

## TWENTY-SECOND DAY

St. Paul, Minnesota, Wednesday, March 4, 2015

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

**CALL OF THE SENATE**

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

Prayer was offered by the Chaplain, Rev. Amanda Lunemann.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

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

The President declared a quorum present.

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

**MESSAGES FROM THE HOUSE**

Madam President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 134 and 423.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted March 2, 2015

**FIRST READING OF HOUSE BILLS**

The following bills were read the first time.

**H.F. No. 134:** A bill for an act relating to veterans; making technical changes to veterans trust; removing obsolete provisions; amending Minnesota Statutes 2014, section 197.133; repealing Minnesota Statutes 2014, sections 197.131; 197.132.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 427, now on General Orders.

**H.F. No. 423:** A bill for an act relating to health; eliminating the requirement of a variance for a staff requirement for ambulance services; allowing alternative ambulance staffing in certain areas; allowing a licensed ambulance service in limited areas to accept full mutual aid support on a part-time basis; amending Minnesota Statutes 2014, section 144E.101, subdivisions 6, 12.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 379, now on General Orders.

**REPORTS OF COMMITTEES**

Senator Bakk moved that the Committee Reports at the Desk be now adopted, with the exception of the reports pertaining to appointments. The motion prevailed.

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

**S.F. No. 384:** A bill for an act relating to forfeiture; establishing the burden of production on the innocent owner claimant and the burden of proof on the prosecutor in an innocent owner case involving off-highway vehicles, DWI, designated offenses, controlled substance offenses, fleeing offenses, and prostitution offenses; expanding the homestead exemption; amending Minnesota Statutes 2014, sections 84.7741, subdivision 7; 169A.63, subdivisions 7, 9; 609.531, subdivision 1, by adding subdivisions; 609.5311, subdivision 3; 609.5312, subdivisions 2, 3, 4; 609.5318, subdivision 5.

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

Page 2, after line 16, insert:

"Sec. 2. Minnesota Statutes 2014, section 84.7741, subdivision 9, is amended to read:

Subd. 9. **Judicial forfeiture procedure.** (a) This subdivision governs judicial determinations of the forfeiture of an off-highway vehicle used to commit a designated offense. An action for forfeiture is a civil in rem action and is independent of any criminal prosecution. All proceedings are governed by the Rules of Civil Procedure.

(b) If no demand for judicial determination of the forfeiture is pending, the prosecuting authority may, in the name of the jurisdiction pursuing the forfeiture, file a separate complaint against the vehicle, describing it, specifying that it was used in the commission of a designated offense, and specifying the time and place of its unlawful use.

(c) The prosecuting authority may file an answer to a properly served demand for judicial determination, including an affirmative counterclaim for forfeiture. The prosecuting authority is not required to file an answer.

(d) A judicial determination under this subdivision must be held at the earliest practicable date, and in any event no later than 180 days following the filing of the demand by the claimant. If a related criminal proceeding is pending, the hearing shall not be held until the conclusion of the criminal proceedings. The district court administrator shall schedule the hearing as soon as practicable after the conclusion of the criminal prosecution. The district court administrator shall establish procedures to ensure efficient compliance with this subdivision. The hearing is to the court without a jury.

~~(e) There is a presumption that an off-highway vehicle seized under this section is subject to forfeiture if the prosecuting authority establishes that the vehicle was used in the commission of a designated offense. A claimant bears the burden of proving any affirmative defense raised. The prosecuting authority has the burden of proof to show by a preponderance of the evidence that the vehicle was used in the commission of a designated offense. The limitations and defenses in section 609.531, subdivisions 9 and 10, apply to forfeitures under this section.~~

(f) If the forfeiture is based on the commission of a designated offense and the person charged with the designated offense appears in court as required and is not convicted of the offense, the court shall order the property returned to the person legally entitled to it upon that person's compliance with the redemption requirements of subdivision 12.

~~(g) If the lawful ownership of the vehicle used in the commission of a designated offense can be determined and the owner makes the demonstration required under subdivision 7, paragraph (d) If the prosecuting authority fails to establish by a preponderance of the evidence that the vehicle was used in the commission of a designated offense, the vehicle must be returned immediately upon the owner's compliance with the redemption requirements of subdivision 12.~~

(h) If the court orders the return of a seized vehicle under this subdivision, it must order that filing fees be reimbursed to the person who filed the demand for judicial determination. In addition, the court may order sanctions under section 549.211. Any reimbursement fees or sanctions must be paid from other forfeiture proceeds of the law enforcement agency and prosecuting authority involved and in the same proportion as distributed under subdivision 10, paragraph (b).

Sec. 3. Minnesota Statutes 2014, section 169A.60, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given in this subdivision.

~~(b) "Family or household member" has the meaning given in section 169A.63, subdivision 1 means:~~

(1) a parent, stepparent, or guardian;

(2) any of the following persons related by blood, marriage, or adoption: brother, sister, stepbrother, stepsister, first cousin, aunt, uncle, nephew, niece, grandparent, great-grandparent, great-uncle, great-aunt; or

(3) persons residing together or persons who regularly associate and communicate with one another outside of a workplace setting.

(c) "Motor vehicle" means a self-propelled motor vehicle other than a motorboat in operation or an off-road recreational vehicle.

(d) "Plate impoundment violation" includes:

(1) a violation of section 169A.20 (driving while impaired) or 169A.52 (license revocation for test failure or refusal), or an ordinance from this state or a statute or ordinance from another state in conformity with either of those sections, that results in the revocation of a person's driver's license or driving privileges, within ten years of a qualified prior impaired driving incident;

(2) a license disqualification under section 171.165 (commercial driver's license disqualification) resulting from a violation of section 169A.52 within ten years of a qualified prior impaired driving incident;

(3) a violation of section 169A.20 or 169A.52 while having an alcohol concentration of twice the legal limit or more as measured at the time, or within two hours of the time, of the offense;

(4) a violation of section 169A.20 or 169A.52 while having a child under the age of 16 in the vehicle if the child is more than 36 months younger than the offender; or

(5) a violation of section 171.24 (driving without valid license) by a person whose driver's license or driving privileges have been canceled or denied under section 171.04, subdivision 1, clause (10) (persons not eligible for driver's license, inimical to public safety).

(e) "Violator" means a person who was driving, operating, or in physical control of the motor vehicle when the plate impoundment violation occurred.

Sec. 4. Minnesota Statutes 2014, section 169A.63, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given them.

(b) "Appropriate agency" means a law enforcement agency that has the authority to make an arrest for a violation of a designated offense or to require a test under section 169A.51 (chemical tests for intoxication).

(c) "Claimant" means an owner of a motor vehicle or a person claiming a leasehold or security interest in a motor vehicle.

(d) "Designated license revocation" includes a license revocation under section 169A.52 (license revocation for test failure or refusal) or a license disqualification under section 171.165 (commercial driver's license disqualification) resulting from a violation of section 169A.52; within ten years of the first of two or more qualified prior impaired driving incidents.

(e) "Designated offense" includes:

(1) a violation of section 169A.20 (driving while impaired) under the circumstances described in section 169A.24 (first-degree driving while impaired), or 169A.25 (second-degree driving while impaired); or

(2) a violation of section 169A.20 or an ordinance in conformity with it:

(i) by a person whose driver's license or driving privileges have been canceled as inimical to public safety under section 171.04, subdivision 1, clause (10), and not reinstated; or

(ii) by a person who is subject to a restriction on the person's driver's license under section 171.09 (commissioner's license restrictions), which provides that the person may not use or consume any amount of alcohol or a controlled substance.

(f) ~~"Family or household member" means:~~

~~(1) a parent, stepparent, or guardian;~~

~~(2) any of the following persons related by blood, marriage, or adoption: brother, sister, stepbrother, stepsister, first cousin, aunt, uncle, nephew, niece, grandparent, great-grandparent, great-uncle, great-aunt; or~~

~~(3) persons residing together or persons who regularly associate and communicate with one another outside of a workplace setting.~~

(g) "Motor vehicle" and "vehicle" do not include a vehicle which is stolen or taken in violation of the law.

~~(h)~~(g) "Owner" means a person legally entitled to possession, use, and control of a motor vehicle, including a lessee of a motor vehicle if the lease agreement has a term of 180 days or more. There is a rebuttable presumption that a person registered as the owner of a motor vehicle according to the records of the Department of Public Safety is the legal owner. For purposes of this section, if a motor vehicle is owned jointly by two or more people, each owner's interest extends to the whole of the vehicle and is not subject to apportionment.

~~(i)~~(h) "Prosecuting authority" means the attorney in the jurisdiction in which the designated offense occurred who is responsible for prosecuting violations of a designated offense or a designee. If a state agency initiated the forfeiture, and the attorney responsible for prosecuting the designated offense declines to pursue forfeiture, the Attorney General's Office or its designee may initiate forfeiture under this section.

~~(j)~~(i) "Security interest" means a bona fide security interest perfected according to section 168A.17, subdivision 2, based on a loan or other financing that, if a vehicle is required to be registered under chapter 168, is listed on the vehicle's title."

Page 4, line 16, before "The" insert "The prosecuting authority has the burden of proof to show by a preponderance of the evidence that the vehicle was used in the commission of a designated offense or designated license revocation."

Page 4, line 26, strike everything after "(g)"

Page 4, lines 27 and 28, strike the old language

Page 4, line 29, delete the new language and insert "If the prosecuting authority fails to establish by a preponderance of the evidence that the vehicle was used in the commission of a designated offense or designated license revocation"

Page 5, line 19, before "if" insert ", as defined in section 169A.60, subdivision 1, paragraph (b),"

Page 6, line 18, delete "at any time"

Page 6, line 20, after the period, insert "The innocent owner claimant may file a claim at any time prior to the commencement of the underlying criminal trial and request a prompt hearing."

Page 7, delete lines 3 to 19

Reletter the paragraphs in sequence

Page 7, line 23, delete "(i)" and insert "(f)"

Page 7, line 30, delete "(j)" and insert "(g)"

Page 8, line 4, delete "(k)" and insert "(h)"

Page 8, line 5, after the first "claimant" insert "in a case involving forfeiture under section 169A.63"

Page 8, line 6, before "that" insert "either" and delete "property" and insert "vehicle"

Page 8, line 7, before the period, insert ", or the innocent owner claimant took reasonable steps to prevent the use of the vehicle by the offender"

Page 8, line 12, delete "(k)" and insert "(h)"

Page 8, line 29, delete "at any time"

Page 8, line 31, after the period, insert "The innocent owner claimant may file a claim at any time prior to the commencement of the underlying criminal trial and request a prompt hearing."

Page 10, line 4, delete "under section 510.01" and insert "as determined in sections 510.01 and 510.02"

Page 10, line 12, delete "in section" and insert "as determined in sections"

Page 10, line 13, after "510.01" insert "and 510.02"

Renumber the sections in sequence

Amend the title numbers accordingly

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

**Senator Lutz from the Committee on Judiciary, to which was referred**

**S.F. No. 466:** A bill for an act relating to public safety; requiring policies addressing the investigation of peace officer-involved deaths; proposing coding for new law in Minnesota Statutes, chapter 626.

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

Delete everything after the enacting clause and insert:

**"Section 1. [626.891] PEACE OFFICER-INVOLVED INCIDENTS; OUTSIDE INVESTIGATION REQUIRED.**

Subdivision 1. **Definitions.** As used in this section: (1) "law enforcement agency" has the meaning given in section 626.84, subdivision 1, paragraph (f); (2) "officer-involved incident" means the use of force by a peace officer with the purpose of causing, or that the officer should reasonably know creates a substantial risk of causing, great bodily harm or death, and that actually results in great bodily harm or death to another while the officer is on duty or off duty but performing activities that are within the scope of the officer's law enforcement duties; and (3) "peace officer" has the meaning given in section 626.84, subdivision 1, paragraph (c).

Subd. 2. **Officer-involved incident investigations.** The chief law enforcement officer of a law enforcement agency shall ensure that when a peace officer employed by the agency is involved

in an officer-involved incident, an investigation into the incident occurs and is conducted by a law enforcement agency other than the agency that employs the officer. If the officer-involved incident is traffic-related and involves a crash, in addition to the other requirements described in this subdivision, the investigation must include a crash reconstruction unit from a law enforcement agency other than the agency that employs the peace officer involved in the incident. The agency conducting an investigation under this subdivision must expeditiously provide a complete report to the county attorney of the county in which the officer-involved incident occurred. An internal investigation into the officer-involved incident may be completed by the law enforcement agency that employs the officer involved in the incident if the internal investigation does not interfere with the outside investigation conducted under this subdivision.

Subd. 3. **Release of report.** If the county attorney determines there is no basis to prosecute the peace officer involved in the officer-involved incident, the attorney shall inform the law enforcement agency that conducted the investigation of this determination and the agency shall release the report to the public."

Amend the title as follows:

Page 1, line 2, delete everything after "requiring" and insert "outside agencies to investigate peace"

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

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

**S.F. No. 997:** A bill for an act relating to insurance; long-term care; reducing the minimum permitted inflation protection for a long-term care insurance partnership policy; continuing to permit other types of inflation protection; amending Minnesota Statutes 2014, section 62S.23, subdivision 1.

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

Page 2, after line 14, insert:

"Sec. 2. Minnesota Statutes 2014, section 62S.24, is amended by adding a subdivision to read:

Subd. 9. **Certain pre-July 1, 2006 policies.** (a) Notwithstanding section 256B.0571, subdivision 6, a long-term care insurance policy issued before July 1, 2006, that otherwise meets all requirements for partnership policy status shall be qualified as a partnership policy, provided that benefits have not yet been paid out on the policy.

(b) An insured may make written inquiry to the issuer of the long-term care insurance policy as to whether the policy meets the requirements for partnership policy status. The issuer of the policy must reply to the inquiry within 30 days, and if the policy does so qualify, must add a rider, amendment, or disclosure statement to the policy as documentation of the partnership policy status."

Amend the title numbers accordingly

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

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

**S.F. No. 1043:** A bill for an act relating to financial institutions; providing for savings promotion raffles; amending Minnesota Statutes 2014, sections 48.15, subdivision 1; 52.04, subdivision

1; 325F.755, subdivision 6; 609.75, by adding subdivisions; 609.761, by adding a subdivision; repealing Minnesota Statutes 2014, section 609.75, subdivision 13.

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

Page 1, line 18, delete "sections 609.75, subdivision 13, and" and insert "section"

Page 5, line 35, delete "sections 609.75, subdivision 13, and" and insert "section"

Page 6, line 7, delete "and regulated"

Page 6, line 14, after "program" insert "offered by a state or federally chartered credit union or bank"

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

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

**S.F. No. 300:** A bill for an act relating to insurance; regulating health plan contracts and stop loss coverage; amending Minnesota Statutes 2014, section 60A.235, subdivision 3.

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

Page 2, after line 14, insert:

"Sec. 2. Minnesota Statutes 2014, section 60A.236, is amended to read:

**60A.236 STOP LOSS REGULATION; SMALL EMPLOYER COVERAGE.**

A contract providing stop loss coverage, issued or renewed to a small employer, as defined in section 62L.02, subdivision 26, or to a plan sponsored by a small employer, must include a claim settlement period no less favorable to the small employer or plan than coverage of all the following: (1) claims incurred during the contract period regardless of when the claims are; and (2) paid by the plan during the contract period or within one month after expiration of the contract period."

Amend the title numbers accordingly

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

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

**S.F. No. 643:** A bill for an act relating to human services; establishing a health care program for low-income uninsured adults and children who are ineligible for medical assistance or MinnesotaCare; amending Minnesota Statutes 2014, section 256B.06, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256L.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

**S.F. No. 209:** A bill for an act relating to manufacturing housing; modifying manufactured home space requirements; amending Minnesota Statutes 2014, section 327.20, subdivision 1.

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

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

**S.F. No. 542:** A bill for an act relating to health; modifying the definition of residential hospice facility; amending Minnesota Statutes 2014, section 144A.75, subdivision 13.

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

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

**S.F. No. 844:** A bill for an act relating to certain state government programs; implementing a cost-benefit approach to measure success of corrections and human services programs; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

**S.F. No. 86:** A bill for an act relating to data practices; classifying data related to automated license plate readers; requiring a log of use; requiring data to be destroyed in certain circumstances; amending Minnesota Statutes 2014, section 13.82, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 626.

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

Page 2, line 18, before the semicolon, insert "and a list of all state and federal databases with which data that were collected were compared unless the existence of the database itself is not public"

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

**Senator Torres Ray from the Committee on State and Local Government, to which was re-referred**

**S.F. No. 766:** A bill for an act relating to higher education; creating a grant program for spinal cord injury and traumatic brain injury research; establishing the spinal cord and traumatic brain injury advisory council; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136A.

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

Page 2, line 13, delete "advisory council" and insert "Spinal Cord and Traumatic Brain Injury Advisory Council"

Page 3, line 9, delete everything after the period

Page 3, delete line 10

Page 3, after line 16, insert:

"Subd. 7. **Staffing.** The commissioner shall provide administrative support to the council to perform its duties."

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

**Senator Torres Ray from the Committee on State and Local Government, to which was referred**

**S.F. No. 694:** A bill for an act relating to local government; modifying provisions governing the Saint Paul Port Authority; amending Minnesota Statutes 2014, sections 469.049; 469.050, subdivision 4; 469.084, subdivisions 3, 4, 8, 9, 10, 14; repealing Minnesota Statutes 2014, section 469.084, subdivisions 11, 12.

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

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

**S.F. No. 763:** A bill for an act relating to capital investment; modifying the greater Minnesota business development public infrastructure grant program; appropriating money; authorizing the sale and issuance of state bonds; amending Minnesota Statutes 2014, section 116J.431, subdivisions 1, 2, 4, 6.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

**S.F. No. 435:** A bill for an act relating to economic development; adopting the Minnesota New Markets Jobs Act; providing capital for business growth in economically distressed communities; imposing penalties; requiring a report; proposing coding for new law as Minnesota Statutes, chapter 116X.

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

Page 6, line 22, after the semicolon, insert "and"

Page 6, delete lines 23 and 24

Page 6, line 25, delete "(10)" and insert "(9)"

Page 11, line 9, after the period, insert:

"The report must include:

(1) the number of women- and minority-owned businesses assisted by the credits;

(2) the number of greater Minnesota-located businesses assisted by the credits and the amount of that assistance;

(3) the number of metropolitan area-located businesses assisted by the credits and the amount of that assistance;

(4) the number of jobs created by the credits including the number of women and minorities obtaining jobs; and

(5) the number of jobs created by the credits located in greater Minnesota and in the metropolitan area."

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

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

**S.F. No. 1217:** A bill for an act relating to taxation; income; establishing a new markets tax credit program; authorizing rulemaking; requiring a report; appropriating money; amending Minnesota Statutes 2014, section 297I.20, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290; proposing coding for new law as Minnesota Statutes, chapter 116X.

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

Page 6, delete lines 18 to 20 and insert:

"Subd. 13. **Annual report.** The commissioner shall annually by January 15, through 2023, report to the chairs and ranking minority members of the legislative committees on taxes on the implementation of this tax credit, including an evaluation of the success of the credit in the state and the economic impact of the credits in the state. The report must include:

(1) the number of women and minority owned businesses assisted by the credits;

(2) the number of greater Minnesota located businesses assisted by the credits and the amount of that assistance;

(3) the number of metropolitan area located businesses assisted by the credits and the amount of that assistance;

(4) the number of jobs created by the credits including the number of women and minorities obtaining jobs; and

(5) the number of jobs created by the credits located in greater Minnesota and in the metropolitan area."

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

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

**S.F. No. 386:** A bill for an act relating to capital investment; appropriating money for and modifying the greater Minnesota business development public infrastructure grant program; authorizing the sale and issuance of state bonds; amending Minnesota Statutes 2014, section 116J.431, subdivisions 1, 2, 4, 6.

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

Page 3, after line 8, insert:

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

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

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

**H.F. No. 262** for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
262	72				

and that the above Senate File be indefinitely postponed.

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

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

**H.F. No. 510** for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
510	110				

and that the above Senate File be indefinitely postponed.

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

**Senator Dibble from the Committee on Transportation and Public Safety, to which was referred the following appointment:**

DEPARTMENT OF TRANSPORTATION  
COMMISSIONER  
Charles A. Zelle

Reports the same back with the recommendation that the appointment be confirmed.

Senator Bakk moved that the foregoing committee report be laid on the table. The motion prevailed.

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

DEPARTMENT OF HUMAN SERVICES  
COMMISSIONER

Lucinda E. Jesson

Reports the same back with the recommendation that the appointment be confirmed.

Senator Bakk moved that the foregoing committee report be laid on the table. The motion prevailed.

**Senator Torres Ray from the Committee on State and Local Government, to which was referred the following appointment:**

DEPARTMENT OF ADMINISTRATION  
COMMISSIONER  
Matthew J. Massman

Reports the same back with the recommendation that the appointment be confirmed.

Senator Bakk moved that the foregoing committee report be laid on the table. The motion prevailed.

**Senator Torres Ray from the Committee on State and Local Government, to which was referred the following appointment:**

OFFICE OF MN.IT SERVICES  
COMMISSIONER  
Thomas Baden

Reports the same back with the recommendation that the appointment be confirmed.

Senator Bakk moved that the foregoing committee report be laid on the table. The motion prevailed.

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

DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT  
COMMISSIONER  
Katie Clark Sieben

Reports the same back with the recommendation that the appointment be confirmed.

Senator Bakk moved that the foregoing committee report be laid on the table. The motion prevailed.

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

S.F. Nos. 466, 997, 300, 209, 542 and 694 were read the second time.

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

H.F. Nos. 262 and 510 were read the second time.

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

The following bills were read the first time.

**Senator Sparks introduced–**

**S.F. No. 1305:** A bill for an act relating to state government; appropriating money for agriculture, environment, and natural resources; providing retail food establishment and food handler license fees; making policy and technical changes to various agricultural related provisions, including provisions related to pesticide control, plant protection, nursery law, seeds, food handlers, food, farmland, farming, and loans; establishing the farm opportunity loan program; modifying agency rulemaking; modifying fees and surcharges; creating accounts; regulating priority chemicals in children's products; modifying prior appropriations; amending Minnesota Statutes 2014, sections 13.643, subdivision 1; 13.7411, subdivision 8; 14.365; 18B.01, subdivisions 28, 29; 18B.32, subdivision 1; 18B.33, subdivision 1; 18B.34, subdivision 1; 18C.425, subdivision 6; 18G.10, subdivisions 3, 4, 5; 18H.02, subdivision 20, by adding subdivisions; 18H.06, subdivision 2; 18H.07; 21.81, by adding subdivisions; 21.82, subdivisions 2, 4; 21.85, subdivision 2, by adding a subdivision; 21.89, subdivision 2; 21.891, subdivisions 2, 5; 25.39, subdivision 1; 28A.03, by adding subdivisions; 28A.08, subdivision 1, by adding subdivisions; 28A.082, subdivision 1; 31.39, subdivision 1; 32.394, subdivisions 8, 8b; 41B.03, subdivision 6, by adding a subdivision; 41B.04, subdivision 17; 41B.043, subdivision 3; 41B.045, subdivisions 3, 4; 41B.046, subdivision 5; 41B.047, subdivisions 1, 4; 41B.048, subdivision 6; 41B.049, subdivision 4; 41B.055, subdivision 3; 41B.056, subdivision 2; 41B.06; 85.055, subdivision 1; 86B.415, subdivision 7; 116.07, subdivision 4d; 116.9401; 116.9402; 116.9403; 116.9405; 116.9406; 500.24, subdivision 4; Laws 2013, chapter 137, article 2, section 6; proposing coding for new law in Minnesota Statutes, chapters 15; 41B; 84; 103B; 116; repealing Minnesota Statutes 2014, sections 17.115; 28A.08, subdivision 3; 41A.12, subdivision 4; 84.68.

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

**Senators Sparks, Dahms, Weber and Metzen introduced–**

**S.F. No. 1306:** A bill for an act relating to agriculture; farmer-lender mediation; modifying the amount of debt required for a mediation notice; extending the farmer-lender mediation program until 2021; amending Minnesota Statutes 2014, sections 336.9-601; 550.365, subdivision 1; 559.209, subdivision 1; 582.039, subdivision 1; 583.215.

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

**Senator Sparks introduced–**

**S.F. No. 1307:** A bill for an act relating to agriculture; appropriating money for farm mental health counseling support.

Referred to the Committee on Finance.

**Senator Rest introduced–**

**S.F. No. 1308:** A bill for an act relating to public finance; providing longer terms for equipment certificates for certain ice arena equipment; increasing limits for owned housing; changing voting requirements for street construction; modifying credit enhancement for school district refunding bonds; amending Minnesota Statutes 2014, sections 126C.40, subdivision 1; 126C.55, subdivision 1; 366.095, subdivision 1; 383B.117, subdivision 2; 410.32; 412.301; 446A.086, subdivision 2,

by adding a subdivision; 469.034, subdivision 2; 469.101, subdivision 1; 475.58, subdivision 3b; 475.60, subdivision 2.

Referred to the Committee on Finance.

**Senators Hayden, Hoffman, Goodwin, Franzen and Nienow introduced—**

**S.F. No. 1309:** A bill for an act relating to health insurance; requiring coverage under health plans for acupuncture services; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

**Senators Eaton, Pappas, Thompson, Nienow and Lourey introduced—**

**S.F. No. 1310:** A bill for an act relating to health occupations; establishing registration for massage and bodywork therapy; establishing fees; proposing coding for new law in Minnesota Statutes, chapters 148; 325F.

Referred to the Committee on Health, Human Services and Housing.

**Senator Sheran introduced—**

**S.F. No. 1311:** A bill for an act relating to health; requiring suicide prevention training; requiring training for law enforcement in techniques to de-escalate mental health crises; requiring a report; appropriating money; amending Minnesota Statutes 2014, sections 122A.09, subdivision 4; 145.56, subdivisions 2, 4; 626.8452, subdivision 3; 626.8455, subdivision 1.

Referred to the Committee on Health, Human Services and Housing.

**Senators Tomassoni, Bakk, Saxhaug, Hoffman and Rosen introduced—**

**S.F. No. 1312:** A bill for an act relating to energy; providing for competitive rate schedules for energy-intensive trade-exposed electric utility customers; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Environment and Energy.

**Senators Hann, Rosen, Nienow and Dahms introduced—**

**S.F. No. 1313:** A bill for an act relating to education; creating Education Savings Accounts for Students with Special Needs Act; appropriating money.

Referred to the Committee on Education.

**Senator Jensen introduced—**

**S.F. No. 1314:** A bill for an act relating to education; providing for information technology certifications through public-private partnership; appropriating money.

Referred to the Committee on Finance.

**Senator Jensen introduced—**

**S.F. No. 1315:** A bill for an act relating to local government; changing the meeting requirement for the District 1 Hospital Board; amending Laws 1963, chapter 118, section 4, as amended.

Referred to the Committee on State and Local Government.

**Senators Latz and Rest introduced—**

**S.F. No. 1316:** A bill for an act relating to capital investment; appropriating money for street and highway intersection improvements in the city of Golden Valley; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senator Osmek introduced—**

**S.F. No. 1317:** A bill for an act relating to energy; modifying the treatment of certain utility advertising expenditures; amending Minnesota Statutes 2014, section 216B.16, subdivision 8.

Referred to the Committee on Environment and Energy.

**Senator Pederson, J. introduced—**

**S.F. No. 1318:** A bill for an act relating to natural resources; restricting roadside mowing on state lands; providing civil penalties; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Environment and Energy.

**Senator Pederson, J. introduced—**

**S.F. No. 1319:** A bill for an act relating to capital investment; appropriating money for road and infrastructure improvements in the city of St. Cloud; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators Sparks, Dahms, Jensen, Koenen and Nelson introduced—**

**S.F. No. 1320:** A bill for an act relating to economic development; reducing the unemployment insurance employer tax rate under certain conditions; amending Minnesota Statutes 2014, sections 268.035, subdivision 24; 268.051, subdivision 2, by adding a subdivision.

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

**Senators Dzedzic, Gazelka, Limmer, Metzen and Latz introduced—**

**S.F. No. 1321:** A bill for an act relating to commerce; prohibiting assertions of patent infringement in bad faith; authorizing a court to consider certain factors as evidence of whether an

assertion of patent infringement in bad faith or good faith has been made; providing enforcement; defining certain terms; proposing coding for new law in Minnesota Statutes, chapter 325D.

Referred to the Committee on Commerce.

**Senators Hall, Anderson, Torres Ray, Metzen and Nelson introduced—**

**S.F. No. 1322:** A bill for an act relating to human services; expanding exclusion from human services licensure for school-age programs; amending Minnesota Statutes 2014, section 245A.03, subdivision 2.

Referred to the Committee on Health, Human Services and Housing.

**Senators Saxhaug and Ruud introduced—**

**S.F. No. 1323:** A bill for an act relating to education finance; increasing local optional levy equalization for certain districts with seasonal recreational property; amending Minnesota Statutes 2014, section 126C.10, subdivision 2e.

Referred to the Committee on Finance.

**Senator Franzen introduced—**

**S.F. No. 1324:** A bill for an act relating to transportation; making appropriations for transportation management organizations in the Twin Cities metropolitan area; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Finance.

**Senators Hoffman and Marty introduced—**

**S.F. No. 1325:** A bill for an act relating to game and fish; modifying requirements for certain traps; requiring certain permission for traps and snares set; requiring reporting; requiring license forfeiture for certain violations; providing criminal penalties; amending Minnesota Statutes 2014, sections 97A.421, subdivision 1; 97B.903; proposing coding for new law in Minnesota Statutes, chapter 97B.

Referred to the Committee on Environment and Energy.

**Senators Hawj, Schmit, Scalze, Rosen and Pederson, J. introduced—**

**S.F. No. 1326:** A bill for an act relating to economic development; appropriating money for loans and grants for revitalization and restoration of brownfields.

Referred to the Committee on Finance.

**Senators Wiger, Bonoff, Eken, Nienow and Torres Ray introduced—**

**S.F. No. 1327:** A bill for an act relating to education finance; establishing a global education to workforce initiative program; appropriating money.

Referred to the Committee on Finance.

**Senators Tomassoni, Eaton, Metzen, Goodwin and Carlson introduced—**

**S.F. No. 1328:** A bill for an act relating to employment; enacting the Wage Theft Protection Act; modifying labor standards; classifying data; modifying penalties; creating a new crime; appropriating money; amending Minnesota Statutes 2014, sections 13.7905, by adding a subdivision; 177.23, subdivision 7; 177.25, subdivision 1; 177.253, subdivision 1; 177.254, subdivision 1; 177.27, subdivisions 7, 8, 9, by adding subdivisions; 177.32; 181.032; 541.05, subdivision 1; 541.07; proposing coding for new law in Minnesota Statutes, chapters 177; 181; repealing Minnesota Rules, part 5200.0080, subpart 7.

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

**Senators Eken, Saxhaug, Ingebrigtsen, Jensen and Sparks introduced—**

**S.F. No. 1329:** A bill for an act relating to state government; regulating rulemaking by state agencies; providing process requirements for rules that have substantial economic impact; amending Minnesota Statutes 2014, sections 14.02, by adding a subdivision; 14.05, subdivisions 1, 2; 14.116; 14.127; 14.131; 14.388, subdivision 2; 14.389, subdivision 2; 14.44; 14.45.

Referred to the Committee on State and Local Government.

**Senators Latz, Eaton, Tomassoni, Hoffman and Torres Ray introduced—**

**S.F. No. 1330:** A bill for an act relating to employment; requiring fair scheduling of employee's hours; requiring predictability pay; imposing civil penalties; amending Minnesota Statutes 2014, sections 177.27, subdivisions 4, 7; 181.032; proposing coding for new law in Minnesota Statutes, chapter 181.

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

**Senators Cohen, Pappas, Metzen, Rosen and Hawj introduced—**

**S.F. No. 1331:** A bill for an act relating to capital investment; appropriating money for improvements for the Minnesota Museum of American Art including an integrated education facility; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators Saxhaug and Ruud introduced—**

**S.F. No. 1332:** A bill for an act relating to taxation; property; modifying the requirements for class 1c property; modifying the treatment of leased seasonal-recreational land; amending Minnesota Statutes 2014, sections 272.0213; 273.13, subdivision 22.

Referred to the Committee on Taxes.

**Senators Marty, Cohen, Pappas and Hawj introduced—**

**S.F. No. 1333:** A bill for an act relating to arts and cultural heritage; appropriating money for Como Park Zoo and Conservatory.

Referred to the Committee on Finance.

**Senators Cohen and Bonoff introduced—**

**S.F. No. 1334:** A bill for an act relating to education; appropriating money for College Possible; requiring reports.

Referred to the Committee on Finance.

**Senators Westrom, Gazelka and Stumpf introduced—**

**S.F. No. 1335:** A bill for an act relating to human services; modifying group residential housing by requiring a supplementary service rate for a facility in Stearns County; amending Minnesota Statutes 2014, section 256I.05, by adding a subdivision.

Referred to the Committee on Health, Human Services and Housing.

**Senator Fischbach introduced—**

**S.F. No. 1336:** A bill for an act relating to public employment; prohibiting bonus payments; amending Minnesota Statutes 2014, section 15A.086.

Referred to the Committee on State and Local Government.

**Senator Fischbach introduced—**

**S.F. No. 1337:** A bill for an act relating to clean water; appropriating money for a grant for water treatment equipment.

Referred to the Committee on Finance.

**Senators Rest, Eken, Schmit, Senjem and Dibble introduced—**

**S.F. No. 1338:** A bill for an act relating to transportation; railroads; providing for a railroad assessment; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 219.

Referred to the Committee on Transportation and Public Safety.

**Senator Sieben introduced—**

**S.F. No. 1339:** A bill for an act relating to capital investment; modifying the appropriation of general obligation bond proceeds for the HERO project; amending Laws 2014, chapter 294, article 1, section 15, subdivision 2.

Referred to the Committee on Capital Investment.

**Senators Tomassoni, Hoffman, Saxhaug and Bakk introduced—**

**S.F. No. 1340:** A bill for an act relating to public safety; appropriating money for services for domestic violence victims.

Referred to the Committee on Finance.

**Senator Bakk introduced—**

**S.F. No. 1341:** A bill for an act relating to capital investment; appropriating money for the International Wolf Center in Ely; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senator Metzen introduced—**

**S.F. No. 1342:** A bill for an act relating to retirement; general state employees retirement plan of the Minnesota State Retirement System; authorizing the purchase of allowable service credit for excluded pre-1995 seasonal Department of Revenue employment.

Referred to the Committee on State and Local Government.

**Senator Hayden introduced—**

**S.F. No. 1343:** A bill for an act relating to local government; allowing amortization of certain facilities; amending Minnesota Statutes 2014, section 462.357, subdivision 1c.

Referred to the Committee on State and Local Government.

**Senator Hayden introduced—**

**S.F. No. 1344:** A bill for an act relating to health; amending the lead poisoning prevention act; amending landlord requirements for renting residential property; creating the Dustin Luke Shields Act; amending radon and lead disclosure requirements; providing a property tax benefit for lead hazard reductions; providing a civil cause of action; appropriating funds for lead and healthy homes grants; amending Minnesota Statutes 2014, sections 144.9501, subdivision 2; 273.11, by adding a subdivision; 504B.001, subdivision 14; 504B.161, subdivision 1; 513.57; 513.61; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health, Human Services and Housing.

**Senator Hayden introduced—**

**S.F. No. 1345:** A bill for an act relating to education; examining and developing statewide swimming resources; requiring a report.

Referred to the Committee on Education.

**Senators Sieben, Marty and Hayden introduced—**

**S.F. No. 1346:** A bill for an act relating to elections; providing for automatic voter registration of applicants for a driver's license, instruction permit, or identification card; amending Minnesota Statutes 2014, sections 13.607, by adding a subdivision; 201.161.

Referred to the Committee on Rules and Administration.

**Senator Saxhaug introduced—**

**S.F. No. 1347:** A bill for an act relating to capital investment; appropriating money for renovation of the Itasca Recreation Association Civic Center in Grand Rapids; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators Ingebrigtsen; Bakk; Pederson, J. and Gazelka introduced—**

**S.F. No. 1348:** A bill for an act relating to natural resources; allowing certain vehicle use by hunters in state forests in August; amending Minnesota Statutes 2014, section 84.926, subdivision 4.

Referred to the Committee on Environment and Energy.

**Senators Wiklund, Rosen, Franzen and Cohen introduced—**

**S.F. No. 1349:** A bill for an act relating to health; appropriating money for home visiting system infrastructure and program standards.

Referred to the Committee on Finance.

**Senator Metzen introduced—**

**S.F. No. 1350:** A bill for an act relating to transportation; designating a segment of signed Trunk Highway 149 in Mendota Heights as Officer Scott Patrick Memorial Highway; amending Minnesota Statutes 2014, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation and Public Safety.

**Senator Metzen introduced—**

**S.F. No. 1351:** A bill for an act relating to public safety; creating a Silver Alert system to aid in locating missing persons who are senior citizens with cognitive impairments; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Judiciary.

**Senator Cohen introduced—**

**S.F. No. 1352:** A bill for an act relating to education finance; adjusting the current year aid payment percentage; adjusting the current year special education aid estimated entitlement

percentage; amending Minnesota Statutes 2014, sections 16A.152, subdivision 2; 124D.11, subdivision 9; 127A.45, subdivisions 2, 13.

Referred to the Committee on Finance.

**Senators Sparks, Tomassoni, Stumpf, Dahms and Skoe introduced—**

**S.F. No. 1353:** A bill for an act relating to agriculture; appropriating money for a grant to Second Harvest Heartland.

Referred to the Committee on Finance.

**Senator Rest introduced—**

**S.F. No. 1354:** A bill for an act relating to taxation; Tax Court; making conforming changes; clarifying appropriations; amending Minnesota Statutes 2014, sections 271.08, subdivision 1; 271.21, subdivision 2; Laws 2013, chapter 86, article 1, section 7.

Referred to the Committee on Taxes.

**Senator Rosen introduced—**

**S.F. No. 1355:** A bill for an act relating to energy; modifying certificate of need exemptions; adding facilities eligible for alternative review of site and route permit applications; modifying review timelines; providing for local review; amending Minnesota Statutes 2014, sections 216B.243, subdivision 8; 216E.03, subdivision 9; 216E.04, subdivisions 2, 7; 216F.011; 216F.04; 216F.08; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Environment and Energy.

**Senators Sheran and Lourey introduced—**

**S.F. No. 1356:** A bill for an act relating to human services; providing for human services policy modifications relating to children and family services, chemical and mental health services, direct care and treatment, operations, health care, and continuing care; making changes to child care assistance programs, home and community-based services standards, medical assistance, the alternative care program, Northstar Care for Children, children's therapeutic services and supports, human services licensing provisions, and the community first services and supports program; modifying requirements for background studies; extending a council; modifying the Minnesota Indian Family Preservation Act; making changes to provisions governing child out-of-home placement; modifying reporting requirements for maltreatment of children and vulnerable adults; making technical changes; requiring reports; modifying requirements for administrative sanctions and hearings; authorizing rulemaking; providing criminal penalties; amending Minnesota Statutes 2014, sections 119B.011, subdivision 16; 119B.025, subdivision 1; 119B.09, subdivision 9; 119B.125, subdivisions 1, 6, by adding subdivisions; 144.0724, subdivision 12; 148E.065, subdivision 4a; 168.012, subdivision 1; 245.462, subdivision 4; 245A.02, subdivision 13, by adding subdivisions; 245A.035, subdivisions 1, 5; 245A.04, subdivision 15a; 245A.07, subdivisions 2, 2a; 245A.11, subdivision 4; 245A.12; 245A.13; 245A.16, subdivision 1; 245A.175; 245A.192, subdivision 3, by adding a subdivision; 245A.40, subdivisions 3, 4, 5; 245C.02, subdivision 2;

245C.04, subdivisions 4, 5, 6; 245C.05, subdivision 1; 245C.07; 245C.09, subdivision 1; 245C.10, by adding a subdivision; 245C.20, subdivision 2, by adding a subdivision; 245C.22, subdivision 7; 245D.10, subdivision 3; 245E.01, subdivision 8, by adding a subdivision; 245E.02, subdivisions 1, 4, by adding a subdivision; 245E.06, subdivisions 2, 3; 253B.212, subdivision 2, by adding a subdivision; 254B.05, subdivisions 1, 5; 256.01, subdivisions 4, 14b; 256.045, subdivisions 3, 6; 256.046, subdivision 1; 256.975, subdivision 7; 256B.0625, subdivision 31, by adding a subdivision; 256B.0911, subdivisions 1a, 2b, 3, 3a; 256B.0913, subdivisions 4, 5, 5a, 6, 10, 11, 12, by adding a subdivision; 256B.0943, subdivisions 1, 2, 3, 4, 5, 6, 9, 11; 256B.0946, subdivision 1; 256B.0947, subdivision 7a; 256B.85; 256N.02, subdivision 18; 256N.23, subdivision 6; 257.85, subdivision 3; 259A.01, subdivision 25; 259A.10, subdivision 6; 260.755, subdivisions 8, 14, by adding subdivisions; 260.761, subdivisions 1, 2; 260.771, subdivision 3; 260B.007, subdivision 12; 260C.007, subdivision 27, by adding a subdivision; 260C.168; 260C.178, subdivision 1; 260C.201, subdivision 5; 260C.212, subdivisions 1, 2; 260C.511; 402A.12; 402A.16, subdivisions 2, 4; 402A.18; 471.346; 609.821; 626.556, subdivisions 7, 10, 11d; 626.557, subdivisions 9a, 9b, 10; 626.5572, subdivisions 5, 6, 21; Laws 2013, chapter 108, article 7, section 58; proposing coding for new law in Minnesota Statutes, chapters 245; 245A; 256; 256B; 260; 609; repealing Minnesota Statutes 2014, sections 245D.061, subdivision 3; 245E.07, subdivision 3; Minnesota Rules, parts 9505.0175, subpart 32; 9505.0365, subpart 2; 9505.1696, subpart 10; 9505.1709; 9535.2000; 9535.2100; 9535.2200; 9535.2300; 9535.2400; 9535.2500; 9535.2600; 9535.2700; 9535.2800; 9535.2900; 9535.3000; 9555.7400; 9555.7500.

Referred to the Committee on Health, Human Services and Housing.

**Senators Dibble, Benson, Rosen and Tomassoni introduced—**

**S.F. No. 1357:** A bill for an act relating to energy; clarifying definitions pertaining to energy facilities; amending Minnesota Statutes 2014, sections 216H.01, by adding a subdivision; 216H.03, subdivision 1.

Referred to the Committee on Environment and Energy.

**Senator Petersen, B. introduced—**

**S.F. No. 1358:** A bill for an act relating to public safety; prohibiting state and local units of government and law enforcement agencies from acquiring military grade weapons from the Pentagon's 1033 program; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Judiciary.

**Senator Wiklund introduced—**

**S.F. No. 1359:** A bill for an act relating to state government; regulating agency rulemaking; permitting the use of electronic notices and documents; amending Minnesota Statutes 2014, sections 14.05, by adding a subdivision; 14.07, subdivision 6; 14.08; 14.116; 14.131; 14.14, subdivision 1a; 14.16, subdivision 3; 14.22, subdivision 1; 14.23; 14.25, subdivision 1; 14.26, subdivision 3, by adding a subdivision; 14.386; 14.389, subdivision 2; 14.3895, subdivision 3.

Referred to the Committee on State and Local Government.

**Senator Wiklund introduced—**

**S.F. No. 1360:** A bill for an act relating to state government; permitting electronic filing for hearings in contested cases at the Office of Administrative Hearings; amending Minnesota Statutes 2014, section 14.58.

Referred to the Committee on State and Local Government.

**Senator Pappas introduced—**

**S.F. No. 1361:** A bill for an act relating to family law; establishing a cooperative private divorce program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 518.

Referred to the Committee on Judiciary.

**Senators Eaton, Marty, Goodwin, Rosen and Hoffman introduced—**

**S.F. No. 1362:** A bill for an act relating to public safety; requiring driving only vehicles with ignition interlock as a condition of pretrial release and probation for DWI; requiring the use of ignition interlock for all DWI and CVO offenders to become relicensed; amending DWI revocation and cancellation periods; requiring ignition interlock devices be equipped with a camera and GPS; amending ignition interlock licensing; amending licensing reinstatement fees for DWI; amending penalties for driving without a license after a DWI; appropriating funds; amending Minnesota Statutes 2014, sections 169A.283, subdivision 1; 169A.44, subdivision 1; 169A.52, subdivisions 3, 4; 169A.54, subdivision 1; 169A.55, subdivisions 2, 4, 5; 171.24, by adding a subdivision; 171.29; 171.30, subdivisions 1, 2a, 5; 171.306, subdivisions 2, 4; 299A.705, subdivision 2; repealing Minnesota Statutes 2014, section 169A.54, subdivision 2.

Referred to the Committee on Judiciary.

**Senator Nienow introduced—**

**S.F. No. 1363:** A bill for an act relating to public safety; requiring law enforcement agencies to comply with federal immigration detainers; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on Judiciary.

**Senators Kent, Miller, Wiklund, Brown and Wiger introduced—**

**S.F. No. 1364:** A bill for an act relating to education; establishing a grant program to increase student support services personnel in Minnesota schools; establishing a grant program to provide funding for postsecondary institutions that train student support services personnel; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 121A.

Referred to the Committee on Finance.

**Senators Thompson; Petersen, B. and Newman introduced—**

**S.F. No. 1365:** A bill for an act relating to local government; prohibiting local governments from using the power of eminent domain to acquire real property for parks and recreational space; amending Minnesota Statutes 2014, sections 368.01, subdivision 27; 373.01, by adding a subdivision; 383A.07, subdivisions 1, 16, 17; 383A.554; 383B.72; 398.08; 398.09; 398.32, subdivision 1; 412.211; 448.03; 465.01; 465.15; 465.16.

Referred to the Committee on State and Local Government.

**Senator Nelson introduced—**

**S.F. No. 1366:** A bill for an act relating to human services; modifying certain family child care training requirements; amending Minnesota Statutes 2014, section 245A.50, subdivisions 2, 9.

Referred to the Committee on Health, Human Services and Housing.

**Senator Nelson introduced—**

**S.F. No. 1367:** A bill for an act relating to human services; modifying attendance records requirements for family child care providers; amending Minnesota Statutes 2014, section 245A.14, subdivision 14.

Referred to the Committee on Health, Human Services and Housing.

**Senators Carlson, Hoffman, Lourey and Nelson introduced—**

**S.F. No. 1368:** A bill for an act relating to health; regulating the practice of orthotics, prosthetics, and pedorthics; requiring licensure; establishing fees; proposing coding for new law as Minnesota Statutes, chapter 153B.

Referred to the Committee on Health, Human Services and Housing.

**Senator Thompson introduced—**

**S.F. No. 1369:** A bill for an act relating to taxation; property; aids to local governments; repealing aquatic invasive species aid; repealing Minnesota Statutes 2014, section 477A.19.

Referred to the Committee on Taxes.

**MOTIONS AND RESOLUTIONS**

Senator Saxhaug moved that the name of Senator Hawj be added as a co-author to S.F. No. 22. The motion prevailed.

Senator Nelson moved that her name be stricken as a co-author to S.F. No. 282. The motion prevailed.

Senator Petersen, B. moved that the name of Senator Fischbach be added as a co-author to S.F. No. 522. The motion prevailed.

Senator Petersen, B. moved that the name of Senator Pederson, J. be added as a co-author to S.F. No. 544. The motion prevailed.

Senator Lourey moved that his name be stricken as a co-author to S.F. No. 574. The motion prevailed.

Senator Lourey moved that his name be stricken as a co-author to S.F. No. 575. The motion prevailed.

Senator Eaton moved that the name of Senator Pederson, J. be added as a co-author to S.F. No. 889. The motion prevailed.

Senator Carlson moved that the name of Senator Metzen be added as a co-author to S.F. No. 986. The motion prevailed.

Senator Hayden moved that the name of Senator Rosen be added as a co-author to S.F. No. 1012. The motion prevailed.

Senator Dahle moved that the name of Senator Stumpf be added as a co-author to S.F. No. 1017. The motion prevailed.

Senator Saxhaug moved that the name of Senator Pederson, J. be added as a co-author to S.F. No. 1121. The motion prevailed.

Senator Hoffman moved that the name of Senator Dziezic be added as a co-author to S.F. No. 1153. The motion prevailed.

Senator Sparks moved that the name of Senator Dahms be added as a co-author to S.F. No. 1158. The motion prevailed.

Senator Hayden moved that the name of Senator Dziezic be added as a co-author to S.F. No. 1201. The motion prevailed.

Senator Dziezic moved that the name of Senator Nelson be added as a co-author to S.F. No. 1217. The motion prevailed.

Senator Champion moved that the name of Senator Dziezic be added as a co-author to S.F. No. 1258. The motion prevailed.

Senator Carlson moved that the name of Senator Metzen be added as a co-author to S.F. No. 1268. The motion prevailed.

Senator Stumpf moved that the name of Senator Dziezic be added as a co-author to S.F. No. 1280. The motion prevailed.

Senator Stumpf moved that the name of Senator Dziezic be added as a co-author to S.F. No. 1281. The motion prevailed.

Senator Wiklund moved that the name of Senator Hoffman be added as a co-author to S.F. No. 1291. The motion prevailed.

Senator Ortman moved that the name of Senator Champion be added as a co-author to S.F. No. 1294. The motion prevailed.

Senator Bakk moved that the name of Senator Benson be added as a co-author to S.F. No. 1304. The motion prevailed.

Senator Brown moved that S.F. No. 246 be withdrawn from the Committee on State and Local Government and returned to its author. The motion prevailed.

Senator Dziejdzic moved that S.F. No. 1192 be withdrawn from the Committee on Health, Human Services and Housing and re-referred to the Committee on Judiciary. The motion prevailed.

**Senators Champion, Hayden, Latz and Cohen introduced –**

**Senate Resolution No. 85:** A Senate resolution honoring Alan C. Page.

Referred to the Committee on Rules and Administration.

Senator Wiklund moved that S.F. No. 504 be withdrawn from the Committee on Finance, given a second reading, and placed on General Orders. The motion prevailed.

S.F. No. 504 was read the second time.

**SPECIAL ORDERS**

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

S.F. Nos. 128, 337 and 578.

**SPECIAL ORDER**

**S.F. No. 128:** A bill for an act relating to civil commitment; clarifying the alternative to use of interactive video conference in civil commitment hearings; amending Minnesota Statutes 2014, sections 253B.08, subdivision 2a; 253B.12, subdivision 2a; 253D.28, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

**S.F. No. 337:** A bill for an act relating to education; making a technical change to conform the definition of directory information with federal law; amending Minnesota Statutes 2014, section 13.32, subdivision 5.

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 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

**S.F. No. 578:** A bill for an act relating to trusts; establishing the Minnesota Trust Code; recodifying certain provisions; modifying power of appointments; making conforming and technical changes; amending Minnesota Statutes 2014, sections 48.01, subdivision 2; 48A.07, subdivision 6; 317A.161, subdivision 24; 353.95, subdivision 4; 500.17, subdivision 2; 501B.31, subdivisions 2, 4, 5; 501B.41, subdivision 3; 501B.46; 508.62; 508A.62; 524.2-804, subdivision 1; 524.5-417; 529.06; 529.12; 529.14; 541.05, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 502; 507; proposing coding for new law as Minnesota Statutes, chapter 501C; repealing Minnesota Statutes 2014, sections 501B.01; 501B.012; 501B.02; 501B.03; 501B.04; 501B.05; 501B.06; 501B.07; 501B.08; 501B.09; 501B.12; 501B.13; 501B.14; 501B.15; 501B.151; 501B.152; 501B.154; 501B.155; 501B.16; 501B.17; 501B.18; 501B.19; 501B.20; 501B.21; 501B.22; 501B.23; 501B.24; 501B.25; 501B.56; 501B.561; 501B.57; 501B.571; 501B.59; 501B.60; 501B.61; 501B.62; 501B.63; 501B.64; 501B.65; 501B.665; 501B.67; 501B.68; 501B.69; 501B.705; 501B.71; 501B.72; 501B.73; 501B.74; 501B.75; 501B.76; 501B.79; 501B.80; 501B.81; 501B.82; 501B.87; 501B.88; 501B.89; 501B.895; 501B.90; 502.62; 502.63; 502.64; 502.65; 502.66; 502.67; 502.68; 502.69; 502.70; 502.71; 502.72; 502.73; 502.74; 502.75; 502.76; 502.77; 502.78; 502.79.

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

So the bill passed and its title was agreed to.

### RECESS

Senator Bakk moved that the Senate do now recess until 6:30 p.m. The motion prevailed.

The hour of 6:30 p.m. having arrived, the President called the Senate to order.

### CALL OF THE SENATE

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

### MOTIONS AND RESOLUTIONS - CONTINUED

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

### REPORTS OF COMMITTEES

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

#### **Senator Marty from the Committee on Environment and Energy, to which was referred**

**S.F. No. 1215:** A bill for an act relating to health; prohibiting the use of certain flame-retardant chemicals in certain products; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Page 1, after line 18, insert:

"(e) "Residential textile" means a textile designed for use in the home or places of lodging as a covering on windows, walls, or floors. Residential textile includes carpeting and carpet padding."

Page 1, line 21, after the second comma, insert "residential textile,"

Page 2, line 15, after the second comma, insert "residential textile,"

And when so amended the bill do pass and be re-referred to the Committee on Health, Human Services and Housing. Amendments adopted. Report adopted.

**Senator Marty from the Committee on Environment and Energy, to which was referred**

**S.F. No. 1158:** A bill for an act relating to natural resources; modifying funding of soil and water conservation districts; providing that county levies for soil and water conservation districts are special taxing district levies; appropriating money for soil and water conservation district grants; amending Minnesota Statutes 2014, sections 275.066; 275.07, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 103C.

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

Delete everything after the enacting clause and insert:

"Section 1. **[103C.333] COUNTY LEVY AUTHORITY; SPECIAL TAXING DISTRICT OPTION.**

A county levying under section 103C.331, subdivision 16, may separately certify that amount, and the auditor shall extend that levy as a special taxing district levy under sections 275.066 and 275.07, subdivision 1, paragraph (b). A county separately certifying the amount of the levy under section 103C.331, subdivision 16, shall not include any taxes levied under those authorities in the levy certified under section 275.07, subdivision 1, paragraph (a).

Sec. 2. Minnesota Statutes 2014, section 275.066, is amended to read:

**275.066 SPECIAL TAXING DISTRICTS; DEFINITION.**

For the purposes of property taxation and property tax state aids, the term "special taxing districts" includes the following entities:

- (1) watershed districts under chapter 103D;
- (2) sanitary districts under sections 442A.01 to 442A.29;
- (3) regional sanitary sewer districts under sections 115.61 to 115.67;
- (4) regional public library districts under section 134.201;
- (5) park districts under chapter 398;
- (6) regional railroad authorities under chapter 398A;
- (7) hospital districts under sections 447.31 to 447.38;
- (8) St. Cloud Metropolitan Transit Commission under sections 458A.01 to 458A.15;
- (9) Duluth Transit Authority under sections 458A.21 to 458A.37;
- (10) regional development commissions under sections 462.381 to 462.398;
- (11) housing and redevelopment authorities under sections 469.001 to 469.047;
- (12) port authorities under sections 469.048 to 469.068;
- (13) economic development authorities under sections 469.090 to 469.1081;
- (14) Metropolitan Council under sections 473.123 to 473.549;
- (15) Metropolitan Airports Commission under sections 473.601 to 473.679;

- (16) Metropolitan Mosquito Control Commission under sections 473.701 to 473.716;
- (17) Morrison County Rural Development Financing Authority under Laws 1982, chapter 437, section 1;
- (18) Croft Historical Park District under Laws 1984, chapter 502, article 13, section 6;
- (19) East Lake County Medical Clinic District under Laws 1989, chapter 211, sections 1 to 6;
- (20) Floodwood Area Ambulance District under Laws 1993, chapter 375, article 5, section 39;
- (21) Middle Mississippi River Watershed Management Organization under sections 103B.211 and 103B.241;
- (22) emergency medical services special taxing districts under section 144F.01;
- (23) a county levying under the authority of section 103B.241, 103B.245, or 103B.251;
- (24) a county levying under the authority of section 103C.331, subdivision 16, as a special taxing district pursuant to section 103C.333;
- (25) Southern St. Louis County Special Taxing District; Chris Jensen Nursing Home under Laws 2003, First Special Session chapter 21, article 4, section 12;
- ~~(25)~~ (26) an airport authority created under section 360.0426; and
- ~~(26)~~ (27) any other political subdivision of the state of Minnesota, excluding counties, school districts, cities, and towns, that has the power to adopt and certify a property tax levy to the county auditor, as determined by the commissioner of revenue.

Sec. 3. Minnesota Statutes 2014, section 275.07, subdivision 1, is amended to read:

Subdivision 1. **Certification of levy.** (a) Except as provided under paragraph (b), the taxes voted by cities, counties, school districts, and special districts shall be certified by the proper authorities to the county auditor on or before five working days after December 20 in each year. A town must certify the levy adopted by the town board to the county auditor by September 15 each year. If the town board modifies the levy at a special town meeting after September 15, the town board must recertify its levy to the county auditor on or before five working days after December 20. If a city, town, county, school district, or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year.

(b)(i) The taxes voted by counties under sections 103B.241, 103B.245, and 103B.251; and the taxes voted by counties under section 103C.331, subdivision 16, as a special taxing district levy pursuant to section 103C.333, shall be separately certified by the county to the county auditor on or before five working days after December 20 in each year. The taxes certified shall not be reduced by the county auditor by the aid received under section 273.1398, subdivision 3. If a county fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year.

(ii) For purposes of the proposed property tax notice under section 275.065 and the property tax statement under section 276.04, for the first year in which the county implements the provisions of this paragraph, the county auditor shall reduce the county's levy for the preceding year to reflect any amount levied for water management or soil and water conservation district purposes under clause (i) included in the county's levy.

Sec. 4. **APPROPRIATION.**

\$11,000,000 in fiscal year 2016 and \$11,000,000 in fiscal year 2017 are appropriated from the general fund to the Board of Water and Soil Resources for payments to soil and water conservation districts for the purposes of Minnesota Statutes, sections 103C.321 and 103C.331. From the appropriation, each soil and water conservation district shall receive a base amount of \$40,000. Money remaining after the base amount is available for matching grants to soil and water conservation districts up to a maximum of \$50,000 per district and shall be at a rate of \$1.25 in state matching grants for each \$1 of county allocation. Money remaining after the previous matching grants are allocated is available for matching grants to soil and water conservation districts and shall be at a rate of up to 65 cents in state matching grants for each \$1 of county allocation. The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's allocation to a soil and water conservation district from the county's previous-year allocation when the board determines that the reduction was disproportionate."

Amend the title as follows:

Page 1, line 3, delete "are" and insert "may be levied as"

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

**Senator Marty from the Committee on Environment and Energy, to which was referred**

**S.F. No. 708:** A bill for an act relating to natural resources; providing for audits and reviews of soil and water conservation districts; amending Minnesota Statutes 2014, sections 103C.331, subdivision 16; 103C.401, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes. Report adopted.

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

**S.F. No. 107:** A bill for an act relating to health care; requiring a hospital to provide a patient the opportunity to designate a caregiver upon entry to the hospital; requiring a hospital to provide a discharge plan and aftercare instructions to a designated caregiver prior to discharge; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Page 4, line 5, before "private" insert "separate"

Page 4, line 6, after "existing" insert "duties,"

Page 4, line 7, after "rights" insert a comma and delete everything after the period

Page 4, delete line 8

Page 4, line 9, delete everything before the period and insert "This section does not establish a separate standard of care for use in an action against a hospital, health care facility, or health care provider"

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

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

**S.F. No. 857:** A bill for an act relating to public safety; establishing a working group to study and make recommendations on establishing a Silver Alert system; requiring a report.

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

Page 1, line 21, delete "Traumatic Brain Injury Organization" and insert "Minnesota Brain Injury Alliance"

Page 1, line 22, after "represented" insert ", including multicultural perspectives"

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

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

**S.F. No. 618:** A bill for an act relating to agriculture; providing for the development and regulation of an industrial hemp industry; authorizing industrial hemp research; requiring rulemaking; providing a defense for possession of industrial hemp; modifying the definitions of marijuana and wild hemp; appropriating money; amending Minnesota Statutes 2014, sections 18J.01; 18J.02; 18J.03; 18J.04, subdivisions 1, 2, 3, 4; 18J.05, subdivisions 1, 2, 6; 18J.06; 18J.07, subdivisions 3, 4, 5; 18J.09; 18J.11, subdivision 1, by adding a subdivision; 152.01, subdivision 9; 375.30, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 18K.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government. Report adopted.

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

**S.F. No. 464:** A bill for an act relating to public safety; making technical and other necessary changes to Minnesota Statutes resulting from repeal of outdated and redundant statutes relating to public safety; amending Minnesota Statutes 2014, sections 299C.35; 299C.38; 299C.46, subdivisions 2, 2a; 352B.011, subdivision 10; 611A.31, subdivision 1; 611A.33; 611A.35; repealing Minnesota Statutes 2014, section 299C.36.

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

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

**S.F. No. 675:** A bill for an act relating to local government; authorizing the appointment of specified county offices; amending Minnesota Statutes 2014, sections 375.08; 375A.10, subdivision 5; 375A.12, subdivision 2; 382.01; 382.02; proposing coding for new law in Minnesota Statutes, chapter 375A.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Rules and Administration. Report adopted.

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

**S.F. No. 666:** A bill for an act relating to business organizations; modifying conversion provisions; amending Minnesota Statutes 2014, sections 66A.02, subdivision 4; 302A.011, subdivisions 19, 22, 63, 64, 68, by adding a subdivision; 302A.471, subdivision 1; 302A.691; 302A.692; 322B.03, subdivision 37, by adding subdivisions; 322B.383, subdivision 1; 322C.0105,

subdivision 2, by adding a subdivision; 322C.0110, subdivisions 4, 7; 322C.0201, subdivision 2; 322C.0203, subdivision 1; 322C.0404, subdivision 1; 322C.0407, subdivisions 1, 4; 322C.0408, subdivision 6; 322C.0410, subdivision 2; 322C.0502, subdivision 4; 322C.0902; 322C.1001, subdivisions 11, 12; 322C.1007; 322C.1009; 322C.1101, subdivision 5; 322C.1204, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 302A; 322B; repealing Minnesota Statutes 2014, sections 302A.681; 302A.683; 302A.685; 302A.687; 302A.689; 322B.78; Laws 2014, chapter 157, article 2, sections 10; 11; 12; 13; 14; 15; 16; 30.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

**Senator Wiger from the Committee on Education, to which was referred**

**S.F. No. 597:** A bill for an act relating to education; integrating service-learning into Minnesota's education system; establishing an evidence-based service-learning grant program; providing for a task force on teacher preparation and licensure requirements related to service learning; appropriating money; amending Minnesota Statutes 2014, section 124D.50, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 124D.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government. Report adopted.

**Senator Wiger from the Committee on Education, to which was referred**

**S.F. No. 488:** A bill for an act relating to education; creating a new intermediate school district in Carver, Scott, and Le Sueur counties; proposing coding for new law in Minnesota Statutes, chapter 136D.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

**Senator Wiger from the Committee on Education, to which was referred**

**S.F. No. 630:** A bill for an act relating to education; qualifying certain homeless children for early educational services; amending Minnesota Statutes 2014, section 125A.02, subdivision 1a.

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

Page 1, after line 15, insert:

"Sec. 2. APPROPRIATION; HOMELESSNESS.

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

Subd. 2. Homelessness. For the department to provide training on homelessness and its associated experiences:

\$	50,000	.....	2016
\$	50,000	.....	2017

The department must provide training to Part C early intervention staff members at the state and school district levels and interagency early intervention committees.

Any balance in the first year does not cancel but is available in the second year."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "appropriating money;"

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

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

**S.F. No. 933:** A bill for an act relating to agriculture; providing an income tax credit for sales or rentals of agricultural assets to beginning farmers; providing an income tax credit for beginning farmer financial management programs; modifying the beginning farmer program administered by the Rural Finance Authority; amending Minnesota Statutes 2014, section 290.06, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 41B.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes. Report adopted.

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

**S.F. No. 820:** A bill for an act relating to agriculture; creating the Agriculture Research, Education, and Technology Transfer Board; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 41A.

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

Delete everything after the enacting clause and insert:

**"Section 1. [41A.14] AGRICULTURE RESEARCH, EDUCATION, EXTENSION, AND TECHNOLOGY TRANSFER BOARD.**

Subdivision 1. **Creation.** (a) The Agriculture Research, Education, Extension, and Technology Transfer Board is created and consists of the following members:

- (1) the commissioner of agriculture;
- (2) the dean of the College of Food, Agricultural and Natural Resource Sciences at the University of Minnesota;
- (3) one person representing the Minnesota State Colleges and Universities system;
- (4) two persons representing statewide agriculture organizations;
- (5) a person representing a statewide agriculture industry organization;
- (6) a representative of each of the state and federal agricultural commodity groups; and
- (7) a person representing an association of primary manufacturers of forest products.

The commissioner and the dean shall be cochairs. The commissioner, the dean, and the representative of the Minnesota State Colleges and Universities system are nonvoting members of the board.

(b) Members under paragraph (a), clauses (3) to (7), shall be chosen by their respective organizations. The commissioner shall not provide daily or expense compensation for board members.

(c) The commissioner shall provide administrative services for the board and act as its fiscal agent.

Subd. 2. **Duties; grants.** The board shall provide for investments that will most efficiently achieve long-term agricultural productivity increases through improved infrastructure, vision, and accountability. Priority shall be given to human infrastructure. The board shall provide grants for:

(1) agricultural research and technology transfer needs and recipients including, but not limited to, agricultural research and extension at the University of Minnesota, research and outreach centers, the College of Food, Agricultural and Natural Resource Sciences, the Minnesota Agricultural Experiment Station, University of Minnesota Extension, the University of Minnesota Veterinary School, the Veterinary Diagnostic Laboratory, the Stakman-Borlaug Center, and the Minnesota Agriculture Fertilizer Research and Education Council;

(2) agriculture rapid response for plant and animal diseases and pests; and

(3) agricultural education including, but not limited to, the Minnesota Agriculture Education Leadership Council, farm business management, mentoring programs, graduate debt forgiveness, and high school programs.

Subd. 3. **Fund.** An agriculture research, education, extension, and technology transfer fund is created in the state treasury. The fund consists of money received in the form of gifts, grants, reimbursement, or appropriations from any source for any of the purposes provided in subdivision 2, and any interest or earnings of the fund. Money in the fund is appropriated to the commissioner of agriculture for the purposes under subdivision 2.

Sec. 2. **APPROPRIATION; TRANSFER.**

(a) \$18,750,000 in fiscal year 2016 and \$18,750,000 in fiscal year 2017 are appropriated from the general fund to the commissioner of agriculture for transfer to the fund created in Minnesota Statutes, section 41A.14, subdivision 3. Of these amounts:

(1) at least \$2,000,000 each year is for agriculture rapid response under Minnesota Statutes, section 41A.14, subdivision 2, clause (2); and

(2) at least \$2,400,000 each year is for agricultural education under Minnesota Statutes, section 41A.14, subdivision 2, clause (3).

(b) The commissioner may use a portion of the appropriations only for direct expenses incurred by the commissioner to provide administrative services and act as the fiscal agent for the board under Minnesota Statutes, section 41A.14, subdivision 1, paragraph (c).

(c) To the extent practicable, funds expended under Minnesota Statutes, section 41A.14, subdivision 2, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding."

Delete the title and insert:

"A bill for an act relating to agriculture; creating the Agriculture Research, Education, Extension, and Technology Transfer Board; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 41A."

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

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

**S.F. No. 961:** A bill for an act relating to education finance; establishing an agricultural educator grant program; appropriating money.

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

Page 1, line 8, delete "extension programs" and insert "extended projects" and delete everything after the period

Page 1, delete line 9

Page 1, line 15, delete "30" and insert "40"

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

**Senator Metzger from the Committee on Commerce, to which was referred**

**S.F. No. 138:** A bill for an act relating to securities regulation; providing an exemption from regulation for crowdfunding transactions; proposing coding for new law in Minnesota Statutes, chapter 80A.

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

Delete everything after the enacting clause and insert:

"Section 1. [80A.461] MNVEST REGISTRATION EXEMPTION.

Subdivision 1. Definitions. (a) For purposes of this section, the terms defined in paragraphs (b) through (e) have the meanings given them.

(b) "MNvest issuer" means an entity organized under the laws of Minnesota, other than a general partnership, that satisfies the requirements of Code of Federal Regulations, title 17, part 230.147, and the following requirements:

(1) the principal office of the entity is located in Minnesota;

(2) as of the last day of the most recent semiannual fiscal period of the entity, at least 80 percent, or other threshold permitted by Code of Federal Regulations, title 17, part 230.147, of the entity's assets were located in Minnesota;

(3) except in the case of an entity whose gross revenue during the most recent period of 12 full months did not exceed \$5,000, the entity derived at least 80 percent, or other threshold permitted by Code of Federal Regulations, title 17, part 230.147, of the entity's gross revenues from the operation of a business in Minnesota during (i) the previous fiscal year, if the MNvest offering begins during the first six months of the entity's fiscal year; or (ii) during the 12 months ending on the last day of

the sixth month of the entity's current fiscal year, if the MNvest offering begins following the last day;

(4) the entity does not attempt to limit its liability, or the liability of any other person, for fraud or intentional misrepresentation in connection with the offering of its securities in a MNvest offering; and

(5) the entity is not:

(i) engaged in the business of investing, reinvesting, owning, holding, or trading in securities, except that the entity may hold securities of one class in an entity that is not itself engaged in the business of investing, reinvesting, owning, holding, or trading in securities; or

(ii) subject to the reporting requirements of the Securities and Exchange Act of 1934, section 13 or section 15(d), United States Code, title 15, section 78m and section 78o(d).

(c) "MNvest offering" means an offer, or an offer and sale, of securities by a MNvest issuer that: (1) is conducted exclusively through a MNvest portal and (2) satisfies the requirements of this section and other requirements the administrator imposes by rule.

(d) "MNvest portal" means an Internet Web site that is operated by a portal operator for the offer or sale of MNvest offerings under this section or registered securities under section 80A.50, paragraph (b), and satisfies the requirements of subdivision 6.

(e) "Portal operator" means an entity, including an issuer, that:

(1) is authorized to do business in Minnesota;

(2) is a broker-dealer registered under this chapter or otherwise registers with the administrator as a portal operator in accordance with subdivision 7, paragraph (a), and is therefore excluded from broker-dealer registration; and

(3) satisfies such other conditions as the administrator may determine.

Subd. 2. **Generally.** The offer, sale, and issuance of securities in a MNvest offering is exempt from the requirements of sections 80A.49 to 80A.54, except 80A.50, paragraph (a), clause (3), and 80A.71, if the issuer meets the qualifications under this section.

Subd. 3. **MNvest offering.** (a) A MNvest offering must satisfy the following requirements:

(1) the issuer must be a MNvest issuer on the date that its securities are first offered for sale in the offering and continuously through the closing of the offering;

(2) the offering must meet the requirements of the federal exemption for intrastate offerings in section 3(a)(11) of the Securities Act of 1933, United States Code, title 15, section 77c (a)(11), and Rule 147 adopted under the Securities Act of 1933, Code of Federal Regulations, title 17, part 230.147;

(3) the sale of securities must be conducted exclusively through a MNvest portal;

(4) the MNvest issuer shall require the portal operator to provide or make available to prospective purchasers through the MNvest portal a copy of the MNvest issuer's balance sheet and income statement for the MNvest issuer's most recent fiscal year, if the issuer was in existence. For offerings beginning more than 90 days after the issuer's most recent fiscal year end, or if the MNvest issuer

was not in existence the previous calendar year, the MNvest issuer must provide or make available a balance sheet as of a date not more than 90 days before the commencement of the MNvest offering for the MNvest issuer's most recently completed fiscal year, or such shorter portion the MNvest issuer was in existence during that period, and the year-to-date period, or inception-to-date period, if shorter, corresponding with the more recent balance sheet required by this clause;

(5) in any 12-month period, the MNvest issuer shall not raise more than the aggregate amounts set forth in item (i) or (ii), either in cash or other consideration, in connection with one or more MNvest offerings:

(i) \$2,000,000 if the financial statements described in clause (4) have been (1) audited by a public accountant who is independent of the MNvest issuer using auditing standards issued by either the American Institute of Certified Public Accountants or the Public Company Oversight Board, or (2) reviewed by a public accountant who is independent of the MNvest issuer using the Statements on Standards for Accounting and Review Services issued by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants; or

(ii) \$1,000,000 if the financial statements described in clause (4) have not been audited or reviewed as described in item (i);

(6) the MNvest issuer must use at least 80 percent of the net proceeds of the offering in connection with the operation of its business within Minnesota;

(7) no single purchaser may purchase more than \$10,000 in securities of the MNvest issuer under this exemption in connection with a single MNvest offering unless the purchaser is an accredited investor;

(8) all payments for the purchase of securities must be held in escrow until the aggregate capital deposited into escrow from all purchasers is equal to or greater than the stated minimum offering amount. Purchasers will receive a return of all their subscription funds if the minimum offering amount is not raised by the stipulated expiration date required in subdivision 4, clause (2). The escrow agent must be a bank, regulated trust company, savings bank, savings association, or credit union authorized to do business in Minnesota. Prior to the execution of the escrow agreement between the issuer and the escrow agent, the escrow agent must conduct searches of the issuer, its executive officers, directors, governors, and managers against the Specially Designated Nationals list maintained by the Office of Foreign Assets Control. The escrow agent is only responsible to act at the direction of the party establishing the escrow account and does not have a duty or liability, contractual or otherwise, to an investor or other person except as set forth in the applicable escrow agreement or other contract;

(9) the MNvest issuer shall require the portal operator to make available to the prospective purchaser through the MNvest portal a disclosure document that meets the requirements set forth in subdivision 4;

(10) before selling securities to a prospective purchaser on a MNvest portal, the MNvest issuer shall require the portal operator to obtain from the prospective purchaser the certification required under subdivision 5;

(11) not less than ten days before the beginning of an offering of securities in reliance on the exemption under this section, the MNvest issuer shall provide the following to the administrator:

(i) a notice of claim of exemption from registration, specifying that the MNvest issuer will be conducting an offering in reliance on the exemption under this section;

(ii) a copy of the disclosure document to be provided to prospective purchasers in connection with the offering, as described in subdivision 4; and

(iii) a filing fee of \$300; and

(12) the MNvest issuer and the portal operator may engage in solicitation and advertising of the MNvest offering provided that:

(i) the advertisement contains disclaiming language which clearly states:

(A) the advertisement is not the offer and is for informational purposes only;

(B) the offering is being made in reliance on the exemption under this section;

(C) the offering is directed only to residents of the state;

(D) all offers and sales are made through a MNvest portal; and

(E) the Department of Commerce is the securities regulator in Minnesota;

(ii) along with the disclosures required under item (i), the advertisement may contain no more than the following information:

(A) the name and contact information of the MNvest issuer;

(B) a brief description of the general type of business of the MNvest issuer;

(C) the minimum offering amount the MNvest issuer is attempting to raise through its offering;

(D) a description of how the issuer will use the funds raised through the MNvest offering;

(E) the duration that the MNvest offering will remain open;

(F) the MNvest issuer's logo; and

(G) a link to the MNvest issuer's Web site and the MNvest portal in which the MNvest offering is being made;

(iii) the advertisement complies with all applicable state and federal laws.

**Subd. 4. Required disclosures to prospective MNvest offering purchasers.** The MNvest issuer shall require the portal operator to make available to the prospective purchaser through the MNvest portal a printable or downloadable disclosure document containing the following:

(1) the MNvest issuer's type of entity, the address and telephone number of its principal office, its formation history for the previous five years, a summary of the material facts of its business plan and its capital structure, and its intended use of the offering proceeds, including any amounts to be paid from the proceeds of the MNvest offering, as compensation or otherwise, to an owner, executive officer, director, governor, manager, member, or other person occupying a similar status or performing similar functions on behalf of the MNvest issuer;

(2) the MNvest offering must stipulate the date on which the offering will expire, which must not be longer than 12 months from the date the MNvest offering commenced;

(3) a copy of the escrow agreement between the escrow agent, the MNvest issuer, and, if applicable, the portal operator, as described in subdivision 3, clause (8);

(4) the financial statements required under subdivision 3, clause (4);

(5) the identity of all persons owning more than ten percent of any class of equity interests in the company;

(6) the identity of the executive officers, directors, governors, managers, members, and other persons occupying a similar status or performing similar functions in the name of and on the behalf of the MNvest issuer, including their titles and their relevant experience;

(7) the terms and conditions of the securities being offered, a description of investor exit strategies, and of any outstanding securities of the MNvest issuer; the minimum and maximum amount of securities being offered; either the percentage economic ownership of the MNvest issuer represented by the offered securities, assuming the minimum and, if applicable, maximum number of securities being offered is sold, or the valuation of the MNvest issuer implied by the price of the offered securities; the price per share, unit, or interest of the securities being offered; any restrictions on transfer of the securities being offered; and a disclosure that any future issuance of securities might dilute the value of securities being offered;

(8) the identity of and consideration payable to a person who has been or will be retained by the MNvest issuer to assist the MNvest issuer in conducting the offering and sale of the securities, including a portal operator, but excluding (i) persons acting primarily as accountants or attorneys, and (ii) employees whose primary job responsibilities involve operating the business of the MNvest issuer rather than assisting the MNvest issuer in raising capital;

(9) a description of any pending material litigation, legal proceedings, or regulatory action involving the MNvest issuer or any executive officers, directors, governors, managers, members, and other persons occupying a similar status or performing similar functions in the name of and on behalf of the MNvest issuer;

(10) a statement of the material risks unique to the MNvest issuer and its business plans;

(11) a statement that the securities have not been registered under federal or state securities law and that the securities are subject to limitations on resale; and

(12) the following legend must be displayed conspicuously in the disclosure document:

"IN MAKING AN INVESTMENT DECISION, PURCHASERS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR DIVISION OR OTHER REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY SUBSECTION (e) OF SEC RULE 147 (CODE OF FEDERAL REGULATIONS, TITLE 17, PART 230.147 (e)) AS PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND

THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. PURCHASERS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME."

**Subd. 5. Required certification from MNvest offering purchasers.** Before selling securities to a prospective purchaser through a MNvest portal, the MNvest issuer shall require the portal operator to obtain from the prospective purchaser through the applicable MNvest portal a written or electronic certification that includes, at a minimum, the following statements:

"I UNDERSTAND AND ACKNOWLEDGE THAT:

If I make an investment in an offering through this MNvest portal, it is very likely that I am investing in a high-risk, speculative business venture that could result in the complete loss of my investment, and I need to be able to afford such a loss.

This offering has not been reviewed or approved by any state or federal securities commission or division or other regulatory authority and that no such person or authority has confirmed the accuracy or determined the adequacy of any disclosure made to me relating to this offering.

If I make an investment in an offering through this MNvest portal, it is very likely that the investment will be difficult to transfer or sell and, accordingly, I may be required to hold the investment indefinitely.

By entering into this transaction with the company, I am affirmatively representing myself as being a Minnesota resident at the time that this contract is formed, and if this representation is subsequently shown to be false, the contract is void."

**Subd. 6. MNvest portal.** A MNvest portal must satisfy the requirements of clauses (1) through (4):

(1) the Web site does not contain the word "MNvest" in its URL address;

(2) the Web site implements steps to limit Web site access to the offer or sale of securities to only Minnesota residents when conducting MNvest offerings; and

(3) MNvest offerings may not be viewed on the MNvest portal by a prospective purchaser until:

(i) the portal operator verifies, through its exercise of reasonable steps, such as using a third-party verification service or as otherwise approved by the administrator, that the prospective purchaser is a Minnesota resident; and

(ii) the prospective purchaser makes an affirmative acknowledgment, electronically through the MNvest portal, that:

(A) I am a Minnesota resident;

(B) the securities and investment opportunities listed on this Web site involve high-risk, speculative business ventures. If I choose to invest in any securities or investment opportunity listed on this Web site, I may lose all of my investment, and I can afford such a loss;

(C) the securities and investment opportunities listed on this Web site have not been reviewed or approved by any state or federal securities commission or division or other regulatory authority,

and no such person or authority, including this Web site, has confirmed the accuracy or determined the adequacy of any disclosure made to prospective investors relating to any offering; and

(D) if I choose to invest in any securities or investment opportunity listed on this Web site, I understand that the securities I will acquire may be difficult to transfer or sell, that there is no ready market for the sale of such securities, that it may be difficult or impossible for me to sell or otherwise dispose of this investment at any price, and that, accordingly, I may be required to hold this investment indefinitely; and

(4) the Web site complies with all other rules adopted by the administrator.

Subd. 7. **Portal operator.** (a) An entity, other than a registered broker-dealer, wishing to become a portal operator shall file with the administrator:

(1) form ..... [to be approved by the administrator], including all applicable schedules and supplemental information;

(2) a copy of the articles of incorporation or other documents that indicate the entity's form of organization; and

(3) a filing fee of \$200.

(b) A portal operator's registration expires 12 months from the date the administrator has approved the entity as a portal operator, and subsequent registration for the succeeding 12-month period shall be issued upon written application and upon payment of a renewal fee of \$200, without filing of further statements or furnishing any further information, unless specifically requested by the administrator. This section is not applicable to a registered broker-dealer functioning as a portal operator.

(c) A portal operator that is not a broker-dealer registered under this chapter shall not:

(1) offer investment advice or recommendations, provided that a portal operator shall not be deemed to be offering investment advice or recommendations merely because it (i) selects, or may perform due diligence with respect to, issuers or offerings to be listed, or (ii) provides general investor educational materials;

(2) provide transaction-based compensation for securities sold under this chapter to employees, agents, or other persons unless the employees, agents, or other persons are registered with the administrator and permitted to receive such compensation;

(3) charge a fee to the issuer for an offering of securities on a MNvest portal unless the fee is (i) a fixed amount for each offering, (ii) a variable amount based on the length of time that the securities are offered on the MNvest portal, or (iii) a combination of such fixed and variable amounts; or

(4) hold, manage, possess, or otherwise handle purchaser funds or securities. This restriction does not apply if the issuer is the portal operator.

(d) A portal operator shall provide the administrator with read-only access to administrative sections of the MNvest portal.

(e) A portal operator shall comply with the record-keeping requirements of this paragraph, provided that the failure of a portal operator that is not an issuer to maintain records in compliance

with this paragraph shall not affect the MNvest issuer's exemption from registration afforded by this section:

(1) a portal operator shall maintain and preserve, for a period of five years from either the date of the closing or termination of the securities offering, the following records:

- (i) the name of each issuer whose securities have been listed on its MNvest portal;
- (ii) the full name, residential address, Social Security number, date of birth, and copy of a state-issued identification for all owners with greater than ten percent voting equity in an issuer;
- (iii) copies of all offering materials that have been displayed on its MNvest portal;
- (iv) the names and other personal information of each purchaser who has registered at its MNvest portal;
- (v) any agreements and contracts between the portal operator and the issuer; and
- (vi) any information used to establish that a MNvest issuer, prospective MNvest purchaser, or MNvest purchaser is a Minnesota resident;

(2) a portal operator shall, upon written request of the administrator, furnish to the administrator any records required to be maintained and preserved under this subdivision;

(3) the records required to be kept and preserved under this subdivision must be maintained in a manner, including by any electronic storage media, that will permit the immediate location of any particular document so long as such records are available for immediate and complete access by representatives of the administrator. Any electronic storage system must preserve the records exclusively in a nonrewriteable, nonerasable format; verify automatically the quality and accuracy of the storage media recording process; serialize the original and, if applicable, duplicate units storage media, and time-date for the required period of retention the information placed on such electronic storage media; and be able to download indexes and records preserved on electronic storage media to an acceptable medium. In the event that a records retention system commingles records required to be kept under this subdivision with records not required to be kept, representatives of the administrator may review all commingled records; and

(4) a portal operator shall maintain such other records as the administrator shall determine by rule.

Subd. 8. **Bad actor disqualification.** (a) An exemption under this section is not available for a sale if securities in the MNvest issuer; any predecessor of the MNvest issuer; any affiliated issuer; any director, executive officer, other officer participating in the MNvest offering, general partner, or managing member of the MNvest issuer; any beneficial owner of 20 percent or more of the MNvest issuer's outstanding voting equity securities, calculated on the basis of voting power; any promoter connected with the MNvest issuer in any capacity at the time of the sale; any investment manager of an issuer that is a pooled investment fund; any general partner or managing member of any investment manager; or any director, executive officer, or other officer participating in the offering of any investment manager or general partner or managing member of the investment manager:

(1) has been convicted, within ten years before the offering, or five years, in the case of MNvest issuers, their predecessors, and affiliated issuers, of any felony or misdemeanor:

- (i) in connection with the purchase or sale of any security;

(ii) involving the making of any false filing with the Securities and Exchange Commission or a state administrator; or

(iii) arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser, or paid solicitor of purchasers of securities;

(2) is subject to any order, judgment, or decree of any court of competent jurisdiction, entered within five years before the sale, that, at the time of the sale, restrains or enjoins the person from engaging or continuing to engage in any conduct or practice:

(i) in connection with the purchase or sale of any security;

(ii) involving the making of any false filing with the Securities and Exchange Commission or a state administrator; or

(iii) arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser, or paid solicitor of purchasers of securities;

(3) is subject to a final order of a state securities commission or an agency or officer of a state performing like functions; a state authority that supervises or examines banks, savings associations, or credit unions; a state insurance commission or an agency or officer of a state performing like functions; an appropriate federal banking agency; the United States Commodity Futures Trading Commission; or the National Credit Union Administration that:

(i) at the time of the offering, bars the person from:

(A) association with an entity regulated by the commission, authority, agency, or officer;

(B) engaging in the business of securities, insurance, or banking; or

(C) engaging in savings association or credit union activities; or

(ii) constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct entered within ten years before the offering;

(4) is subject to an order of the Securities and Exchange Commission entered pursuant to section 15(b) or 15B(c) of the Securities Exchange Act of 1934, United States Code, title 15, section 78 o(b) or 78o-4(c) or section 203(e) or (f) of the Investment Advisers Act of 1940, United States Code, title 15, section 80b-3(e) or (f) that, at the time of the offering:

(i) suspends or revokes the person's registration as a broker, dealer, municipal securities dealer, or investment adviser;

(ii) places limitations on the activities, functions, or operations of the person; or

(iii) bars the person from being associated with any entity or from participating in the offering of any penny stock;

(5) is subject to any order of the Securities and Exchange Commission or a state administrator entered within five years before the sale that, at the time of the sale, orders the person to cease and desist from committing or causing a violation or future violation of:

(i) any scienter-based antifraud provision of the federal securities laws, including without limitation section 17(a)(1) of the Securities Act of 1933, United States Code, title 15, section 77q(a)(1), section 10(b) of the Securities Exchange Act of 1934, United States Code, title 15,

section 78j(b) and Code of Federal Regulations, title 17, section 240.10b-5, section 15(c)(1) of the Securities Exchange Act of 1934, United States Code, title 15, section 78o(c)(1) and section 206(1) of the Investment Advisers Act of 1940, United States Code, title 15, section 80b-6(1), or any other rule or regulation thereunder; or

(ii) section 5 of the Securities Act of 1933, United States Code, title 15, section 77e;

(6) is suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or a registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade;

(7) has filed as a registrant or issuer, or was or was named as an underwriter in, any registrations statement or Regulation A offering statement filed with the Securities and Exchange Commission or a state administrator that, within five years before the sale, was the subject of a refusal order, stop order, or order suspending the Regulation A exemption, or is, at the time of the sale, the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued; or

(8) is subject to a United States Postal Service false representation order entered within five years before the offering, or is, at the time of the offering, subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations.

(b) Paragraph (a) does not apply:

(1) with respect to any conviction, order, judgment, decree, suspension, expulsion, or bar that occurred or was issued before September 23, 2013;

(2) upon a showing of good cause and without prejudice to any other action by the Securities and Exchange Commission or a state administrator, if the Securities and Exchange Commission or a state administrator determines that it is not necessary under the circumstances that an exemption be denied;

(3) if, before the relevant offering, the court of regulatory authority that entered the relevant order, judgment, or decree advises in writing, whether contained in the relevant judgment, order, or decree or separately to the Securities and Exchange Commission or a state administrator or their staff, that disqualification under paragraph (a) should not arise as a consequence of the order, judgment, or decree; or

(4) if the MNvest issuer establishes that it did not know and, in the exercise of reasonable care, could not have known that a disqualification existed under paragraph (a).

(c) For purposes of paragraph (a), events relating to any affiliated issuer that occurred before the affiliation arose will not be considered disqualifying if the affiliated entity is not:

(1) in control of the issuer; or

(2) under common control with the issuer by a third party that was in control of the affiliated entity at the time of the events.

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

Sec. 2. Minnesota Statutes 2014, section 80A.84, is amended to read:

**80A.84 SECTION 607; PUBLIC RECORDS; CONFIDENTIALITY.**

(a) **Presumption of public records.** Except as otherwise provided in subsection (b), records obtained by the administrator or filed under this chapter, including a record contained in or filed with a registration statement, application, notice filing, or report, are public records and are available for public examination.

(b) **Nonpublic records.** The following records are not public records and are not available for public examination under subsection (a):

(1) a record obtained by the administrator in connection with an audit or inspection under section 80A.66(d) or an investigation under section 80A.79;

(2) a part of a record filed in connection with a registration statement under sections 80A.49 and 80A.51 through 80A.53 or a record under section 80A.66(d) that contains trade secrets or confidential information if the person filing the registration statement or report has asserted a claim of confidentiality or privilege that is authorized by law;

(3) a record that is not required to be provided to the administrator or filed under this chapter and is provided to the administrator only on the condition that the record will not be subject to public examination or disclosure;

(4) a nonpublic record received from a person specified in section 80A.85(a);

(5) any social security number, residential address unless used as a business address, and residential telephone number contained in a record that is filed; ~~and~~

(6) a record obtained by the administrator through a designee of the administrator that a rule or order under this chapter determines has been:

(A) expunged from the administrator's records by the designee; or

(B) determined to be nonpublic or nondisclosable by that designee if the administrator finds the determination to be in the public interest and for the protection of investors; and

(7) a record furnished to the administrator by a portal operator under section 80A.461, subdivision 7, paragraph (e).

(c) **Administrator discretion to disclose.** If disclosure is for the purpose of a civil, administrative, or criminal investigation, action, or proceeding or to a person specified in section 80A.85(a), the administrator may disclose a record obtained in connection with an audit or inspection under section 80A.66(d) or a record obtained in connection with an investigation under section 80A.79.

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

Amend the title numbers accordingly

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

**SECOND READING OF SENATE BILLS**

S.F. Nos. 107 and 464 were read the second time.

**MEMBERS EXCUSED**

Senator Lourey was excused from the Session of today from 11:00 to 11:25 a.m. Senators Latz, Reinert, Sheran and Skoe were excused from the Session of today from 11:00 to 11:35 a.m.

**ADJOURNMENT**

Senator Bakk moved that the Senate do now adjourn until 11:00 a.m., Thursday, March 5, 2015. The motion prevailed.

Upon its adjournment, the Senate attended the Joint Convention in the House Chamber to elect members to the Board of Regents of the University of Minnesota.

JoAnne M. Zoff, Secretary of the Senate