission may directly or indirectly promote a ~~boxing~~ contest, directly or indirectly engage in the managing of a ~~boxer~~ combatant, or have an interest in any manner in the proceeds from a ~~boxing~~ combative sport contest.

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

Sec. 23. Minnesota Statutes 2007 Supplement, section 341.25, is amended to read:

341.25 RULES.

(a) The commission may adopt rules that include standards for the physical examination and condition of ~~boxers~~ combatants and referees.

(b) The commission may adopt other rules necessary to carry out the purposes of this chapter, including, but not limited to, the conduct of ~~boxing exhibitions, bouts, and fights,~~ all combative sport contests and their manner, supervision, time, and place. Notwithstanding section 14.125, the commission shall publish a notice of intent to adopt rules or a notice of hearing on or before September 1, 2008.

(c) The commission must adopt unified rules for mixed martial arts contests.

(d) The commission may adopt the rules of the Association of Boxing Commissions, with amendments.

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

Sec. 24. Minnesota Statutes 2006, section 341.26, is amended to read:

341.26 MEETINGS.

The commission shall hold a regular meeting quarterly and may hold special meetings. Except as otherwise provided in law, all meetings of the commission must be open to the public and reasonable notice of the meetings must be given under chapter 13D. If compliance with section 13D.02 is impractical, the commission may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the commission participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the commission can hear clearly all discussion and testimony and all votes of members of the commission and, if needed, receive those services required by sections 15.44 and 15.441;

(3) at least one member of the commission is physically present at the regular meeting location;
and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

Each member of the commission participating in a meeting by telephone or other electronic

means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

If a telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the commission, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The commission may require the person making such a connection to pay for documented costs that the commission incurs as a result of the additional connection.

If a telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the commission shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and that a person may monitor the meeting electronically from a remote location. The timing and method of providing notice is governed by section 13D.04.

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

Sec. 25. Minnesota Statutes 2007 Supplement, section 341.27, is amended to read:

341.27 COMMISSION DUTIES.

The commission shall:

- (1) issue, deny, renew, suspend, or revoke licenses;
- (2) make and maintain records of its acts and proceedings including the issuance, denial, renewal, suspension, or revocation of licenses;
- (3) keep public records of the commission open to inspection at all reasonable times;
- (4) assist the director in the development of rules to be implemented under this chapter;
- (5) conform to the rules adopted under this chapter; ~~and~~
- (6) develop policies and procedures for regulating mixed martial arts;
- (7) immediately suspend an individual license for a medical condition, including but not limited to a medical condition resulting from an injury sustained during a match, bout, or contest that has been confirmed by the ringside physician. The medical suspension must be lifted after the commission receives written information from a physician licensed in the home state of the licensee indicating that the combatant may resume competition, and any other information that the commission may by rule require. Medical suspensions are not subject to section 214.10; and
- (8) evaluate the performance and compensation of the director, including eligibility for salary increases, in keeping with state procedures.

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

Sec. 26. **[341.271] GIFT AUTHORITY.**

The commission may apply for, receive, and expend in its own name grants and gifts of money consistent with the powers and duties specified in section 341.27. The commission may accept gifts, bequests, grants, payments for services, and other public and private money to help finance the

activities of the commission.

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

Sec. 27. Minnesota Statutes 2006, section 341.28, as amended by Laws 2007, chapter 135, article 3, sections 34, 35, is amended to read:

341.28 REGULATION OF ~~BOXING~~ COMBATIVE SPORT CONTESTS.

Subdivision 1. **Regulatory authority; ~~boxing combative sports~~.** All ~~professional boxing combative sport~~ contests are subject to this chapter. ~~Every contestant in a boxing contest shall wear padded gloves that weigh at least eight ounces.~~ The commission shall, for every boxing combative sport contest:

- (1) direct a commission member to be present; and
- (2) direct the attending commission member to make a written report of the contest.

All boxing combative sport contests within this state must be conducted according to the requirements of this chapter.

Subd. 1a. **Regulatory authority; boxing contests.** All professional boxing contests are subject to this chapter. Every combatant in a boxing contest shall wear padded gloves that weigh at least eight ounces. Officials at all boxing contests must be licensed under this chapter.

Subd. 2. **Regulatory authority; tough person contests.** All professional and amateur tough person contests, ~~including amateur tough person contests,~~ are subject to this chapter. All tough person contests are subject to American Association of Boxing Commission (ABC) Commissions rules. Every contestant in a tough person contest shall have a physical examination prior to their bouts. Every contestant in a tough person contest shall wear padded gloves that weigh at least 12 ounces. All tough person bouts are limited to two-minute rounds and a maximum of four total rounds. Officials at all tough person bouts contests shall be licensed under this chapter.

Subd. 3. **Regulatory authority; mixed martial arts contests; similar sporting events.** All professional and amateur mixed martial arts, ultimate fight contests, and similar sporting events are subject to this chapter and all officials at these events must be licensed under this chapter.

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

Sec. 28. Minnesota Statutes 2006, section 341.29, is amended to read:

341.29 JURISDICTION OF COMMISSION.

The commission shall:

(1) have sole direction, supervision, regulation, control, and jurisdiction over all boxing combative sports contests and tough person contests that are held within this state unless a contest is exempt from the application of this chapter under federal law;

(2) have sole control, authority, and jurisdiction over all licenses required by this chapter; and

(3) grant a license to an applicant if, in the judgment of the commission, the financial responsibility, experience, character, and general fitness of the applicant are consistent with the

public interest, convenience, or necessity and the best interests of boxing combative sports and conforms with this chapter and the commission's rules.

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

Sec. 29. Minnesota Statutes 2006, section 341.30, is amended to read:

341.30 LICENSURE REQUIREMENTS.

Subdivision 1. **Licensure; individuals.** All referees, judges, ~~matchmakers~~, promoters, trainers, ring announcers, timekeepers, ringside physicians, ~~boxers~~ combatants, ~~boxers'~~ managers, and ~~boxers'~~ seconds are required to be licensed by the commission. The commission shall not permit any of these persons to participate in the holding or conduct of any boxing combative sport contest unless the commission has first issued the person a license.

Subd. 2. **Entity licensure.** Before participating in the holding or conduct of any boxing combative sport contest, a corporation, partnership, limited liability company, or other business entity organized and existing under law, its officers and directors, and any person holding 25 percent or more of the ownership of the corporation shall obtain a license from the commission and must be authorized to do business under the laws of this state.

Subd. 3. **Background investigation.** The commission may require referees, judges, ~~matchmakers~~, promoters, and ~~boxers~~ combatants to furnish fingerprints and background information under commission rules before licensure. The commission shall charge a fee for receiving fingerprints and background information in an amount determined by the commission. The commission may require referees, judges, ~~matchmakers~~, promoters, and ~~boxers~~ combatants to furnish fingerprints and background information before license renewal. The fee may include a reasonable charge for expenses incurred by the commission or the Department of Public Safety. For this purpose, the commission and the Department of Public Safety may enter into an interagency agreement.

Subd. 4. **Prelicensure requirements.** (a) Before the commission issues a license to a promoter, ~~matchmaker~~, corporation, or other business entity, the applicant shall:

(1) provide the commission with a copy of any agreement between a ~~contestant~~ combatant and the applicant that binds the applicant to pay the ~~contestant~~ combatant a certain fixed fee or percentage of the gate receipts;

(2) show on the application the owner or owners of the applicant entity and the percentage of interest held by each owner holding a 25 percent or more interest in the applicant;

(3) provide the commission with a copy of the latest financial statement of the entity; and

(4) provide the commission with a copy or other proof acceptable to the commission of the insurance contract or policy required by this chapter.

(b) Before the commission issues a license to a promoter, the applicant shall deposit with the commission a cash bond or surety bond in an amount set by the commission. The bond shall be executed in favor of this state and shall be conditioned on the faithful performance by the promoter of the promoter's obligations under this chapter and the rules adopted under it. An applicant for a license as a promoter shall submit an application a minimum of six weeks before the combative

sport contest is scheduled to occur.

(c) Before the commission issues a license to a ~~boxer~~ combatant, the applicant shall submit to the commission the results of a current medical examination on forms furnished or approved by the commission. The medical examination must include an ophthalmological and neurological examination, and documentation of test results for HBV, HCV, and HIV, and any other blood test as the commission by rule may require. The ophthalmological examination must be designed to detect any retinal defects or other damage or condition of the eye that could be aggravated by ~~boxing~~ combative sports. The neurological examination must include an electroencephalogram or medically superior test if the ~~boxer~~ combatant has been knocked unconscious in a previous ~~boxing or other athletic competition~~ contest. The commission may also order an electroencephalogram or other appropriate neurological or physical examination before any contest, ~~match, or exhibition~~ if it determines that the examination is desirable to protect the health of the ~~boxer~~ combatant. The commission shall not issue a license to an applicant submitting positive test results for HBV, HCV, or HIV.

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

Sec. 30. Minnesota Statutes 2006, section 341.32, as amended by Laws 2007, chapter 135, article 3, section 36, is amended to read:

341.32 LICENSE FEES; EXPIRATION; RENEWAL.

Subdivision 1. **Annual licensure.** The commission may establish and issue annual licenses subject to the collection of advance fees by the commission for promoters, ~~matchmakers,~~ managers, judges, referees, ring announcers, ringside physicians, timekeepers, ~~boxers~~ combatants, ~~boxers'~~ trainers, ~~boxers'~~ seconds, business entities filing for a license to participate in the holding of any ~~boxing~~ contest, and officers, directors, or other persons affiliated with the business entity.

Subd. 2. **Expiration and renewal.** A license issued after July 1, 2007, is valid for one year from the date it is issued and may be renewed by filing an application for renewal with the commission and payment of the license ~~fee~~ fees established in section 341.321. An application for a license and renewal of a license must be on a form provided by the commission. There is a 30-day grace period during which a license may be renewed if a late filing penalty fee equal to the license fee is submitted with the regular license fee. A licensee that files late shall not conduct any activity regulated by this chapter until the commission has renewed the license. If the licensee fails to apply to the commission within the 30-day grace period, the licensee must apply for a new license under subdivision 1.

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

Sec. 31. Minnesota Statutes 2007 Supplement, section 341.321, is amended to read:

341.321 FEE SCHEDULE.

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

- (1) referees, \$45 ~~\$25~~ for each initial license and each renewal;
- (2) promoters, \$400 for each initial license and each renewal;
- (3) judges and knockdown judges, \$45 ~~\$25~~ for each initial license and each renewal;

- (4) trainers, ~~\$45~~ \$25 for each initial license and each renewal;
- (5) ring announcers, ~~\$45~~ \$25 for each initial license and each renewal;
- (6) ~~boxers'~~ seconds, ~~\$45~~ \$25 for each initial license and each renewal;
- (7) timekeepers, ~~\$45~~ \$25 for each initial license and each renewal;
- (8) ~~boxers~~ combatants, ~~\$45~~ \$25 for each initial license and each renewal;
- (9) managers, ~~\$45~~ \$25 for each initial license and each renewal; and
- (10) ringside physicians, ~~\$45~~ \$25 for each initial license and each renewal.

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

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

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

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

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

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 32. Minnesota Statutes 2006, section 341.33, is amended to read:

341.33 PHYSICAL EXAMINATION REQUIRED; FEES.

Subdivision 1. **Examination by physician.** All ~~boxers and referees~~ combatants must be examined by a physician licensed by this state within ~~three~~ 36 hours before entering the ring, and the examining physician shall immediately file with the commission a written report of the examination. The physician's examination ~~shall~~ may report on the condition of the ~~boxer's~~ combatant's heart and general physical and general neurological condition. The physician's report may record the condition of the ~~boxer's~~ combatant's nervous system and brain as required by the commission. The physician may prohibit the ~~boxer~~ combatant from entering the ring if, in the physician's professional opinion, it is in the best interest of the ~~boxer's~~ combatant's health. The cost of the examination is payable by the person or entity conducting the contest or exhibition.

Subd. 2. **Attendance of physician.** A person holding or sponsoring a ~~boxing contest~~ combative sport contest, shall have in attendance a physician licensed by this state. The commission may establish a schedule of fees to be paid to each attending physician by the person holding or sponsoring the contest.

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

Sec. 33. Minnesota Statutes 2006, section 341.34, subdivision 1, is amended to read:

Subdivision 1. **Required insurance.** The commission shall:

(1) require insurance coverage for a ~~boxer~~ combatant to provide for medical, surgical, and hospital care for injuries sustained in the ring in an amount of at least ~~\$20,000~~ \$10,000 and payable to the ~~boxer~~ combatant as beneficiary; and

(2) require life insurance for a ~~boxer~~ combatant in the amount of at least ~~\$20,000~~ \$10,000 payable in case of accidental death resulting from injuries sustained in the ring.

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

Sec. 34. Minnesota Statutes 2006, section 341.35, is amended to read:

~~341.35 PENALTIES FOR NONLICENSED EXHIBITIONS CONTESTS.~~

Any person or persons who send or cause to be sent, published, or otherwise made known, any challenge to fight what is commonly known as a prize fight, or engage in any public ~~boxing or sparring~~ combative sport match or contest, with or without gloves, for any prize, reward, or compensation, or for which any admission fee is charged directly or indirectly, or go into training preparatory for the fight, exhibition, or contest, or act as a trainer, aider, abettor, backer, umpire, referee, second, surgeon, assistant, or attendant at the fight, exhibition, or contest, or in any preparation for same, and any owner or lessee of any ground, building, or structure of any kind permitting the same to be used for any fight, exhibition, or contest, is guilty of a misdemeanor unless a ~~license~~ the licenses required for the holding of the fight, exhibition, or contest ~~has~~ have been issued by the commission in compliance with the rules adopted by it.

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

Sec. 35. **[341.355] PENALTIES.**

When the commission finds that a person has violated one or more provisions of any statute,

rule, or order that the commission is empowered to regulate, enforce, or issue, the commission may impose, for each violation, a civil penalty of up to \$10,000 for each violation, or a civil penalty that deprives the person of any economic advantage gained by the violation, or both.

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

Sec. 36. Minnesota Statutes 2006, section 341.37, is amended to read:

341.37 APPROPRIATION.

A ~~Boxing~~ commission account is created in the special revenue fund. Money in the account is annually appropriated to the ~~Boxing~~ commission for the purposes of conducting its statutory responsibilities and obligations.

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

Sec. 37. Minnesota Statutes 2007 Supplement, section 446A.072, subdivision 3, is amended to read:

Subd. 3. **Program administration.** (a) The authority shall provide supplemental assistance, as provided in subdivision 5a to governmental units:

- (1) whose projects are listed on the Pollution Control Agency's project priority list;
- (2) that demonstrate their projects are a cost-effective solution to an existing environmental or public health problem; and
- (3) whose projects are approved by the USDA/RECD or certified by the commissioner of the Pollution Control Agency.

(b) For a governmental unit receiving grant funding from the USDA/RECD, applications must be made to the USDA/RECD with additional information submitted to the authority as required by the authority. Eligible project costs and affordability criteria shall be determined by the USDA/RECD.

(c) For a governmental unit not receiving grant funding from the USDA/RECD, application must be made to the authority on forms prescribed by the authority for the clean water revolving fund program with additional information as required by the authority. In accordance with section 116.182, the Pollution Control Agency shall:

- (1) calculate the essential project component percentage which must be multiplied by the total project cost to determine the eligible project cost; and
- (2) review and certify approved projects to the authority.

(d) ~~At the time funds are appropriated under this section,~~ Each fiscal year the authority shall make funds available for projects based on their ranking on the Pollution Control Agency's project priority list. The authority shall reserve supplemental assistance funds for projects in order of their rankings on the Pollution Control Agency's project priority list and a project when the applicant receives a funding commitment from the United States Department of Agriculture Rural Development (USDA/RECD) or submits plans and specifications to the Pollution Control Agency. Funds must be reserved in an amount based on their most recent the project cost estimates estimate submitted to the authority or prior to the appropriation of the funds and awarded in the amount

reserved or an amount based on the as-bid costs, whichever is less.

Sec. 38. Minnesota Statutes 2007 Supplement, section 446A.072, subdivision 5a, is amended to read:

Subd. 5a. **Type and amount of assistance.** (a) For a governmental unit receiving grant funding from the USDA/RECD, the authority shall provide assistance in the form of a grant of up to ~~one-half~~ 65 percent of the eligible grant ~~amount~~ need determined by USDA/RECD. A governmental unit may not receive a grant under this paragraph for more than \$4,000,000 or \$15,000 per existing connection, whichever is less, unless specifically approved by law. In the case of a sanitary district or other multijurisdictional project for which the USDA/RECD is unable to fully fund ~~up to one-half~~ its share of the eligible grant ~~amount~~ need, the authority may provide up to an additional \$1,000,000 for each additional governmental unit participating up to a maximum of \$8,000,000 or \$15,000 per existing connection, whichever is less, but not to exceed the maximum grant level determined by the USDA/RECD as needed to keep the project affordable.

(b) For a governmental unit not receiving grant funding from the USDA/RECD, the authority shall provide assistance in the form of a loan for the eligible project costs plus the outstanding balance on any existing wastewater system debt that together exceed five percent of the market value of properties in the project service area, less the amount of any other grant funding received by the governmental unit for the project. A governmental unit may not receive a loan under this paragraph for more than \$4,000,000 or \$15,000 per existing connection, whichever is less, unless specifically approved by law. In the case of a sanitary district or other multijurisdictional project, the authority may provide a loan under this paragraph for up to an additional \$1,000,000 for each additional municipality participating up to a maximum of \$8,000,000 or \$15,000 per existing connection, whichever is less, unless specifically approved by law. A loan under this paragraph must bear no interest, must be repaid as provided in subdivision 7, and must only be provided in conjunction with a loan from the clean water revolving fund under section 446A.07.

(c) Notwithstanding the limits in paragraphs (a) and (b), for a governmental unit receiving supplemental assistance under this section after January 1, 2002, if the authority determines that the governmental unit's construction and installation costs are significantly increased due to geological conditions of crystalline bedrock or karst areas and discharge limits that are more stringent than secondary treatment, the authority shall provide assistance in the form of half grant and half loan. Assistance from the authority may not be more than \$25,000 per existing connection. Any additional grant amount received for the same project must be used to reduce the amount of the governmental unit's loan from the clean water ~~pollution control~~ revolving fund that exceeds five percent of the market value of properties in the project service area.

Sec. 39. Minnesota Statutes 2007 Supplement, section 446A.086, is amended to read:

446A.086 STATE MAY GUARANTEE COUNTY GOVERNMENTAL UNIT BUILDING DEBT; REPAYMENT.

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Authority" means the Minnesota Public Facilities Authority.

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

(d) "Debt obligation" means:

(1) a general obligation bond issued by a county, a bond to which the general obligation of a county is pledged under section 469.034, subdivision 2, or a bond payable from a county lease obligation under section 641.24, to provide funds for the construction of:

~~(1) (i) jails;~~

~~(2) (ii) correctional facilities;~~

~~(3) (iii) law enforcement facilities;~~

~~(4) (iv) social services and human services facilities;~~

~~(5) (v) solid waste facilities; or~~

~~(6) (vi) qualified housing development projects as defined in section 469.034, subdivision 2; or~~

(2) a general obligation bond issued by a governmental unit to provide funds for the construction, improvement, or rehabilitation of:

(i) wastewater facilities;

(ii) drinking water facilities;

(iii) stormwater facilities; or

(iv) any publicly owned building or infrastructure improvement that has received partial funding from grants awarded by the commissioner of employment and economic development related to redevelopment, contaminated site cleanup, bioscience, small cities development programs, and rural business infrastructure programs, for which bonds are issued by the authority under section 446A.087.

(e) "Governmental unit" means a county or a statutory or home rule charter city.

Subd. 2. **Application.** (a) This section provides a state guarantee of the payment of principal and interest on debt obligations if:

(1) the obligations are issued after June 30, 2000;

(2) application to the Public Facilities Authority is made before issuance; and

(3) the obligations are covered by an agreement meeting the requirements of subdivision 3.

(b) Applications to be covered by the provisions of this section must be made in a form and contain the information prescribed by the authority. Applications are subject to either a fee of \$500 for the first each bond issue requested by the a county and \$250 for each bond issue thereafter or governmental unit or the applicable fees under section 446A.087.

(c) Application fees paid under this section must be deposited in a separate county credit enhancement bond guarantee account in the general fund. Money in the county credit enhancement bond guarantee account is appropriated to the authority for purposes of administering this section.

(d) Neither the authority nor the commissioner is required to promulgate administrative rules

under this section and the procedures and requirements established by the authority or commissioner under this section are not subject to chapter 14.

Subd. 3. **Agreement.** (a) For specified debt obligations of a county to be covered by this section, the county governmental unit must enter an agreement with the authority obligating the county governmental unit to be bound by this section.

(b) This agreement must be in a form prescribed by the authority and contain any provisions required by the authority, including, at least, an obligation to:

(1) deposit with the paying agent three days before the date on which the payment is due an amount sufficient to make that payment or ten days prior to the date a payment is due on revenue bonds issued by the authority under section 446A.087;

(2) notify the authority, if the county governmental unit will be unable to make all or a portion of the payment; and

(3) include a provision in the bond resolution and county's agreement with the paying agent for the debt obligation that requires the paying agent to inform the commissioner if it becomes aware of a default or potential default in the payment of principal or interest on that issue or if, on the day two business days before the date a payment is due on that issue, there are insufficient funds to make the payment on deposit with the paying agent.

(c) Funds invested in a refunding escrow account established under section 475.67 that are to become available to the paying agent on a principal or interest payment date are deemed to be on deposit with the paying agent three business days before the payment date.

(d) The provisions of an agreement under this subdivision are binding as to an issue as long as any debt obligation of the issue remains outstanding.

(e) This section and the obligations of the state under this section are not a public debt of the state under article XI, section 4, of the Minnesota Constitution, and the legislature may, at any time, choose not to appropriate amounts under subdivision 4, paragraph (b).

Subd. 4. **Notifications; payment; appropriation.** (a) After receipt of a notice of a default or potential default in payment of principal or interest in debt obligations covered by this section or an agreement under this section, and after consultation with the county governmental unit and the paying agent, and after verification of the accuracy of the information provided, the authority shall notify the commissioner of the potential default. The notice must include a final figure as to the amount due that the county governmental unit will be unable to repay on the date due.

(b) Upon receipt of this notice from the authority, the commissioner shall issue a warrant and authorize the authority to pay to the bond holders or paying agent for the debt obligation the specified amount on or before the date due. The amounts needed for the purposes of this subdivision are annually appropriated to the authority from the general fund.

Subd. 5. **Interest on state paid amount.** If the state has paid part or all of the principal or interest due on a county's debt obligation, the amount paid bears interest from the date paid by the state until the date of repayment. The interest rate is the commissioner's invested cash rate as it is certified by the commissioner. Interest only accrues on the amounts paid and outstanding less the reduction in aid under subdivision 7 and other payments received from the county governmental unit.

Subd. 6. **Pledge of ~~county's~~ governmental unit's full faith and credit.** If the state has paid part or all of the principal or interest due on a ~~county's~~ debt obligation, the ~~county's~~ governmental unit's pledge of its full faith and credit and unlimited taxing powers to repay the principal and interest due on those debt obligations becomes, without an election or the requirement of a further authorization, a pledge of the full faith and credit and unlimited taxing powers of the ~~county~~ governmental unit to repay to the state the amount paid, with interest. Amounts paid by the state must be repaid in the order in which the state payments were made.

Subd. 7. **Aid reduction for repayment.** (a) Except as provided in paragraph (b), the commissioner may reduce, by the amount paid by the state under this section on behalf of the ~~county~~ governmental unit, plus the interest due on the state payments, the ~~county program~~ local government aid under ~~section 477A.0124~~ chapter 477A. The amount of any aid reduction reverts from the appropriate account to the state general fund.

(b) If, after review of the financial situation of the ~~county~~ governmental unit, the authority advises the commissioner that a total reduction of the aids would cause an undue hardship on the ~~county~~ governmental unit, the authority, with the approval of the commissioner, may establish a different schedule for reduction of aids to repay the state. The amount of aids to be reduced are decreased by any amounts repaid to the state by the ~~county~~ governmental unit from other revenue sources.

Subd. 8. **Tax levy for repayment.** (a) With the approval of the authority, a ~~county~~ governmental unit may levy in the year the state makes a payment under this section an amount up to the amount necessary to provide funds for the repayment of the amount paid by the state plus interest through the date of estimated repayment by the ~~county~~ governmental unit. The proceeds of this levy may be used only for this purpose unless they exceed the amount actually due. Any excess must be used to repay other state payments made under this section or must be deposited in the debt redemption fund of the ~~county~~ governmental unit. The amount of aids to be reduced to repay the state are decreased by the amount levied.

(b) If the state is not repaid in full for a payment made under this section by November 30 of the calendar year following the year in which the state makes the payment, the authority shall require the ~~county~~ governmental unit to certify a property tax levy in an amount up to the amount necessary to provide funds for repayment of the amount paid by the state plus interest through the date of estimated repayment by the ~~county~~ governmental unit. To prevent undue hardship, the authority may allow the ~~county~~ governmental unit to certify the levy over a five-year period. The proceeds of the levy may be used only for this purpose unless they are in excess of the amount actually due, in which case the excess must be used to repay other state payments made under this section or must be deposited in the debt redemption fund of the ~~county~~ governmental unit. If the authority orders the ~~county~~ governmental unit to levy, the amount of aids reduced to repay the state are decreased by the amount levied.

(c) A levy under this subdivision is an increase in the levy limits of the ~~county~~ governmental unit for purposes of section 275.065, subdivision 6, and must be explained as a specific increase at the meeting required under that provision.

Subd. 9. **Mandatory plan; technical assistance.** If the state makes payments on behalf of a ~~county~~ governmental unit under this section or the ~~county~~ governmental unit defaults in the payment of principal or interest on an outstanding debt obligation, it must submit a plan to the authority for approval specifying the measures it intends to implement to resolve the issues which led to

its inability to make the payment and to prevent further defaults. If the authority determines that a county's governmental unit's plan is not adequate, the authority shall notify the county governmental unit that the plan has been disapproved, the reasons for the disapproval, and that the state will not make future payments under this section for debt obligations of the affected county governmental unit issued after the date specified in that notice until its plan is approved. The authority may also notify the county governmental unit that until its plan is approved, aids due the county governmental unit will be withheld after a date specified in the notice.

Subd. 10. **Continuing disclosure agreements.** The authority may enter into written agreements or contracts relating to the continuing disclosure of information needed to facilitate the ability of counties governmental units to issue debt obligations according to federal securities laws, rules, and regulations, including securities and exchange commission rules and regulations, section 240.15c2-12. The agreements or contracts may be in any form the authority deems reasonable and in the state's best interests.

Subd. 11. **Amount of debt obligation authorized.** The amount of debt outstanding under this section must not exceed \$500,000,000.

Sec. 40. **[446A.087] CREDIT ENHANCED BOND PROGRAM.**

Subdivision 1. **Establishment of program.** A credit enhanced bond program is established for the purposes set forth in subdivision 2.

Subd. 2. **Purpose.** The purpose of the credit enhanced bond program is to provide loans to governmental units through the purchase of general obligation bonds of governmental units issued to finance all or a portion of the costs of a project. The program shall include providing credit enhancement to the general obligation bonds of the governmental unit through the guarantee program as provided in section 446A.086. The authority shall obtain funds to make the loans authorized pursuant to this section through the issuance of its revenue bonds payable from loan repayments pledged to the bonds, and such other sources and security as are specifically pledged by the authority.

Subd. 3. **Definitions.** (a) Terms used in this section have the meanings given to them in this subdivision.

(b) "Applicant" means any governmental unit applying to the authority for a loan pursuant to this section.

(c) "Borrower" means any governmental unit that has entered into a commitment for the sale of its general obligation bonds to the authority pursuant to this section and subsequently sells its general obligation bonds to the authority and enters into a regulatory agreement.

(d) "Commitment" means a written agreement between a governmental unit and the authority obligating the governmental unit to deliver its general obligation bonds to the authority on a date in the future evidencing a loan pursuant to this section and to enter into a regulatory agreement with the authority, all upon the terms and conditions set forth in the commitment.

(e) "Eligible cost" means any cost of a project authorized by law to be financed from the proceeds of general obligation bonds of a governmental unit.

(f) "General obligation bonds" means bonds or notes secured by the full faith and credit and

unlimited taxing powers of a governmental unit.

(g) "Project" means the construction, improvement, or rehabilitation of any publicly owned building or infrastructure improvement that has received partial funding from grants awarded by the commissioner of employment and economic development related to redevelopment, contaminated site cleanup, bioscience, small cities development programs, and rural business infrastructure programs.

(h) "Regulatory agreement" means a written agreement entered into by the authority and a borrower in connection with the purchase of the borrower's general obligation bonds by the authority pursuant to this section.

Subd. 4. **Establishment of fund and accounts.** A credit enhancement bond program fund is established for the purposes described in subdivision 2. Other accounts may be established in the fund as necessary for its management and administration. Money in the fund is annually appropriated to the authority and does not lapse. The fund must be credited with investment income, and with repayments of principal and interest, except for fees assessed under section 446A.04, subdivisions 5 and 15.

Subd. 5. **Management of fund and accounts.** The authority shall manage and administer the credit enhancement bond program fund and individual accounts in the fund. For those purposes, the authority may exercise all powers provided in this chapter.

Subd. 6. **Applications.** (a) Applicants for participation in the credit enhancement bond program must submit an application to the authority on forms prescribed by the authority. The applicant shall provide information customary to that needed for the disclosure purposes in issuing general obligation bonds in the market, in addition to the following information:

(1) the total estimated cost of the project and the amount of general obligation bond proceeds sought;

(2) other sources of funding if the general obligation bond proceeds do not cover the entire costs identified;

(3) the proposed sources of funds to be used for repayment of the general obligation bonds;

(4) information showing the applicant's financial status and ability of the applicant to repay loans;

(5) the proposed term and principal repayment schedule for the general obligation bonds of the applicant; and

(6) the statutory authorization for the applicant to issue such general obligation bonds, together with a statement that the statutory provision authorizes the use of proceeds of such general obligation bonds to pay the costs of a project.

(b) The authority may establish deadlines or time periods for the submission of applications to facilitate funding loans from the proceeds of a specific bond issue proposed or previously issued by the authority, or the authority may accept applications from time to time.

(c) Each application must be complete and accurate to be considered delivered to and received by the authority or to be considered as having met any deadline established by the authority with respect to an application period. If any application is determined by the authority to be incomplete or

inaccurate, the authority shall notify the applicant and specify the missing or inaccurate information.

(d) The executive director and the staff of the authority shall evaluate the applications to determine if the application should be accepted or rejected by the authority.

(e) The authority is not obligated to accept any application including those complete and accurate and submitted by any specified deadline for submission if the authority determines that it is not practicable to fund the loan for any reason including, but not limited to, the creditworthiness of the applicant, the proposed loan amount, the term and repayment schedule, the sources of funding available to the authority, and current market conditions. Upon acceptance and approval of an application by the authority, the authority may require that the applicant authorize, execute, and deliver a commitment to the authority within such time period specified by the authority in its acceptance of the application. The authority may reject an approved application for failure by the applicant to authorize, execute, and deliver a commitment by the specified deadline.

Subd. 7. **Loan terms and conditions.** (a) The terms and conditions of loans provided by the authority pursuant to the credit enhanced bond program are as provided by this section, any applicable bond resolution or series bond resolution of the authority, any trust indenture pursuant to which any series of bonds of the authority are issued, the regulatory agreement, the commitment and the general obligation bond, and the authorizing resolution of the borrower.

(b) The loan must be made by the authority through its purchase of the general obligation bond of the borrower. The borrower shall provide the authority with the opinion of nationally recognized bond counsel as to the valid authorization, issuance, and enforceability of the general obligation bond of the borrower, and the exclusion of interest thereon from gross income for the purposes of federal taxation, subject to customary qualifications. The general obligation bond of the borrower may pledge other specified sources of revenues for repayment to the extent permitted or required by law, in addition to the full faith and credit and unlimited taxing powers of the borrower.

(c) The authority may disburse the proceeds of the loan as a single payment for the general obligation bond or from time to time pursuant to draw requests if the general obligation bond of the borrower is structured as a periodic drawdown bond. In the event the authority pays for the general obligation bond in a single payment, the borrower shall establish a project account and disburse the proceeds of its general obligation bond solely for costs of the project approved in its application pursuant to such additional requirements specified in the regulatory agreement.

(d) In order to facilitate the issuance of the authority's revenue bonds to finance a pool of loans to different borrowers, the authority may require the borrower in the commitment to issue its general obligation bond on a date certain in the future, and may require the borrower to pay the costs incurred by the authority as a result of the borrower's failure to deliver its general obligation bond as required by the commitment. The commitment may also require the borrower to provide to the authority full disclosure of all material facts and financial information relating to the borrower that would be required if the borrower issued its general obligation bond to the public, certified as to completeness and accuracy by authorized officers of the borrower, and authorization for the authority to use such information in connection with the sale of the authority's revenue bonds or disclosure relating to the authority's revenue bonds.

(e) In addition to delivering its general obligation bond, each borrower shall enter into a regulatory agreement with the authority providing additional terms of the loan as the authority may specify, including providing to the authority periodic reports and information relating to

the acquisition or construction of the project and use of the proceeds of the borrower's general obligation bond and periodic operating, financial, and other information as to the creditworthiness of the borrower, and providing and filing continuing secondary market disclosure to the extent required by the authority.

(f) The purchase or commitment to purchase general obligation bonds of borrowers by the authority shall be subject to the availability of proceeds of revenue bonds of the authority for such purpose and the authority is not liable to any borrower for the failure to purchase its general obligation bond pursuant to a commitment or any other agreement if proceeds of the authority's revenue bonds are not available for any reason.

Subd. 8. **Interest rate determination.** The rate of interest on the general obligation bonds of the borrower must be the true interest cost on the revenue bonds of the authority issued to purchase such general obligation bonds of the borrower plus the ongoing percentage fee charged by the authority under subdivision 10; provided that the interest rate must not exceed any limit imposed by federal tax law with respect to the authority's revenue bonds.

Subd. 9. **Market considerations.** The authority may suspend offering loans if it is determined by the executive director that there are extreme or unusual events impacting the bond market and that to continue making loans would be detrimental to holders of the authority's revenue bonds or the financial viability of the credit enhanced bond program, or if the state is warned by one of its rating agencies that continuing to make loans will result in lowering the state's bond rating. If the making of loans is suspended under this section, the authority shall have the option to resume making loans once it has determined that the conditions for suspending the program no longer exist.

Subd. 10. **Fees.** The authority shall charge a nonrefundable application fee of \$1,000 payable by each applicant upon submission of an application to the authority. A separate application fee must be payable for each application submitted, including a resubmitted application for an application that was rejected by the authority or determined to be incomplete or inaccurate by the authority. The authority shall charge an ongoing periodic fee of ten basis points of the outstanding principal amount of the loan to be added to, and be a component of, the interest rate on the general obligation bonds of the borrower.

Subd. 11. **Authority revenue bonds.** (a) The authority is authorized to issue revenue bonds as provided in this chapter to fund the credit enhanced bond program. The revenue bonds may be issued in one or more series pursuant to a resolution of the authority or a series resolution or pursuant to a trust indenture with a financial institution with trust powers as trustee, authorized by resolution of the authority. Any issue of bonds may be used to fund one or more loans, may be payable by the loans funded from such issue of bonds and such additional loans as pledged by the authority, and may be payable on a subordinated basis to other bonds. As permitted by the terms of any revenue bonds issued by the authority, the authority may sell the general obligations pledged to the payment of the revenue bonds and any proceeds of the sale in excess of those used to pay the principal of the revenue bonds must be deposited to the credit enhanced bond program fund and may be used to purchase additional general obligation bonds of borrowers, to provide credit enhancement for the authority's revenue bonds, or to pay any other expense of the credit enhanced bond program.

(b) The authority may issue short-term bonds in anticipation of issuing long-term bonds for the purpose of acquiring general obligation bonds of borrowers.

(c) Bonds issued by the authority for the credit enhanced bond program must not be general

obligations of the authority to the payment of which the general assets of the authority are pledged or available for payment. All bonds issued for the credit enhanced bond programs by the authority must be revenue bonds payable solely from the sources specified in the bond.

Subd. 12. **Reports, disclosure, audits.** (a) During the term of the loan the borrower shall provide written reports to the authority. The content and timing of these reports must be as specified in the regulatory agreement.

(b) During the term of the loan the borrower shall disclose to the authority any material information or events adversely affecting the creditworthiness of the borrower as specified in the regulatory agreement. If required by the authority in a regulatory agreement, the borrower shall enter into a continuing disclosure undertaking to provide disclosure to the market.

(c) During the term of the loan, the borrower shall provide to the authority on an annual basis financial statements of the borrower audited by an independent accounting firm, as further specified in the regulatory agreement.

Sec. 41. Minnesota Statutes 2006, section 446A.12, subdivision 1, is amended to read:

Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers, but not including the making of grants. Bonds of the authority may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed \$1,500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued, and excluding any bonds issued for the credit enhanced bond program or refunding or crossover refunding bonds issued under the program. The principal amount of bonds issued and outstanding under section 446A.087, may not exceed \$500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued.

Sec. 42. Minnesota Statutes 2006, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. **Debt ceiling.** The aggregate principal amount of bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of ~~\$3,000,000,000~~ \$5,000,000,000.

Sec. 43. **[469.35] TRANSIT IMPROVEMENT AREA ACCOUNTS.**

Two transit improvement area accounts are created, one in the general fund and one in the bond proceeds fund. Money in the accounts may be used to make grants or loans as provided in section 469.351 and for the commissioner's costs in reviewing applications and making loans or grants. Money in the accounts must not be used to pay for the operation of transit lines or the construction or operating costs of transit stations.

Sec. 44. **[469.351] TRANSIT IMPROVEMENT AREA LOAN PROGRAM.**

Subdivision 1. **Definitions.** (a) The terms defined in this section have the meanings given them and apply to sections 469.35 and 469.351.

(b) "Applicant" means a local governmental unit or a joint powers board, established under section 471.59.

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

(d) "Eligible organization" means an applicant that has been designated as a transit improvement area by the commissioner.

(e) "Local governmental unit" means a statutory or home rule charter city or town, or a county.

(f) "Transit improvement area" means a geographic area designated by the commissioner composed of land parcels that are in proximity to a transit station.

(g) "Transit station" means a physical structure to support the interconnection of public transit modes including at least one of the following modes: bus rapid transit, light rail transit, and commuter rail.

Subd. 2. **Designation of transit improvement areas.** A transit improvement area must increase the effectiveness of a transit project by incorporating one or more public transit modes with commercial, residential, or mixed-use development and by providing for safe and pedestrian-friendly use. The commissioner, in consultation with affected state and regional agencies, must designate transit improvement areas that meet the objectives under this subdivision. Affected state and regional agencies include, but are not limited to, the Minnesota Department of Transportation, the Minnesota Housing Finance Agency, and the Metropolitan Council for transit improvement areas located in the seven-county metropolitan region. To be eligible for designation, an applicant must submit a transit area improvement plan according to the requirements and timelines established by the commissioner. At a minimum, the plan must include the information specified under subdivision 3. The commissioner may modify an applicant's plan to better achieve the objectives of transit improvement areas. The commissioner must notify applicants of the designations and must provide a statement of any changes to an applicant's plan with justification for all changes.

Subd. 3. **Transit area improvement plan.** (a) An applicant must adopt a transit area improvement plan by resolution before submitting the application to the commissioner with the information required in this subdivision. Each transit area improvement plan must include the following:

(1) a map indicating the geographic boundaries of the transit improvement area;

(2) a description of the project for which funding under subdivision 4 is being requested;

(3) an analysis of the demographic mix of people who are anticipated to use the transit station;

(4) a description of the ownership and intended use of public and private facilities to be constructed in the transit improvement area, including infrastructure, buildings and other structures, and parks;

(5) a description of pedestrian-friendly improvements to be provided, including walkways, parkways, and signage;

(6) a statement of findings that the redevelopment or development of the transit improvement area promotes higher density land uses resulting in increased transit ridership;

(7) a statement of the anticipated sources and amounts of local public funds;

(8) a statement of the anticipated sources and amounts of private funds;

(9) a statement of the anticipated sources and amounts of leveraged regional, state, and federal funds;

(10) a description of the linkages to existing and proposed local, regional, and state transit systems; and

(11) a description of other factors in the proposed development to increase ridership.

(b) Transit improvement area plans with a residential component must propose at least 12 residential units per acre or a density bonus that allows for an increase in the number of residential units over what is permitted by the underlying zoning. The plan must include a description of the variety of housing types, including housing appropriate for low income persons, disabled persons, and senior citizens and the prices for each housing type within the transit improvement area.

Subd. 4. **Transit improvement area loans.** (a) The commissioner may make loans to eligible organizations to be used for eligible costs under paragraph (b). A loan must be used for a designated transit improvement area, under the following terms:

(1) the eligible organization must guarantee repayment of 100 percent of the loan;

(2) a loan must be for a term of ten years, unless repayment is from a tax increment financing district or other state or federal funds, at an interest rate of two percent;

(3) the eligible organization must make annual interest-only payments during the ten-year term of the loan;

(4) the eligible organization must pay the entire principal amount of the initial loan at the end of the ten-year term;

(5) a loan may not exceed \$2,000,000;

(6) the commissioner must disburse the loan on a cash-needs basis, based on costs incurred by the eligible organization, as well as reporting and other requirements outlined in subdivision 5;

(7) the eligible organization must maintain the funds in accounts that allow the funds to be readily available for business investments;

(8) the eligible organization and the commissioner may agree on contract specifications that are consistent with payback from a tax increment financing district or from any other state and federal funds that may be forthcoming; and

(9) an eligible organization that receives a loan must report annually, in a format prescribed by the commissioner, on the nature and amount of the business investments in the transit improvement area, including an account of each financing transaction involving loans received under this section, the types and amounts of financing from sources other than the transit improvement area loan, the number of jobs created, and the amount of private sector and nonstate investment leveraged.

(b) Loans under this section must be used to supplement and not replace funding from existing sources or programs. Loans must not be used for the construction costs of transit stations; transit

systems; or the operating costs of public transit or transportation, including, but not limited to, the costs of maintaining, staffing, or operating transit stations. Loans from the bond proceeds fund must be spent to acquire and to better publicly owned land and buildings and other public improvements of a capital nature. Loans can be used for the following eligible expenditures according to an approved transit area improvement plan:

- (1) clearing land;
 - (2) relocation costs;
 - (3) corrections for soil, including removing or remediation of hazardous substances;
 - (4) construction or installation of walkways, bridges or tunnels for pedestrians, bikeways, parking facilities, and signage;
 - (5) improvements to streetscapes;
 - (6) construction of public infrastructure to support construction of new affordable housing, senior housing, or housing for disabled persons;
 - (7) construction of public infrastructure to support job creation in the area, especially small business development;
 - (8) developing green spaces and parks; and
 - (9) administrative expenses of the local authority.
- (c) All loan repayments under this section must be made to the appropriate account under section 469.35 for reinvestment in transit improvement areas.

Subd. 5. **Loan requirements.** All loans under this section are subject to an investment agreement that must include:

- (1) a description of the eligible organization, including business finance experience, qualifications, and investment history;
- (2) a description of the uses of investment proceeds by the eligible organization;
- (3) an explanation of the investment objectives; and
- (4) a description of the method of payment.

Sec. 45. Laws 2002, chapter 382, article 2, section 5, subdivision 3, as added by Laws 2003, chapter 128, article 9, section 10, subdivision 3, is amended to read:

Subd. 3. **Removal of area.** After adopting the first plan, any of the local governmental units can elect not to be included within the central iron range sanitary sewer district by delivering a written resolution of the governing body of the governmental unit to the central iron range sanitary sewer district within ~~60~~ 180 days of adoption of the first comprehensive plan. The area of the local governmental unit shall then be removed from the district.

EFFECTIVE DATE. This section is effective the day after the governing bodies of the cities of Hibbing, Buhl, Chisholm, and Kinney, and the town boards of Balkan and Great Scott, and their chief clerical officers have timely complied with Minnesota Statutes, section 645.021.

Sec. 46. **CENTRAL IRON RANGE SANITARY SEWER DISTRICT.**

Local approval of Laws 2003, chapter 128, article 9, amending portions of Laws 2002, chapter 382, article 2, having been timely completed by the cities of Hibbing, Buhl, Chisholm, and Kinney, and the town boards of the towns of Balkan and Great Scott, is approval of Laws 2002, chapter 382, article 2. Laws 2002, chapter 382, article 2, is effective December 27, 2003, upon completion of local approval of this section under Minnesota Statutes, section 645.021. Actions undertaken in accordance with Laws 2002, chapter 382, article 2, as amended by Laws 2003, chapter 128, article 9, are validated by this section.

EFFECTIVE DATE. This section is effective the day after the governing bodies of the cities of Hibbing, Buhl, Chisholm, and Kinney, and the town boards of Balkan and Great Scott, and their chief clerical officers have timely complied with Minnesota Statutes, section 645.021.

Sec. 47. **BIOSCIENCE SUBSIDY.**

Any bioscience or biotechnology project financed in whole or in part by state appropriations or other public subsidies must document how and to what extent the project will provide a benefit to consumers in the form of more affordable pricing of the products or services being publicly subsidized. The documentation must be reported to the committees of the legislature with responsibility for economic development and to committees with responsibility for finance.

Sec. 48. **INITIAL ADMINISTRATION.**

Subdivision 1. **Convening authority.** The commissioner of employment and economic development or the commissioner's designee shall convene the initial organizational meeting of the trade policy advisory group.

Subd. 2. **Deadline for appointments and designations.** The appointments and designations authorized by Minnesota Statutes, section 116J.977, subdivision 2, must be complete by September 30, 2008.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 49. **MINNESOTA VACATION RENTAL LODGING STUDY.**

Explore Minnesota Tourism shall conduct a study of vacation rental lodging in Minnesota and report to the legislature any recommendations needed to protect consumers, ensure tax compliance, promote safe rentals, and promote tourism in Minnesota.

Explore Minnesota Tourism shall consult with the Minnesota Department of Revenue, Minnesota Department of Health, political subdivisions, and representatives of the tourism industry including resorts, bed and breakfast establishments, cabin owner associations, convention and visitor bureaus, and others to determine and recommend regulations or legislation to define and promote the vacation rental lodging.

Explore Minnesota Tourism shall report by January 15, 2009, to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over any recommendations developed from the study, including any proposed legislation.

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

Sec. 50. MINNESOTA UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; RECOMMENDATIONS REQUIRED.

The Minnesota Unemployment Insurance Advisory Council must provide a recommendation to the chairs and ranking minority members of the senate and house committees with jurisdiction over unemployment insurance by January 15, 2009, on modifications to the additional unemployment insurance benefits provisions of Minnesota Statutes, section 268.125, to better meet the needs of Minnesota's changing workforce. Consideration in determining benefit entitlement must be given, but is not limited to, the following:

- (1) if the applicant's residence within a county, or some other type of regional or labor market area, should be a factor;
- (2) if prior work history should be a factor;
- (3) if the industry worked in should be a factor;
- (4) if the applicant's primary occupation should be a factor;
- (5) if benefits should be limited to applicants unemployed only because of a layoff due to lack of work; and
- (6) if the size of the prior employer's workforce and the percentage decrease in employment should be a factor.

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

Sec. 51. REVISOR'S INSTRUCTION; UNEMPLOYMENT INSURANCE TECHNICAL CHANGES.

The revisor of statutes shall make the following changes in Minnesota Statutes:

- (1) renumber Minnesota Statutes, section 268.196, subdivision 3, as Minnesota Statutes, section 268.199;
- (2) renumber Minnesota Statutes, section 268.196, subdivision 4, as Minnesota Statutes, section 268.211;
- (3) change "additional assessments" to "special assessments" and change "shall" to "must" in Minnesota Statutes, section 268.051, subdivision 1;
- (4) change "referee" to "unemployment law judge" in Minnesota Statutes, section 10A.01, subdivision 35, clause (11);
- (5) change "determination of eligibility or ineligibility" to "determination of eligibility or determination of ineligibility" in Minnesota Statutes, section 268.101, subdivision 4;
- (6) change "shall be" to "is" in Minnesota Statutes, section 268.115, subdivision 8;
- (7) change "shall be" to "is" in Minnesota Statutes, section 268.145, subdivision 5; and
- (8) renumber Minnesota Statutes, section 268.03, subdivision 2, as Minnesota Statutes, section 268.031.

Sec. 52. **REPEALER.**

Minnesota Statutes 2006, section 341.31, is repealed.

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

Delete the title and insert:

"A bill for an act relating to economic development; restricting certain waste management practices; requiring state approval for government procurement agreements; establishing a trade policy group; providing workplace communication protection; classifying certain civil service positions; making technical changes; regulating unemployment benefits; regulating use of funds; regulating and renaming the Boxing Commission; defining terms; providing civil penalties; regulating the Public Facilities Authority; providing for military reservist economic injury loan; establishing a credit enhanced bond program; adjusting debt ceilings; regulating state guarantee of certain debt payments; creating transit improvement area accounts and a loan program; validating local approvals; requiring subsidy documentation; granting convening authority and setting deadlines for appointments; renumbering sections; requiring a study; requiring recommendations; amending Minnesota Statutes 2006, sections 116L.17, subdivision 4; 268.125, subdivisions 1, 2, by adding a subdivision; 299M.03, subdivision 2; 341.21, as amended; 341.23; 341.26; 341.28, as amended; 341.29; 341.30; 341.32, as amended; 341.33; 341.34, subdivision 1; 341.35; 341.37; 446A.12, subdivision 1; 462A.22, subdivision 1; Minnesota Statutes 2007 Supplement, sections 10A.01, subdivision 35; 116L.17, subdivision 1; 214.04, subdivision 3; 268.047, subdivisions 1, 2; 268.085, subdivisions 3, 9, 16; 268.125, subdivision 3; 341.22; 341.25; 341.27; 341.321; 446A.072, subdivisions 3, 5a; 446A.086; Laws 2002, chapter 382, article 2, section 5, subdivision 3, as added; proposing coding for new law in Minnesota Statutes, chapters 115A; 116J; 181; 341; 446A; 469; repealing Minnesota Statutes 2006, section 341.31."

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

House Conferees: (Signed) Tom Rukavina, Mary Murphy, Bob Gunther

Senate Conferees: (Signed) David J. Tomassoni, James P. Metzen, Terri E. Bonoff

Senator Tomassoni moved that the foregoing recommendations and Conference Committee Report on H.F. No. 3722 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.

H.F. No. 3722 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 57 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Chaudhary	Dille	Gimse	Latz
Bakk	Clark	Doll	Higgins	Lourey
Berglin	Cohen	Erickson Ropes	Ingebrigtsen	Lynch
Betzold	Dahle	Fischbach	Koch	Marty
Bonoff	Day	Foley	Kubly	Metzen
Carlson	Dibble	Frederickson	Langseth	Moua

Murphy	Pogemiller	Saltzman	Skoe	Vickerman
Olseen	Prettner Solon	Saxhaug	Skogen	Wergin
Olson, G.	Rest	Scheid	Sparks	Wiger
Olson, M.	Robling	Senjem	Stumpf	
Ortman	Rosen	Sheran	Tomassoni	
Pappas	Rummel	Sieben	Torres Ray	

Those who voted in the negative were:

Gerlach	Jungbauer	Michel
Johnson	Limmer	Vandev eer

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

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Senator Pogemiller moved that Joint Rule 2.06 be suspended as it relates to the Conference Committee Report on S.F. No 3669. The motion prevailed.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 3669

A bill for an act relating to transportation; requiring report on mitigating effects of transportation construction projects on small businesses.

May 6, 2008

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. 3669 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. 3669 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **REPORT ON MITIGATION OF TRANSPORTATION CONSTRUCTION IMPACTS.**

(a) The commissioner of transportation shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation policy and finance and over economic development policy and finance that proposes a plan targeted at small businesses as defined in Minnesota Statutes, section 645.445, subdivision 2, that are impacted by transportation construction projects.

(b) The report must include, but not be limited to:

(1) identification of methods and techniques for informing small businesses about upcoming transportation construction projects;

(2) a description of components of an information packet for businesses, which includes:

(i) the nature, extent, and timing of planned construction, including anticipated changes in parking, traffic, and public access in the area;

(ii) identification of a contact within the appropriate road authority that can provide information about construction progress and timing; and

(iii) a listing of area business development organizations that can assist businesses with financing, marketing, and technical counseling during the construction period;

(3) recommendations for opportunities and possible legislation to further assist small businesses impacted by transportation construction projects, including a process for consultation, before a transportation construction project begins, between the commissioner and local units of government to deal with parking, traffic, and access concerns of small businesses that will be impacted by the project; and

(4) the cost of implementing the program described in the report.

(c) In preparing the report, the commissioner shall consult with the commissioner of employment and economic development, the Metropolitan Council, counties, cities, and community organizations, including a metropolitan consortium of community developers and local chambers of commerce.

(d) The commissioner of transportation shall submit the report no later than February 15, 2009."

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

Senate Conferees: (Signed) Patricia Torres Ray, Mee Moua, Michael J. Jungbauer

House Conferees: (Signed) Shelley Madore, Ken Tschumper, Bud Heidgerken

Senator Torres Ray moved that the foregoing recommendations and Conference Committee Report on S.F. No. 3669 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. 3669 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Clark	Erickson Ropes	Ingebrigtsen	Limmer
Bakk	Cohen	Fischbach	Johnson	Lourey
Berglin	Dahle	Foley	Jungbauer	Lynch
Betzold	Day	Frederickson	Koch	Marty
Bonoff	Dibble	Gerlach	Kubly	Metzen
Carlson	Dille	Gimse	Langseth	Michel
Chaudhary	Doll	Higgins	Latz	Moua

Murphy	Prettner Solon	Saxhaug	Sparks	Wergin
Olseen	Rest	Scheid	Stumpf	Wiger
Olson, G.	Robling	Senjem	Tomassoni	
Olson, M.	Rosen	Sheran	Torres Ray	
Ortman	Rummel	Sieben	Vandever	
Pappas	Saltzman	Skogen	Vickerman	

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

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Senator Pogemiller moved that Joint Rule 2.06 be suspended as it relates to the Conference Committee Report on S.F. No 3235. The motion prevailed.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 3235

A bill for an act relating to data practices; classifying data and authorizing data sharing; making technical changes; regulating practices of business screening services; providing for civil penalties and remedies; amending Minnesota Statutes 2006, sections 6.715, by adding a subdivision; 13.03, subdivision 3; 13.32, by adding a subdivision; 123B.03, subdivisions 2, 3, by adding a subdivision; 260B.171, subdivision 5; 518.10; Minnesota Statutes 2007 Supplement, section 13.39, subdivisions 2, 2a; proposing coding for new law in Minnesota Statutes, chapter 332.

May 7, 2008

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. 3235 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 3235 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 6.715, is amended by adding a subdivision to read:

Subd. 5. **Review of data; data protection.** If, before releasing a report, the state auditor provides a person with data relating to the audit for the purpose of review and verification of the data, the person must protect the data from unlawful disclosure or be subject to the penalties and liabilities provided in sections 13.08 and 13.09.

Sec. 2. Minnesota Statutes 2006, section 13.03, subdivision 3, is amended to read:

Subd. 3. **Request for access to data.** (a) Upon request to a responsible authority or designee,

a person shall be permitted to inspect and copy public government data at reasonable times and places, and, upon request, shall be informed of the data's meaning. If a person requests access for the purpose of inspection, the responsible authority may not assess a charge or require the requesting person to pay a fee to inspect data.

(b) For purposes of this section, "inspection" includes, but is not limited to, the visual inspection of paper and similar types of government data. Inspection does not include printing copies by the government entity, unless printing a copy is the only method to provide for inspection of the data. In the case of data stored in electronic form and made available in electronic form on a remote access basis to the public by the government entity, inspection includes remote access to the data by the public and the ability to print copies of or download the data on the public's own computer equipment. Nothing in this section prohibits a government entity from charging a reasonable fee for remote access to data under a specific statutory grant of authority. A government entity may charge a fee for remote access to data where either the data or the access is enhanced at the request of the person seeking access.

(c) The responsible authority or designee shall provide copies of public data upon request. If a person requests copies or electronic transmittal of the data to the person, the responsible authority may require the requesting person to pay the actual costs of searching for and retrieving government data, including the cost of employee time, and for making, certifying, ~~compiling~~, and electronically transmitting the copies of the data or the data, but may not charge for separating public from not public data. However, if 100 or fewer pages of black and white, letter or legal size paper copies are requested, actual costs shall not be used, and instead, the responsible authority may charge no more than 25 cents for each page copied. If the responsible authority or designee is not able to provide copies at the time a request is made, copies shall be supplied as soon as reasonably possible.

(d) When a request under this subdivision involves any person's receipt of copies of public government data that has commercial value and is a substantial and discrete portion of or an entire formula, pattern, compilation, program, device, method, technique, process, database, or system developed with a significant expenditure of public funds by the government entity, the responsible authority may charge a reasonable fee for the information in addition to the costs of making, ~~certifying, and compiling~~ and certifying the copies. Any fee charged must be clearly demonstrated by the government entity to relate to the actual development costs of the information. The responsible authority, upon the request of any person, shall provide sufficient documentation to explain and justify the fee being charged.

(e) The responsible authority of a government entity that maintains public government data in a computer storage medium shall provide to any person making a request under this section a copy of any public data contained in that medium, in electronic form, if the government entity can reasonably make the copy or have a copy made. This does not require a government entity to provide the data in an electronic format or program that is different from the format or program in which the data are maintained by the government entity. The entity may require the requesting person to pay the actual cost of providing the copy.

(f) If the responsible authority or designee determines that the requested data is classified so as to deny the requesting person access, the responsible authority or designee shall inform the requesting person of the determination either orally at the time of the request, or in writing as soon after that time as possible, and shall cite the specific statutory section, temporary classification, or specific provision of federal law on which the determination is based. Upon the request of any person denied

access to data, the responsible authority or designee shall certify in writing that the request has been denied and cite the specific statutory section, temporary classification, or specific provision of federal law upon which the denial was based.

Sec. 3. Minnesota Statutes 2006, section 13.08, subdivision 1, is amended to read:

Subdivision 1. **Action for damages.** Notwithstanding section 466.03, a responsible authority or government entity which violates any provision of this chapter is liable to a person or representative of a decedent who suffers any damage as a result of the violation, and the person damaged or a representative in the case of private data on decedents or confidential data on decedents may bring an action against the responsible authority or government entity to cover any damages sustained, plus costs and reasonable attorney fees. In the case of a willful violation, the government entity shall, in addition, be liable to exemplary damages of not less than ~~\$100~~ \$1,000, nor more than ~~\$10,000~~ \$15,000 for each violation. The state is deemed to have waived any immunity to a cause of action brought under this chapter.

Sec. 4. Minnesota Statutes 2007 Supplement, section 13.08, subdivision 4, is amended to read:

Subd. 4. **Action to compel compliance.** (a) In addition to the remedies provided in subdivisions 1 to 3 or any other law, any aggrieved person seeking to enforce the person's rights under this chapter or obtain access to data may bring an action in district court to compel compliance with this chapter and may recover costs and disbursements, including reasonable attorney's fees, as determined by the court. If the court determines that an action brought under this subdivision is frivolous and without merit and a basis in fact, it may award reasonable costs and attorney fees to the responsible authority. If the court issues an order to compel compliance under this subdivision, the court may impose a civil penalty of up to ~~\$300~~ \$1,000 against the government entity. This penalty is payable to the state general fund and is in addition to damages under subdivision 1. The matter shall be heard as soon as possible. In an action involving a request for government data under section 13.03 or 13.04, the court may inspect in camera the government data in dispute, but shall conduct its hearing in public and in a manner that protects the security of data classified as not public. If the court issues an order to compel compliance under this subdivision, the court shall forward a copy of the order to the commissioner of administration.

(b) In determining whether to assess a civil penalty under this subdivision, the court shall consider whether the government entity has substantially complied with general data practices under this chapter, including but not limited to, whether the government entity has:

- (1) designated a responsible authority under section 13.02, subdivision 16;
- (2) designated a data practices compliance official under section 13.05, subdivision 13;
- (3) prepared the public document that names the responsible authority and describes the records and data on individuals that are maintained by the government entity under section 13.05, subdivision 1;
- (4) developed public access procedures under section 13.03, subdivision 2; procedures to guarantee the rights of data subjects under section 13.05, subdivision 8; and procedures to ensure that data on individuals are accurate and complete and to safeguard the data's security under section 13.05, subdivision 5;
- (5) acted in conformity with an opinion issued under section 13.072 that was sought by a

government entity or another person; or

(6) provided ongoing training to government entity personnel who respond to requests under this chapter.

(c) The court shall award reasonable attorney fees to a prevailing plaintiff who has brought an action under this subdivision if the government entity that is the defendant in the action was also the subject of a written opinion issued under section 13.072 and the court finds that the opinion is directly related to the cause of action being litigated and that the government entity did not act in conformity with the opinion.

Sec. 5. Minnesota Statutes 2006, section 13.202, subdivision 11, is amended to read:

Subd. 11. **Metropolitan government.** (a) **Affirmative action plans.** Treatment of data relating to metropolitan agency affirmative action plans is governed by section 473.143, subdivisions 5 and 7.

(b) **Contracts for management services.** Data relating to compensation of personnel who work under a management service contract are classified by section 473.405, subdivision 12.

(c) **Arena acquisition.** Certain data in connection with a decision whether to acquire a sports arena are classified under section 473.598, subdivision 4.

(d) **Airports commission.** Certain airline data submitted to the Metropolitan Airports Commission in connection with the issuance of revenue bonds are classified under section 473.6671, subdivision 3.

(e) **Solid waste landfill fee.** Information obtained from the operator of a mixed municipal solid waste disposal facility under section 473.843 is classified under section 473.843, subdivision 4.

(f) **Metropolitan airport parking customers.** Data relating to applicants for or users of automated parking facilities at the Minneapolis-St. Paul International Airport are classified under section 473.674.

Sec. 6. Minnesota Statutes 2006, section 13.32, is amended by adding a subdivision to read:

Subd. 11. **Data sharing; improving instruction.** The following educational data may be shared between the Department of Education and the Minnesota Office of Higher Education as authorized by Code of Federal Regulations, title 34, section 99.31(a)(6), to analyze instruction in school districts for purposes of improvement:

(1) attendance data, including name of school or institution, school district, year or term of attendance, and term type;

(2) student demographic and enrollment data;

(3) academic performance and testing data; and

(4) special academic services received by a student.

Any analysis of or report on the data must contain only summary data.

Sec. 7. Minnesota Statutes 2006, section 13.355, is amended by adding a subdivision to read:

Subd. 3. **Prohibition on use of Social Security number on face of mailings.** A government entity must not:

(1) mail or deliver or cause to be mailed or delivered an item that displays a Social Security number on the outside of the item or in a manner where the Social Security number is visible without opening the item; or

(2) require or request a person to mail or deliver or cause to be mailed or delivered an item that displays a Social Security number on the outside of the item or in a manner where the Social Security number is visible without opening the item.

Sec. 8. Minnesota Statutes 2007 Supplement, section 13.39, subdivision 2, is amended to read:

Subd. 2. **Civil actions.** (a) Except as provided in paragraph (b), data collected by ~~state agencies, political subdivisions, or statewide systems~~ a government entity as part of an active investigation undertaken for the purpose of the commencement or defense of a pending civil legal action, or which are retained in anticipation of a pending civil legal action, are classified as protected nonpublic data pursuant to section 13.02, subdivision 13, in the case of data not on individuals and confidential pursuant to section 13.02, subdivision 3, in the case of data on individuals. Any ~~agency, political subdivision, or statewide system~~ government entity may make any data classified as confidential or protected nonpublic pursuant to this subdivision accessible to any person, agency or the public if the ~~agency, political subdivision, or statewide system~~ government entity determines that the access will aid the law enforcement process, promote public health or safety or dispel widespread rumor or unrest.

(b) A complainant has access to a statement provided by the complainant to a government entity under paragraph (a).

Sec. 9. Minnesota Statutes 2007 Supplement, section 13.39, subdivision 2a, is amended to read:

Subd. 2a. **Disclosure of data.** During the time when a civil legal action is determined to be pending under subdivision 1, any person may bring an action in the district court in the county where the ~~data is~~ are maintained to obtain disclosure of data classified as confidential or protected nonpublic under subdivision 2. The court may order that all or part of the data be released to the public or to the person bringing the action. In making the determination whether data shall be disclosed, the court shall consider whether the benefit to the person bringing the action or to the public outweighs any harm to the public, the government entity, or any person identified in the data. The data in dispute shall be examined by the court in camera.

Sec. 10. Minnesota Statutes 2006, section 13.601, subdivision 3, is amended to read:

Subd. 3. **Applicants for ~~election or appointment~~ to a public body.** ~~The following data on all applicants for election or appointment to a public body, including those subject to chapter 13D, are public: name, city of residence, education and training, employment history, volunteer work, awards and honors, and prior government service or experience.~~ (a) Data about applicants for appointment to a public body collected by a government entity as a result of the applicant's application for appointment to the public body are private data on individuals except that the following are public:

(1) name;

(2) city of residence except when the appointment has a residency requirement that requires the

entire address to be public;

(3) education and training;

(4) employment history;

(5) volunteer work;

(6) awards and honors;

(7) prior government service; and

(8) any data required to be provided or that is voluntarily provided in an application for appointment to a multimember agency pursuant to section 15.0597.

(b) Once an individual is appointed to a public body, the following additional items of data are public:

(1) residential address; and

(2) either a telephone number or electronic mail address where the appointee can be reached, or both at the request of the appointee.

(c) Notwithstanding paragraph (b), any electronic mail address or telephone number provided by a public body for use by an appointee shall be public. An appointee may use an electronic mail address or telephone number provided by the public body as the designated electronic mail address or telephone number at which the appointee can be reached.

Sec. 11. Minnesota Statutes 2006, section 13.6905, is amended by adding a subdivision to read:

Subd. 28a. **Use and storage of explosives.** Data related to the use and storage of explosives by individuals holding a permit are governed by sections 299F.28 and 299F.75, subdivision 4.

Sec. 12. Minnesota Statutes 2006, section 123B.03, subdivision 2, is amended to read:

Subd. 2. ~~Conditional hiring; discharge~~ **Effect of background check.** (a) A school hiring authority may hire an individual pending completion of a background check under subdivision 1 but shall notify the individual that the individual's employment may be terminated based on the result of the background check. A school hiring authority is not liable for failing to hire or for terminating an individual's employment based on the result of a background check under this section.

(b) An individual must be informed by the school hiring authority if the individual's application to be an employee or volunteer in the district has been denied as a result of a background check conducted under this section. The school hiring authority must also inform an individual who is a current employee or volunteer if the individual's employment or volunteer status in the district is being terminated as a result of a background check conducted under this section.

Sec. 13. Minnesota Statutes 2006, section 123B.03, subdivision 3, is amended to read:

Subd. 3. **Definitions.** For purposes of this section:

(a) "School" means a school as defined in section 120A.22, subdivision 4, except a home school, and includes a school receiving tribal contract or grant school aid under section 124D.83; school,

for the purposes of this section, also means a service cooperative, a special education cooperative, or an education district under Minnesota Statutes 1997 Supplement, section 123.35, a charter school under section 124D.10, an intermediate school district under section 136D.01, and a joint powers district under section 471.59.

(b) "School hiring authority" means the school principal or other person having general control and supervision of the school.

(c) "Security violation" means failing to prevent or failing to institute safeguards to prevent the access, use, retention, or dissemination of information in violation of the security and management control outsourcing standard established by the state compact officer under section 299C.58, article I, paragraph (2), clause (B).

Sec. 14. Minnesota Statutes 2006, section 123B.03, is amended by adding a subdivision to read:

Subd. 4. **Third-party contractors; responsibility for criminal history record information.**

(a) For purposes of this section, a school hiring authority may contract with an eligible third party to conduct the criminal history background check required under subdivision 1. Before entering into the contract, the school hiring authority must:

(1) provide the state compact officer with the name of the proposed third-party contractor and a copy of the proposed contract;

(2) determine from the state compact officer whether the proposed contractor has committed a security violation; and

(3) request and receive permission from the state compact officer to enter into the contract with the proposed contractor.

A third-party contractor that has committed a security violation is ineligible to participate under this section.

(b) The contract must specify the purposes for which the background check information may be made available and incorporate into the contract by reference the management control outsourcing standard referred to in subdivision 3, paragraph (c). A third-party contractor under this section is subject to section 13.05, subdivision 11.

(c) A school hiring authority must inform an individual who is the subject of a criminal history background check that the individual has the right to request and obtain from the school hiring authority a copy of the background check report. A school hiring authority may charge the individual for the actual cost of providing a copy of the report. An individual who is the subject of a criminal history background check has the right to challenge the accuracy and completeness of information contained in the background check report under section 13.04, subdivision 4.

Sec. 15. Minnesota Statutes 2006, section 260B.171, subdivision 5, is amended to read:

Subd. 5. **Peace officer records of children.** (a) Except for records relating to an offense where proceedings are public under section 260B.163, subdivision 1, peace officers' records of children who are or may be delinquent or who may be engaged in criminal acts shall be kept separate from records of persons 18 years of age or older and are private data but shall be disseminated: (1) by order of the juvenile court, (2) as required by section 121A.28, (3) as authorized under section 13.82,

subdivision 2, (4) to the child or the child's parent or guardian unless disclosure of a record would interfere with an ongoing investigation, (5) to the Minnesota crime victims reparations board as required by section 611A.56, subdivision 2, clause (f), for the purpose of processing claims for crime victims reparations, or (6) as otherwise provided in this subdivision. Except as provided in paragraph (c), no photographs of a child taken into custody may be taken without the consent of the juvenile court unless the child is alleged to have violated section 169A.20. Peace officers' records containing data about children who are victims of crimes or witnesses to crimes must be administered consistent with section 13.82, subdivisions 2, 3, 6, and 17. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

In the case of computerized records maintained about juveniles by peace officers, the requirement of this subdivision that records about juveniles must be kept separate from adult records does not mean that a law enforcement agency must keep its records concerning juveniles on a separate computer system. Law enforcement agencies may keep juvenile records on the same computer as adult records and may use a common index to access both juvenile and adult records so long as the agency has in place procedures that keep juvenile records in a separate place in computer storage and that comply with the special data retention and other requirements associated with protecting data on juveniles.

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary for law enforcement purposes.

(c) A photograph may be taken of a child taken into custody pursuant to section 260B.175, subdivision 1, clause (b), provided that the photograph must be destroyed when the child reaches the age of 19 years. The commissioner of corrections may photograph juveniles whose legal custody is transferred to the commissioner. Photographs of juveniles authorized by this paragraph may be used only for institution management purposes, case supervision by parole agents, and to assist law enforcement agencies to apprehend juvenile offenders. The commissioner shall maintain photographs of juveniles in the same manner as juvenile court records and names under this section.

(d) Traffic investigation reports are open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. Identifying information on juveniles who are parties to traffic accidents may be disclosed as authorized under section 13.82, subdivision 4 6, and accident reports required under section 169.09 may be released under section 169.09, subdivision 13, unless the information would identify a juvenile who was taken into custody or who is suspected of committing an offense that would be a crime if committed by an adult, or would associate a juvenile with the offense, and the offense is not an adult court traffic offense under section 260B.225.

(e) The head of a law enforcement agency or a person specifically given the duty by the head of the law enforcement agency shall notify the superintendent or chief administrative officer of a juvenile's school of an incident occurring within the agency's jurisdiction if:

(1) the agency has probable cause to believe that the juvenile has committed an offense that would be a crime if committed as an adult, that the victim of the offense is a student or staff member of the school, and that notice to the school is reasonably necessary for the protection of the victim; or

(2) the agency has probable cause to believe that the juvenile has committed an offense described in subdivision 3, paragraph (a), clauses (1) to (3), that would be a crime if committed by an adult, regardless of whether the victim is a student or staff member of the school.

A law enforcement agency is not required to notify the school under this paragraph if the agency determines that notice would jeopardize an ongoing investigation. For purposes of this paragraph, "school" means a public or private elementary, middle, secondary, or charter school.

(f) In any county in which the county attorney operates or authorizes the operation of a juvenile prepetition or pretrial diversion program, a law enforcement agency or county attorney's office may provide the juvenile diversion program with data concerning a juvenile who is a participant in or is being considered for participation in the program.

(g) Upon request of a local social services agency, peace officer records of children who are or may be delinquent or who may be engaged in criminal acts may be disseminated to the agency to promote the best interests of the subject of the data.

(h) Upon written request, the prosecuting authority shall release investigative data collected by a law enforcement agency to the victim of a criminal act or alleged criminal act or to the victim's legal representative, except as otherwise provided by this paragraph. Data shall not be released if:

(1) the release to the individual subject of the data would be prohibited under section 13.821; or

(2) the prosecuting authority reasonably believes:

(i) that the release of that data will interfere with the investigation; or

(ii) that the request is prompted by a desire on the part of the requester to engage in unlawful activities.

Sec. 16. Minnesota Statutes 2007 Supplement, section 268.19, subdivision 1, is amended to read:

Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

(1) state and federal agencies specifically authorized access to the data by state or federal law;

(2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;

(3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;

(4) the public authority responsible for child support in Minnesota or any other state in accordance with section 256.978;

(5) human rights agencies within Minnesota that have enforcement powers;

(6) the Department of Revenue to the extent necessary for its duties under Minnesota laws;

(7) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(8) the Department of Labor and Industry and the Division of Insurance Fraud Prevention in the Department of Commerce for uses consistent with the administration of their duties under Minnesota law;

(9) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program by providing data on recipients and former recipients of food stamps or food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(10) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

(11) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(12) the United States Citizenship and Immigration Services has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

(13) the Department of Health for the purposes of epidemiologic investigations; and

(14) the Department of Corrections for the purpose of preconfinement and postconfinement employment tracking of individuals who had been committed to the custody of the commissioner of corrections committed offenders for the purpose of case planning.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 17. Minnesota Statutes 2006, section 299F.28, is amended to read:

299F.28 RECORDS ARE PUBLIC, EXCEPTIONS.

(a) All records on file in the state fire marshal's office shall be public, except: (1) any testimony, correspondence, or other matter taken in an investigation under the provisions of this chapter, which the state fire marshal may withhold from the public; and (2) any data collected on the locations of storage and use of explosives or blasting agents by individuals authorized under sections 299F.72 to 299F.831, which shall be classified as nonpublic data pursuant to section 13.02, subdivision 9.

(b) The state fire marshal may share nonpublic data related to the storage or use of explosives

or blasting agents with law enforcement, and with employees of a government entity or utility, as defined in section 609.594, subdivision 1, whose job duties require access to a facility containing explosives or blasting agents. Any recipient of nonpublic data under this paragraph is prohibited from disclosing the data to anyone not directly involved in the work to be completed at the site where the explosives or blasting agents are stored or to be used.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 18. Minnesota Statutes 2006, section 299F.75, is amended by adding a subdivision to read:

Subd. 4. **Use of data.** (a) The portions of an application submitted under this section and any other data held by an issuing authority, local fire official, or law enforcement agency that indicate the applicant's place and time of intended use of explosives or blasting agents and place and means of storage of the explosives or blasting agents until such use shall be classified as nonpublic data pursuant to section 13.02, subdivision 9.

(b) Nonpublic data held pursuant to this section may be shared with other law enforcement, and with employees of a government entity or utility, as defined in section 609.594, subdivision 1, whose job duties require access to a facility containing explosives or blasting agents. Any recipient of nonpublic data under this paragraph is prohibited from disclosing the data to anyone not directly involved in the work to be completed at the site where the explosives or blasting agents are stored or to be used.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 19. **[332.70] BUSINESS SCREENING SERVICES; DATA PRACTICES.**

Subdivision 1. **Definitions.** For purposes of this section:

(a) "Business screening service" means a person regularly engaged in the business of collecting, assembling, evaluating, or disseminating criminal record information on individuals for a fee. Business screening service does not include a government entity, as defined in section 13.02, or the news media.

(b) "Conviction" has the meaning given in section 609.02, subdivision 5.

(c) "Criminal record" means a record of an arrest, citation, prosecution, criminal proceeding, or conviction.

Subd. 2. **Criminal records.** A business screening service must not disseminate a criminal record unless the record has been updated within the previous month.

Subd. 3. **Correction and deletion of records.** (a) If the completeness or accuracy of a criminal record maintained by a business screening service is disputed by the individual who is the subject of the record, the screening service shall, without charge, investigate the disputed record. In conducting an investigation, the business screening service shall review and consider all relevant information submitted by the subject of the record with respect to the disputed record.

(b) If the disputed record is found to be inaccurate or incomplete, the business screening service shall promptly correct the record. If the disputed record is found to be sealed, expunged, or the subject of a pardon, the business screening service shall promptly delete the record.

(c) A business screening service may terminate an investigation of a disputed record if the business screening agency reasonably determines that the dispute is frivolous, which may be based on the failure of the subject of the record to provide sufficient information to investigate the disputed record. Upon making a determination that the dispute is frivolous, the business screening service shall inform the subject of the record of the specific reasons why it has determined that the dispute is frivolous and provide a description of any information required to investigate the disputed record.

(d) The business screening service shall notify the subject of the disputed record of the correction or deletion of the record or of the termination or completion of the investigation related to the record within 30 days of the date when the agency receives notice of the dispute from the subject of the record.

Subd. 4. **Date and notice required.** A business screening service that disseminates a criminal record must include the date when the record was collected and a notice that the information may include records that have been expunged, sealed, or otherwise have become inaccessible to the public since that date.

Subd. 5. **Remedies; relationship to FCRA.** (a) A business screening service that violates this section is liable to the individual who is the subject of the record for a penalty of \$1,000 or actual damages caused by the violation, whichever is greater, plus costs and disbursements and reasonable attorney fees.

(b) A business screening service in compliance with the applicable provisions of the Fair Credit Reporting Act, United State Code, title 15, section 1681, et seq., is considered to be in compliance with this section. Those entities are subject to the state remedies under this subdivision when their actions would violate this section and federal law.

Subd. 6. **Service of process; jurisdiction.** A business screening service that disseminates criminal record information in this state or that obtains a criminal record from a government entity, as defined in section 13.02, or a court in this state is deemed to have consented to service of process in this state for purposes of section 5.25, subdivision 4, or other applicable law and to the jurisdiction of courts in this state for actions involving a violation of this section or for the recovery of remedies under this section.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 20. Minnesota Statutes 2006, section 383B.917, subdivision 1, is amended to read:

Subdivision 1. **Data Practices Act.** (a) The corporation is subject to chapter 13, the Minnesota Government Data Practices Act.

(b) "Competitive data," as defined in this subdivision, are nonpublic data pursuant to section 13.02, subdivision 9, or private data on individuals pursuant to section 13.02, subdivision 12. Competitive data are any type of data that the corporation, in its discretion, determines that if disclosed could cause competitive disadvantage to the corporation, including causing adverse effects on the current or future competitive position of the corporation or the entities, facilities, and operations for which it is responsible. Data discussed at an open meeting of the corporation retains the data's original classification, including classification as competitive data, as provided in section 13D.05, subdivision 1, paragraph (c). Any data disseminated by the corporation to the county shall retain the same classification in the hands of the county, including the classification as competitive

data, as provided in section 13.03, subdivision 4.

(c) A subsidiary, joint venture, association, partnership, or other entity that is formed by the corporation is not subject to chapter 13, except that if the corporation enters into a contract with such an entity to perform any functions of the corporation, the corporation shall include in the contract terms that make it clear that data created, collected, received, stored, used, maintained, or disseminated by the contracting entity in performing those functions is subject to the same requirements under chapter 13 as the corporation under this subdivision. However, this section does not create a duty on the part of the contracting entity to provide access to public data to the public if the public data are available from the corporation, except as required by the terms of the contract. Any entity contracting to perform functions of the corporation may classify data as competitive data as defined in paragraph (b).

(d) Notwithstanding section 13.384, the corporation, a nonprofit corporation providing physician services to the corporation and participating in an electronic exchange of health records with the corporation, and other persons under contract with Hennepin County who participate in the electronic exchange, may share medical data for purposes of treatment, payment, or health care operations. The nonprofit corporation and other participants in the electronic exchange are considered to be related health care entities solely for purposes of section 144.293, subdivision 5, clause (2), and are not outside of the corporation's facility for purposes of section 144.651, subdivision 16. This paragraph does not otherwise limit the provisions of sections 144.291 to 144.298.

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

Sec. 21. [473.674] AIRPORT PARKING SPACE CUSTOMER DATA.

The following data relating to applicants for or users of automated parking facilities at the Minneapolis-St. Paul International Airport are classified as nonpublic data with regard to data not on individuals and as private data with regard to data on individuals: (1) data contained in applications for an electronic tag or device that provides access to airport parking facilities and which assesses charges for a vehicle's use of those facilities; (2) personal and vehicle information data; (3) financial and credit data; and (4) parking usage data. Nothing in this section prohibits the production of summary data as defined in section 13.02, subdivision 19.

Sec. 22. Minnesota Statutes 2006, section 518.10, is amended to read:

518.10 REQUISITES OF PETITION.

Subdivision 1. **Petition.** The petition for dissolution of marriage or legal separation shall state and allege:

(a) the name, and address, and, in circumstances in which child support or spousal maintenance will be addressed, Social Security number of the petitioner and any prior or other name used by the petitioner;

(b) the name and, if known, the address and, in circumstances in which child support or spousal maintenance will be addressed, Social Security number of the respondent and any prior or other name used by the respondent and known to the petitioner;

(c) the place and date of the marriage of the parties;

(d) in the case of a petition for dissolution, that either the petitioner or the respondent or both:

(1) has resided in this state for not less than 180 days immediately preceding the commencement of the proceeding, or

(2) has been a member of the armed services and has been stationed in this state for not less than 180 days immediately preceding the commencement of the proceeding, or

(3) has been a domiciliary of this state for not less than 180 days immediately preceding the commencement of the proceeding;

(e) the name at the time of the petition and any prior or other name, Social Security number, age, and date of birth of each living minor or dependent child of the parties born before the marriage or born or adopted during the marriage and a reference to, and the expected date of birth of, a child of the parties conceived during the marriage but not born;

(f) whether or not a separate proceeding for dissolution, legal separation, or custody is pending in a court in this state or elsewhere;

(g) in the case of a petition for dissolution, that there has been an irretrievable breakdown of the marriage relationship;

(h) in the case of a petition for legal separation, that there is a need for a decree of legal separation;

(i) any temporary or permanent maintenance, child support, child custody, disposition of property, attorneys' fees, costs and disbursements applied for without setting forth the amounts; and

(j) whether an order for protection under chapter 518B or a similar law of another state that governs the parties or a party and a minor child of the parties is in effect and, if so, the district court or similar jurisdiction in which it was entered.

The petition shall be verified by the petitioner or petitioners, and its allegations established by competent evidence.

Subd. 2. **Social Security number document.** In proceedings where child support or spousal maintenance issues will be addressed, the petition under subdivision 1 must be accompanied by a separate document that contains the Social Security numbers of the petitioner and the respondent. The Social Security number document must be maintained in a portion of the court file or records that are not accessible to the general public."

Delete the title and insert:

"A bill for an act relating to data practices; classifying data; requiring protection from disclosure of data; making technical changes; increasing liability limits for damages; authorizing data sharing; regulating Social Security data; requiring notification of denial based upon background check; defining terms; regulating contracts with criminal history background check contractors; regulating data related to explosives or blasting agents; regulating practices of business screening services; authorizing electronic exchange of certain data; amending Minnesota Statutes 2006, sections 6.715, by adding a subdivision; 13.03, subdivision 3; 13.08, subdivision 1; 13.202, subdivision 11; 13.32, by adding a subdivision; 13.355, by adding a subdivision; 13.601, subdivision 3; 13.6905, by adding a subdivision; 123B.03, subdivisions 2, 3, by adding a subdivision; 260B.171, subdivision 5; 299F.28; 299F.75, by adding a subdivision; 383B.917, subdivision 1; 518.10; Minnesota Statutes

2007 Supplement, sections 13.08, subdivision 4; 13.39, subdivisions 2, 2a; 268.19, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 332; 473."

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

Senate Conferees: (Signed) Mary A. Olson, Mee Moua, Don Betzold, Linda Scheid, Warren Limmer

House Conferees: (Signed) Steve Simon, John Lesch, Leon Lillie, Melissa Hortman, Chris DeLaForest

Senator Olson, M. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 3235 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. 3235 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed 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 Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

Senator Wiger from the Committee on Education, to which was referred

S.F. No. 3349: A bill for an act relating to education; creating a responsible family life and sexuality education program; proposing coding for new law in Minnesota Statutes, chapter 121A.

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 121A.23, subdivision 1, is amended to read:

Subdivision 1. **Sexually transmitted infections and diseases program.** The commissioner of education, in consultation with the commissioner of health, shall assist districts in developing and implementing a program to prevent pregnancies and reduce the risk of sexually transmitted infections and diseases, including but not exclusive to human immune deficiency virus and human papilloma virus. Each district must have a program that includes at least:

- (1) planning materials, guidelines, and other ~~technically~~ medically accurate and ~~updated~~ age appropriate information;
- (2) a comprehensive, ~~technically~~ medically accurate, and ~~updated~~ age appropriate curriculum that includes helping students to abstain from sexual activity until marriage, contributes to healthy relationships, develops communication skills, and promotes individual responsibility;
- (3) cooperation and coordination among districts and SCs;
- (4) ~~a targeting of prevention efforts for~~ adolescents, especially those who may be at high risk of pregnancy or contracting sexually transmitted infections and diseases, for prevention efforts;
- (5) involvement of parents and other community members;
- (6) in-service training for appropriate district staff and school board members;
- (7) collaboration with state agencies and organizations having a sexually transmitted infection and disease prevention or sexually transmitted infection and disease risk reduction program;
- (8) collaboration with local community health services, agencies and organizations having a sexually transmitted infection and disease prevention or sexually transmitted infection and disease risk reduction program; and
- (9) participation by state and local student organizations.

The department may provide assistance at a neutral site to a nonpublic school participating in a district's program. District programs must not conflict with the health and wellness curriculum developed under Laws 1987, chapter 398, article 5, section 2, subdivision 7.

If a district fails to develop and implement a program to prevent and reduce the risk of sexually transmitted infection and disease, the department must assist the service cooperative in the region serving that district to develop or implement the program."

Delete the title and insert:

"A bill for an act relating to education; modifying the sexually transmitted infections and diseases program; amending Minnesota Statutes 2006, section 121A.23, subdivision 1."

And when so amended the bill do pass.

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

Senator Wiger from the Committee on Education, to which was referred

S.F. No. 3316: A bill for an act relating to education; amending time period for teacher to request a leave or extension of leave to teach at a charter school; amending Minnesota Statutes 2006, section 124D.10, subdivision 20.

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

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

Senator Wiger from the Committee on Education, to which were referred the following appointments:

BOARD OF TEACHING

Patricia DeJarlais

Anita Otten

Louise Wilson

Reports the same back with the recommendation that the appointments be confirmed.

Senator Pogemiller moved that the foregoing committee report be laid on the table. The motion prevailed.

Senator Wiger from the Committee on Education, to which were referred the following appointments:

BOARD OF TEACHING

Jim Bartholomew

Janet Schutz

Reports the same back with the recommendation that the appointments be confirmed.

Senator Pogemiller moved that the foregoing committee report be laid on the table. The motion prevailed.

Senator Wiger from the Committee on Education, to which were referred the following appointments:

BOARD OF THE PERPICH CENTER FOR ARTS EDUCATION

Bari Amadio

Denis Biagini

Margaret DiBlasio

Dorothy Suomala

Reports the same back with the recommendation that the appointments be confirmed.

Senator Pogemiller moved that the foregoing committee report be laid on the table. The motion prevailed.

Senator Wiger from the Committee on Education, to which were referred the following appointments:

BOARD OF SCHOOL ADMINISTRATORS

Bruce Kramer
Mary Mackbee
Diane Rauschenfels
Daniel Sullivan

Reports the same back with the recommendation that the appointments be confirmed.

Senator Pogemiller moved that the foregoing committee report be laid on the table. The motion prevailed.

MEMBERS EXCUSED

Senator Koering was excused from the Session of today. Senator Skoe was excused from the Session of today from 3:00 to 4:15 p.m. Senator Murphy was excused from the Session of today from 3:00 to 5:15 p.m. Senator Skogen was excused from the Session of today from 3:40 to 4:00 p.m. Senator Bonoff was excused from the Session of today from 3:50 to 4:00 p.m. Senator Stumpf was excused from the Session of today from 4:30 to 6:20 p.m. Senator Berglin was excused from the Session of today from 5:00 to 5:15 p.m. Senator Olseen was excused from the Session of today from 5:05 to 5:15 p.m. Senator Pariseau was excused from the Session of today at 5:20 p.m. Senator Anderson was excused from the Session of today from 5:30 to 6:20 p.m. Senator Latz was excused from the Session of today from 5:40 to 9:15 p.m.

ADJOURNMENT

Senator Pogemiller moved that the Senate do now adjourn until 11:00 a.m., Thursday, May 8, 2008. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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