

## THIRTY-THIRD DAY

St. Paul, Minnesota, Wednesday, March 25, 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, Imam Asad Zaman.

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:

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

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 File, herewith transmitted: H.F. No. 1027.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted March 23, 2015

**FIRST READING OF HOUSE BILLS**

The following bill was read the first time.

**H.F. No. 1027:** A bill for an act relating to employment; modifying the minimum wage for certain employees receiving gratuities; amending Minnesota Statutes 2014, section 177.24, subdivision 1, by adding a subdivision; repealing Minnesota Statutes 2014, section 177.24, subdivision 2.

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

**REPORTS OF COMMITTEES**

Senator Sieben moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 1456 and 1852. The motion prevailed.

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

**S.F. No. 87:** A bill for an act relating to transportation; capital investment; taxes; amending provisions governing transportation finance; establishing gross receipts motor fuels tax; amending vehicle registration tax and metropolitan area transit sales tax; amending distribution of highway user fund and county state-aid funding; authorizing sale and issuance of trunk highway bonds and general obligation bonds; requiring a report; appropriating money; amending Minnesota Statutes 2014, sections 161.081, subdivision 1; 161.20, by adding a subdivision; 162.07, subdivision 1a; 168.013, subdivisions 1a, 8; 168.31, by adding a subdivision; 174.42, by adding a subdivision; 222.50, subdivision 7; 296A.061; 296A.11; 296A.12; 296A.16; 297A.815, subdivision 3; 297A.992; 473.167; 473.915; Laws 2014, chapter 312, article 11, section 33; proposing coding for new law in Minnesota Statutes, chapters 161; 174; 296A; 297A; 435; repealing Minnesota Statutes 2014, sections 161.081, subdivision 3; 297A.992, subdivision 3.

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

Delete everything after the enacting clause and insert:

**"ARTICLE 1****TRUNK HIGHWAY BONDING****Section 1. BOND SALE AUTHORIZATION.**

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$1,001,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

**Sec. 2. BOND APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds account in the trunk highway fund to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified, money appropriated in this article for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget.

**SUMMARY**

|  |           |                             |
|--|-----------|-----------------------------|
| <u>Department of Transportation</u>        | \$        | <u>1,000,000,000</u>        |
| <u>Department of Management and Budget</u> |           | <u>1,000,000</u>            |
| <b><u>TOTAL</u></b>                        | <b>\$</b> | <b><u>1,001,000,000</u></b> |

**APPROPRIATIONS**

|  |           |                           |
|--|-----------|---------------------------|
| <b><u>Sec. 3. DEPARTMENT OF TRANSPORTATION<br/>CORRIDORS OF COMMERCE</u></b> | <b>\$</b> | <b><u>800,000,000</u></b> |
|--|-----------|---------------------------|

(a) The appropriation in this section is to the commissioner of transportation for the corridors of commerce program under Minnesota Statutes, section 161.088, and is available in the amounts of \$200,000,000 in each fiscal year from 2016 to 2019.

(b) In any fiscal year covered by this appropriation, the commissioner may identify projects based on previous selection processes or may perform a new selection.

(c) The appropriation in this section cancels as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management and budget shall count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are available to be issued as specified under paragraph (a), and not as the date of enactment of this section.

|   |           |                           |
|---|-----------|---------------------------|
| <b><u>Sec. 4. TRANSPORTATION ECONOMIC<br/>DEVELOPMENT PROGRAM</u></b> | <b>\$</b> | <b><u>200,000,000</u></b> |
|---|-----------|---------------------------|

(a) This appropriation is for the transportation economic development program under Minnesota Statutes, section 174.12, and is available in the amounts of \$50,000,000 in each fiscal year from 2016 to 2019.

(b) The appropriation in this section cancels as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management and budget shall count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are available to be issued as specified under paragraph (a), and not as the date of enactment of this section.

Sec. 5. **BOND SALE EXPENSES**

\$ 1,000,000

This appropriation is to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8; and 167.50, subdivision 4.

Sec. 6. **EFFECTIVE DATE.**

This article is effective July 1, 2015.

**ARTICLE 2**

**GROSS RECEIPTS TAX**

Section 1. Minnesota Statutes 2014, section 296A.061, is amended to read:

**296A.061 CANCELLATION OR NONRENEWAL OF LICENSES.**

The commissioner may cancel a license or not renew a license if one of the following conditions occurs:

- (1) the license holder has not filed a petroleum tax return or report for at least one year;
- (2) the license holder has not filed a gross receipts tax return for at least one year;
- (3) the license holder has not reported any petroleum tax liability or gross receipts tax liability on the license holder's returns or reports for at least one year; or
- ~~(4)~~ (4) the license holder requests cancellation of the license.

Sec. 2. **[296A.085] MOTOR FUELS GROSS RECEIPTS TAX.**

Subdivision 1. **Imposition.** A tax is imposed on the wholesale business of selling the means or substance used for propelling vehicles on the highways of this state. The tax is imposed at the rate of 6.5 percent of gross receipts derived by a distributor from the first sale at wholesale of gasoline, gasoline blended with ethanol, agricultural alcohol gasoline, and special fuels within this state for use in motor vehicles.

Subd. 2. **Exemptions.** Subdivision 1 does not apply to gasoline, denatured ethanol, special fuel, or alternative fuel purchased by an entity described in section 296A.07, subdivision 4, or 296A.08, subdivision 3.

Subd. 3. **Conversion of tax rate.** (a) Annually on or before August 1, the commissioner shall determine the applicable gross receipts motor fuels tax rate per gallon. The tax per gallon shall be the greater of either:

(1) 6.5 percent of \$2.50; or

(2) 6.5 percent of the prior fiscal year's average wholesale gasoline price per gallon in Minnesota for all grades by refiners, as published by the United States Energy Information Administration and rounded to the nearest tenth of a cent per gallon. The wholesale price used must not include any tax or fee assessed by the state of Minnesota or the United States government.

(b) The announced rate is effective for a 12-month period consisting of the next October 1 to September 30. The commissioner shall publish on the department's Web site the total of the gross receipts tax and the excise tax.

Subd. 4. **Administrative provisions.** Except as otherwise provided in this chapter, the relevant audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and administrative provisions of chapter 289A apply to taxes imposed under this section.

Subd. 5. **Deposit of revenues.** The commissioner shall deposit the revenues from the gross receipts tax into the highway user tax distribution fund.

**EFFECTIVE DATE.** This section is effective October 1, 2015, and applies to gross receipts attributable to the described products and derived by a distributor on or after that day.

Sec. 3. Minnesota Statutes 2014, section 296A.11, is amended to read:

**296A.11 SELLER MAY COLLECT TAX.**

A person who directly or indirectly pays a gasoline or special fuel tax or motor fuels gross receipts tax as provided in this chapter and who does not in fact use the gasoline or special fuel in motor vehicles in this state or receive, store, or withdraw it from storage to be used personally for the purpose of producing or generating power for propelling aircraft, but sells or otherwise disposes of the same, except as provided in section 296A.16, subdivision 3, is hereby authorized to collect, from the person to whom the gasoline or special fuel is so sold or disposed of, the tax so paid, and is hereby required, upon request, to make, sign, and deliver to such person an invoice of such sale or disposition. The sums collected must be held as a special fund in trust for the state of Minnesota.

Sec. 4. Minnesota Statutes 2014, section 296A.12, is amended to read:

**296A.12 GASOLINE AND SPECIAL FUEL TAX AND MOTOR FUELS GROSS RECEIPTS TAX IN LIEU OF OTHER TAXES.**

Gasoline and special fuel excise taxes and motor fuels gross receipts tax shall be in lieu of all other taxes imposed upon the business of selling or dealing in gasoline or special fuel, whether imposed by the state or by any of its political subdivisions, but are in addition to all ad valorem taxes now imposed by law. Nothing in this chapter is construed as prohibiting the governing body of any city of this state from licensing and regulating such a business where its authority is conferred by state law or city charter.

Sec. 5. Minnesota Statutes 2014, section 296A.16, is amended to read:

**296A.16 REFUND OR CREDIT.**

Subdivision 1. **Credit or refund of gasoline or special fuel tax paid.** The commissioner shall allow the distributor credit or refund of the excise and motor fuels gross receipts tax paid on gasoline and special fuel:

(1) exported or sold for export from the state, other than in the supply tank of a motor vehicle or of an aircraft;

(2) sold to the United States government to be used exclusively in performing its governmental functions and activities or to any "cost plus a fixed fee" contractor employed by the United States government on any national defense project;

(3) if the fuel is placed in a tank used exclusively for residential heating;

(4) destroyed by accident while in the possession of the distributor;

(5) in error;

(6) in the case of gasoline only, sold for storage in an on-farm bulk storage tank, if the tax was not collected on the sale; and

(7) in such other cases as the commissioner may permit, consistent with the provisions of this chapter and other laws relating to the gasoline and special fuel excise taxes.

Subd. 2. **Fuel used in other vehicle; claim for refund.** Any person who buys and uses gasoline for a qualifying purpose other than use in motor vehicles, snowmobiles except as provided in clause (2), or motorboats, or special fuel for a qualifying purpose other than use in licensed motor vehicles, and who paid the excise or gross receipts tax directly or indirectly through the amount of the tax being included in the price of the gasoline or special fuel, or otherwise, shall be reimbursed and repaid the amount of the tax paid upon filing with the commissioner a claim for refund in the form and manner prescribed by the commissioner, and containing the information the commissioner shall require. By signing any such claim which is false or fraudulent, the applicant shall be subject to the penalties provided in this chapter for knowingly making a false claim. The claim shall set forth the total amount of the gasoline so purchased and used by the applicant other than in motor vehicles, or special fuel purchased and used by the applicant other than in licensed motor vehicles, and shall state when and for what purpose it was used. When a claim contains an error in computation or preparation, the commissioner is authorized to adjust the claim in accordance with the evidence shown on the claim or other information available to the commissioner. The commissioner, on being satisfied that the claimant is entitled to the payments, shall approve the claim and transmit it to the commissioner of management and budget. The words "gasoline" or "special fuel" as used in this subdivision do not include aviation gasoline or special fuel for aircraft. Gasoline or special fuel bought and used for a "qualifying purpose" means:

(1) Gasoline or special fuel used in carrying on a trade or business, used on a farm situated in Minnesota, and used for a farming purpose. "Farm" and "farming purpose" have the meanings given them in section 6420(c)(2), (3), and (4) of the Internal Revenue Code as defined in section 289A.02, subdivision 7.

(2) Gasoline or special fuel used for off-highway business use.

(i) "Off-highway business use" means any use off the public highway by a person in that person's trade, business, or activity for the production of income.

(ii) Off-highway business use includes use of a passenger snowmobile off the public highways as part of the operations of a resort as defined in section 157.15, subdivision 11; and use of gasoline or special fuel to operate a power takeoff unit on a vehicle, but not including fuel consumed during idling time.

(iii) Off-highway business use does not include use as a fuel in a motor vehicle which, at the time of use, is registered or is required to be registered for highway use under the laws of any state or foreign country; or use of a licensed motor vehicle fuel tank in lieu of a separate storage tank for storing fuel to be used for a qualifying purpose, as defined in this section. Fuel purchased to be used for a qualifying purpose cannot be placed in the fuel tank of a licensed motor vehicle and must be stored in a separate supply tank.

(3) Gasoline or special fuel placed in the fuel tanks of new motor vehicles, manufactured in Minnesota, and shipped by interstate carrier to destinations in other states or foreign countries.

Subd. 3. **Destruction by accident; refund to dealer.** Notwithstanding the provisions of subdivision 1, the commissioner shall allow a dealer a refund of:

(1) the tax paid by the distributor on, or gross receipts from the sale of, gasoline, undyed diesel fuel, or undyed kerosene destroyed by accident while in the possession of the dealer; or

(2) the tax paid by a distributor or special fuels dealer on, or gross receipts from the sale of, other special fuels destroyed by accident while in the possession of the dealer.

Subd. 4. **Refrigerator units; refunds.** Notwithstanding the provisions of subdivision 1, the commissioner shall allow a special fuel dealer a refund of the tax paid on, or gross receipts from the sale of, fuel sold directly into a supply tank of a refrigeration unit with a separate engine and used exclusively by that refrigeration unit. A claim for refund may be filed as provided in this section.

Subd. 4a. **Undyed kerosene; refunds.** Notwithstanding subdivision 1, the commissioner shall allow a refund of the tax paid on, or gross receipts from the sale of, undyed kerosene used exclusively for a purpose other than as fuel for a motor vehicle using the streets and highways. To obtain a refund, the person making the sale to an end user must meet the Internal Revenue Service requirements for sales from a blocked pump. A claim for a refund may be filed as provided in this section.

Subd. 4b. **Racing gasoline; refunds.** Notwithstanding subdivision 1, the commissioner shall allow a licensed distributor a refund of the tax paid on, or gross receipts from the sale of, leaded gasoline of 110 octane or more that does not meet ASTM specification D4814 for gasoline and that is sold in bulk for use in nonregistered motor vehicles. A claim for a refund may be filed as provided for in this section.

Subd. 5. **Qualifying service station credit.** Notwithstanding any other provision of law to the contrary, the tax imposed on gasoline, undyed diesel fuel, or undyed kerosene, together with the amount attributable to gross receipts tax on these fuels, delivered to a qualified service station may not exceed, or must be reduced to, a rate not more than three cents per gallon above the state tax rate imposed on such products sold by a service station in a contiguous state located within the distance indicated in this subdivision. A distributor shall be allowed a credit or refund for the amount of reduction computed in accordance with this subdivision. For purposes of this subdivision,

a "qualifying service station" means a service station located within 7.5 miles, measured by the shortest route by public road, from a service station selling like product in the contiguous state.

Subd. 7. **Civil penalty for filing false claim.** A person who violates section 296A.23, subdivision 1, shall forfeit the full amount of the claim. In addition, a person who is convicted under section 296A.23 for filing a false statement or claim shall, in addition to any criminal penalties imposed, be prohibited from filing with the commissioner any claim for refund upon gasoline purchased within six months after such conviction.

Subd. 8. **Appropriation.** There is appropriated to the persons entitled to refund or credit under this section, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the credit or refund.

Sec. 6. **REVISOR'S INSTRUCTION.**

In Minnesota Statutes, the revisor of statutes shall rename Minnesota Statutes, chapter 296A, to be "Tax on Petroleum and Other Fuels; Gross Receipts Tax."

**ARTICLE 3**

**VEHICLE REGISTRATION TAX**

Section 1. Minnesota Statutes 2014, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in section 168.002, subdivision 24, and hearses, except as otherwise provided, the tax shall be an amount equal to a combination of the following: \$10 for those vehicles with registration periods beginning on or before June 30, 2018; and \$20 for those vehicles with registration periods on or after July 1, 2018, plus an additional tax equal to ~~1.25~~ a percentage of 1.5 percent of the base value as specified in paragraph (h).

(b) Subject to the classification provisions herein, "base value" means the manufacturer's suggested retail price of the vehicle including destination charge using list price information published by the manufacturer or determined by the registrar if no suggested retail price exists, and shall not include the cost of each accessory or item of optional equipment separately added to the vehicle and the suggested retail price.

(c) If the manufacturer's list price information contains a single vehicle identification number followed by various descriptions and suggested retail prices, the registrar shall select from those listings only the lowest price for determining base value.

(d) If unable to determine the base value because the vehicle is specially constructed, or for any other reason, the registrar may establish such value upon the cost price to the purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales or use tax or any local sales or other local tax.

(e) The registrar shall classify every vehicle in its proper base value class as follows:

| FROM   | TO        |
|--------|-----------|
| \$ 0   | \$ 199.99 |
| \$ 200 | \$ 399.99 |



and thereafter a series of classes successively set in brackets having a spread of \$200 consisting of such number of classes as will permit classification of all vehicles.

(f) The base value for purposes of this section shall be the middle point between the extremes of its class.

(g) The registrar shall establish the base value, when new, of every passenger automobile and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31, using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry. If unable to ascertain the base value of any registered vehicle in the foregoing manner, the registrar may use any other available source or method. The registrar shall calculate tax using base value information available to dealers and deputy registrars at the time the application for registration is submitted. The tax on all previously registered vehicles shall be computed upon the base value thus determined taking into account the depreciation provisions of paragraph (h).

(h) The annual additional tax must be computed upon a the specified percentage of 1.5 percent of the base value as follows: during the first year of vehicle life, upon 100 percent ~~of the base value~~; for the second year, 90 percent ~~of such value~~; for the third year, 80 percent ~~of such value~~; for the fourth year, 70 percent ~~of such value~~; for the fifth year, 60 percent ~~of such value~~; for the sixth year, 50 percent ~~of such value~~; for the seventh year, 40 percent ~~of such value~~; for the eighth year, 30 percent ~~of such value~~; for the ninth year, 20 percent ~~of such value~~; for the tenth year, ten percent ~~of such value~~; for the 11th and each succeeding year, the sum of \$25.

(i) In no event shall the annual additional tax be less than \$25.

(j) ~~For any vehicle previously registered in Minnesota, the annual additional tax due under this subdivision must not exceed the smallest amount of annual additional tax previously paid or due on the vehicle.~~

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to any tax for a registration period that begins on or after September 1, 2015.

#### ARTICLE 4

##### METROPOLITAN TRANSIT IMPROVEMENT AREA SALES TAX

Section 1. Minnesota Statutes 2014, section 297A.992, subdivision 1, is amended to read:

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

(1) "metropolitan transportation area" means the counties participating in the joint powers agreement under subdivision 3;

(2) "eligible county" means the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington; and

(3) "committee" ~~means the Grant Evaluation and Ranking System (GEARS) Committee;~~

(4) "minimum guarantee county" means any metropolitan county or eligible county that is participating in the joint powers agreement under subdivision 3, whose proportion of the annual

sales tax revenue under this section collected within that county is less than or equal to three percent; and

~~(5) "population" means the population, as defined in section 477A.011, subdivision 3, estimated or established by July 15 of the year prior to the calendar year in which the representatives will serve on the Grant Evaluation and Ranking System Committee established under subdivision 5.~~

Sec. 2. Minnesota Statutes 2014, section 297A.992, subdivision 4, is amended to read:

Subd. 4. **Joint powers board.** (a) The joint powers board must consist of one or more commissioners of each county that is in the metropolitan transportation area, appointed by its county board, and the chair of the Metropolitan Council, who must have voting rights, subject to subdivision 3, clause (4). The joint powers board has the powers and duties provided in this section and section 471.59.

(b) The joint powers board may utilize no more than three-fourths of one percent of the proceeds of the taxes imposed under this section for ordinary administrative expenses incurred in carrying out the provisions of this section. Any additional administrative expenses must be paid by the participating counties.

~~(c) The joint powers board may establish a technical advisory group that is separate from the GEARS Committee. The group must consist of representatives of cities, counties, or public agencies, including the Metropolitan Council. The technical advisory group must be used solely for technical consultation purposes.~~

Sec. 3. Minnesota Statutes 2014, section 297A.992, subdivision 5, is amended to read:

Subd. 5. **Grant application and awards; ~~Grant Evaluation and Ranking System (GEARS) Committee.~~** (a) The joint powers board shall establish a grant application process and identify the amount of available funding for grant awards. Grant applications must be submitted in a form prescribed by the joint powers board. An applicant must provide, in addition to all other information required by the joint powers board, the estimated cost of the project, the amount of the grant sought, possible sources of funding in addition to the grant sought, and identification of any federal funds that will be utilized if the grant is awarded. A grant application seeking transit capital funding must identify the source of money necessary to operate the transit improvement.

(b) The joint powers board shall establish a timeline and procedures for the award of grants, and may award grants only to the state and political subdivisions. The board shall define objective criteria for the award of grants, which must include, but not be limited to, consistency with the most recent version of the transportation policy plan adopted by the Metropolitan Council under section 473.146. The joint powers board shall maximize the availability and use of federal funds in projects funded under this section.

~~(c) The joint powers board shall establish a GEARS Committee, which must consist of:~~

~~(1) one county commissioner from each county that is in the metropolitan transportation area, appointed by its county board;~~

~~(2) one elected city representative from each county that is in the metropolitan transportation area;~~

~~(3) one additional elected city representative from each county for every additional 400,000 in population, or fraction of 400,000, in the county that is above 400,000 in population; and~~

~~(4) the chair of the Metropolitan Council Transportation Committee.~~

~~(d) Each city representative must be elected at a meeting of cities in the metropolitan transportation area, which must be convened for that purpose by the Association of Metropolitan Municipalities.~~

~~(e) The committee shall evaluate grant applications following objective criteria established by the joint powers board, and must provide to the joint powers board a selection list of transportation projects that includes a priority ranking.~~

~~(f) A grant award for a transit project located within the metropolitan area, as defined in section 473.121, subdivision 2, may be funded only after the Metropolitan Council reviews the project for consistency with the transit portion of the Metropolitan Council policy plan and one of the following occurs:~~

~~(1) the Metropolitan Council finds the project to be consistent;~~

~~(2) the Metropolitan Council initially finds the project to be inconsistent, but after a good faith effort to resolve the inconsistency through negotiations with the joint powers board, agrees that the grant award may be funded; or~~

~~(3) the Metropolitan Council finds the project to be inconsistent, and submits the consistency issue for final determination to a panel, which determines the project to be consistent. The panel is composed of a member appointed by the chair of the Metropolitan Council, a member appointed by the joint powers board, and a member agreed upon by both the chair and the joint powers board.~~

~~(g) (d) Grants must be funded by the proceeds of the taxes imposed under this section and under section 297A.9925, bonds, notes, or other obligations issued by the joint powers board under subdivision 7.~~

~~(h) Notwithstanding the provisions of this section except subdivision 6a, of the revenue collected under this section, the joint powers board shall allocate to the Metropolitan Council, in fiscal years 2012 and 2013, an amount not less than 75 percent of the net cost of operations for those transitways that were receiving metropolitan sales tax funds through an operating grant agreement on June 30, 2011.~~

~~(i) The Metropolitan Council shall expend any funds allocated under paragraph (h) for the operations of the specified transitways solely within those counties that are in the metropolitan transportation area.~~

~~(j) (e) Nothing in paragraph (h) or (i) this section prevents grant awards to the Metropolitan Council for capital and operating assistance for transitways and park-and-ride facilities.~~

Sec. 4. Minnesota Statutes 2014, section 297A.992, subdivision 6, is amended to read:

Subd. 6. **Allocation of grant awards.** (a) The board must allocate grant awards only for the following transit purposes:

(i) (1) capital improvements to transitways, including, but not limited to, highway bus rapid transit, commuter rail rolling stock, light rail vehicles, and transitway buses, provided that the 40 percent maximum does not apply to Robert Street transitway or Riverview corridor;

(ii) (2) capital costs for park-and-ride facilities, as defined in section 174.256, subdivision 2;

(iii) (3) feasibility studies, planning, alternatives analyses, environmental studies, engineering, property acquisition for transitway purposes, and construction of transitways; and

(iv) (4) 50 percent of net operating assistance for cost of transitways that commenced revenue operations before September 30, 2015;

(5) 100 percent of net operating cost of the Robert Street transitway; and

(6) capital and operating costs for any transitway improvement or transitway with total grant awards under this clause not to exceed tax proceeds remitted under section 299A.9925, subdivision 4, clause (1). Only the Metropolitan Council or a county located in the metropolitan transportation area may apply for a grant under this clause.

(b) The joint powers board must annually award grants to each minimum guarantee county in an amount no less than the amount of sales tax revenue collected within that county.

~~(c) No more than 1.25 percent of the total awards may be annually allocated for planning, studies, design, construction, maintenance, and operation of pedestrian programs and bicycle programs and pathways.~~

**Sec. 5. [297A.9925] METROPOLITAN TRANSIT IMPROVEMENT AREA TRANSIT SALES AND USE TAX; RATE; IMPOSITION; USES; PRIORITIES.**

Subdivision 1. Definitions. For purposes of this section, the following terms have the following meanings:

(1) "metropolitan transit improvement area" or "area" means the counties of Anoka, Dakota, Hennepin, Ramsey, and Washington;

(2) "Metropolitan Council" or "council" means the Metropolitan Council established by section 473.123; and

(3) "local governmental unit" means any county, city, town, school district, special district, or other political subdivisions or public corporation, other than the council or a metropolitan agency, lying in whole or in part within the metropolitan transit improvement area.

Subd. 2. Metropolitan transit improvement area transit sales tax imposition; rate. (a) Notwithstanding section 297A.99, subdivisions 1, 2, and 3, 477A.016, or any other law, a metropolitan area transit sales and use tax is imposed at a rate of three-quarters of one percent on retail sales and uses taxable under this chapter occurring within the metropolitan transit improvement area.

(b) The taxes imposed under this subdivision are not included in determining if the total tax on lodging in the city of Minneapolis exceeds the maximum allowed tax under Laws 1986, chapter 396, section 5, as amended by Laws 2001, First Special Session chapter 5, article 12, section 87, and Laws 2012, chapter 299, article 3, section 3, or in determining a tax that may be imposed under any other limitations.

Subd. 3. **Administration; collection; enforcement.** Except as otherwise provided in this section, the provisions of section 297A.99, subdivisions 4 and 6 to 12a, govern the administration, collection, and enforcement of the tax authorized under this section.

Subd. 4. **Distribution of net revenues.** After deducting costs of collection and other costs under section 297A.99, subdivision 11, the commissioner of revenue shall remit:

(1) to the Counties Transit Improvement Board, an amount equal to 8.5 percent of the net proceeds of the tax imposed under subdivision 2; and

(2) to the Metropolitan Council, the remaining proceeds.

Subd. 5. **General purpose; consistency with transportation policy plan.** (a) The Metropolitan Council shall utilize the proceeds of the tax imposed under subdivision 2 for transit purposes described under subdivision 7, within the metropolitan transit improvement area.

(b) Projects funded with the metropolitan transit improvement area transit sales and use tax proceeds must be consistent with the long-range transportation policy plan adopted by the council under section 473.146 and located within the transit improvement area.

Subd. 6. **Priorities.** The council shall allocate revenues from the taxes imposed under this section in conformance with the following priority order:

(1) payment of debt service necessary for the fiscal year on bonds or other obligations secured by revenues from the tax imposed in this section;

(2) proportional distribution of an amount equal to one-eighth of the total net proceeds of the taxes imposed under subdivision 2 and under section 297A.992, subdivision 2, so that the share of each county in the metropolitan transit improvement area is based on the proportion of taxes generated in that county. Grant awards under this clause must be used by Hennepin County only for transit purposes, but by all other counties for any transit purpose or any transportation purpose that has a nexus to transit or transit-oriented development; and

(3) as otherwise authorized under subdivision 7.

Subd. 7. **Use of tax proceeds.** (a) After deducting the amount necessary under subdivision 6, clauses (1) and (2), the council shall allocate remaining revenues from the tax imposed in this section for the following purposes:

(1) operating and capital costs to preserve existing bus services that are in conformance with regional transit performance standards as specified in the council's transportation policy plan;

(2) 100 percent of the net operating costs of arterial bus rapid transit lines in operation on September 30, 2015, and 50 percent of the net operating costs of other transitways;

(3) grants required under paragraph (b);

(4) operating and capital costs for transit expansion in accordance with the transit portion of the council's policy transit plan, including, but not limited to:

(i) expansion and upgrades of regular route and commuter bus service provided by metropolitan transit and replacement services under section 473.388, with overall expansion of service by an annual average rate of four percent;

- (ii) development of arterial bus rapid transit, transitways, and streetcar systems; and
  - (iii) maintenance of affordable transit fares;
  - (5) operating and capital costs for expansion and improvement of regional transitways and streetcars;
  - (6) to transit authorities to establish, replace, or modify transit shelters to conform with design specifications and maintenance requirements within the meaning of section 473.41;
  - (7) to the Center for Transportation Studies, University of Minnesota, \$500,000 annually for research to improve accessibility, operational efficiency, and safety of transit systems; and
  - (8) any other costs payable in accordance with subdivisions 5, 6, and 7, which may include, but are not limited to, transit operations, capital improvements, design, engineering and environmental work, acquisition of real property, transit planning and feasibility studies, and to provide grants to local governmental units for transit purposes, including streetcars, or for bicycle and pedestrian projects.
- (b) The council shall make available an amount equal to ten percent of the revenues from the tax imposed in this section and in section 297A.992 through grants to local units of government within the metropolitan transit improvement area for construction and maintenance of regional bicycle, trail, and pedestrian infrastructure for safe routes to school infrastructure and for active transportation programs under section 174.38. The council shall establish a grant program, criteria, and oversight procedures.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after September 30, 2015, and applies in the counties of Anoka, Dakota, Hennepin, Ramsey, and Washington.

Sec. 6. **REPEALER.**

Minnesota Statutes 2014, section 473.4051, subdivision 2, is repealed.

**EFFECTIVE DATE.** This section is effective July 1, 2015.

## ARTICLE 5

### OTHER TAXES, FEES, AND TRANSFERS

Section 1. Minnesota Statutes 2014, section 115A.908, is amended to read:

#### **115A.908 MOTOR VEHICLE TRANSFER FEE.**

Subdivision 1. **Fee charged.** (a) A fee of \$10 shall be charged on the initial registration and each subsequent transfer of title within the state, other than transfers for resale purposes, of every motor vehicle weighing more than 1,000 pounds. The fee shall be collected by the commissioner of public safety. Registration plates or certificates of title may not be issued by the commissioner of public safety for the ownership or operation of a motor vehicle subject to the transfer fee unless the fee is paid. The fee may not be charged on the transfer of:

- (1) previously registered vehicles if the transfer is to the same person;
- (2) vehicles subject to the conditions specified in section 297A.70, subdivision 2; or

(3) vehicles purchased in another state by a resident of another state if more than 60 days have elapsed after the date of purchase and the purchaser is transferring title to this state and has become a resident of this state after the purchase.

(b) A surcharge of ..... is imposed on each fee charged under paragraph (a).

Subd. 2. **Deposit of revenue.** (a) Fee revenue collected under this section shall be credited to the environmental fund.

(b) The commissioner of transportation shall deposit the proceeds of the surcharge as follows:

(1) 50 percent in the small city streets and bridges account under section 174.54, subdivision 1; and

(2) 50 percent in the larger city streets and bridges account under section 174.54, subdivision 2.

Sec. 2. Minnesota Statutes 2014, section 161.081, subdivision 1, is amended to read:

Subdivision 1. **Distribution of five percent.** ~~(a) Pursuant to article 14, section 5, of the Constitution, five percent of the net highway user tax distribution fund is set aside, and apportioned to the county state-aid highway fund.~~

~~(b) That apportionment is further distributed as follows:~~

~~(1) 30.5 percent to the town road account created in section 162.081;~~

~~(2) 16 percent to the town bridge account, which is created in the state treasury 56.5 percent to the county state-aid highway fund, consisting of: (i) 30.5 percent to the town road account created in section 162.081; (ii) 16 percent to the town bridge account created in the state treasury; and (iii) ten percent to the county municipal accounts for purposes described in section 162.08; and~~

~~(3) 53.5 percent to the flexible highway account created in subdivision 3~~ (2) 43.5 percent to the municipal state-aid street fund.

**EFFECTIVE DATE.** This section is effective July 1, 2015.

Sec. 3. Minnesota Statutes 2014, section 161.082, subdivision 1, is amended to read:

Subdivision 1. **Creation of account; rules.** (a) The county turnback account is created in the state treasury, consisting of money allotted or appropriated to the account that will be used for the restoration of trunk highways that have reverted or that will revert to counties.

~~(b) Except as provided in this section and in section 161.081, all money accruing to the county turnback account shall be expended in accordance with rules of the commissioner of transportation in paying a county for the restoration of former trunk highways, or portions thereof, that have reverted to the county in accordance with law, and have become a part of the county state-aid highway system.~~

Sec. 4. Minnesota Statutes 2014, section 161.082, is amended by adding a subdivision to read:

Subd. 1a. **Budget submission.** As part of each biennial budget submission to the legislature, the commissioner shall include a request for an appropriation to the county turnback account.

Sec. 5. Minnesota Statutes 2014, section 161.083, is amended to read:

**161.083 MUNICIPAL TURNBACK ACCOUNT, EXPENDITURE.**

Subdivision 1. **Creation of account.** The municipal turnback account is created in the state treasury, consisting of money allotted or appropriated to the account that will be used for the restoration of trunk highways that have reverted or that will revert to cities. Except as hereinafter provided in this section, all money accruing to the municipal turnback account shall be expended in accordance with rules of the commissioner of transportation in paying a municipality having a population of 5,000 or more for the reconstruction and improvement of former trunk highways, or portions thereof, that have reverted to such municipality in accordance with law, and have become a part of the municipal state-aid street system.

Subd. 2. **Biennial budget submission.** As part of each biennial budget submission to the legislature, the commissioner shall include a request for an appropriation to the municipal turnback account.

Sec. 6. Minnesota Statutes 2014, section 162.07, subdivision 1a, is amended to read:

Subd. 1a. **Apportionment sum and excess sum.** (a) For purposes of this subdivision, "distribution amount" means the amount identified in section 162.06, subdivision 1, after the deductions provided for in section 162.06 for administrative costs, disaster account, research account, and state park road account.

(b) The apportionment sum is calculated by ~~subtracting the excess sum, as calculated in paragraph (c), from~~ as 68 percent of the distribution amount.

(c) The excess sum is calculated as ~~the sum of revenue within 32 percent of the distribution amount;~~

~~(1) attributed to that portion of the gasoline excise tax rate under section 296A.07, subdivision 3, in excess of 20 cents per gallon, and to that portion of the excise tax rates in excess of the energy equivalent of a gasoline excise tax rate of 20 cents per gallon for E85 and M85 under section 296A.07, subdivision 3, and special fuel under section 296A.08, subdivision 2;~~

~~(2) attributed to a change in the passenger vehicle registration tax under section 168.013, imposed on or after July 1, 2008, that exceeds (i) the amount collected in fiscal year 2008, multiplied by (ii) the annual average United States Consumer Price Index for the calendar year previous to the current calendar year, divided by the annual average United States Consumer Price Index for calendar year 2007; and~~

~~(3) attributed to that portion of the motor vehicle sales tax revenue in excess of the percentage allocated to the county state-aid highway fund in fiscal year 2007.~~

~~(d) For purposes of this subdivision, the United States Consumer Price Index identified in paragraph (c) is for all urban consumers, United States city average, as determined by the United States Department of Labor.~~

**EFFECTIVE DATE.** This section is effective October 1, 2015.

Sec. 7. Minnesota Statutes 2014, section 168.33, subdivision 2, is amended to read:



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

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

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

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

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

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

(g) A corporation governed by chapter 302A or 317A may be appointed a deputy registrar. Upon application by an individual serving as a deputy registrar and the giving of the requisite bond as provided in this subdivision, personally assured by the individual or another individual approved by the commissioner, a corporation named in an application then becomes the duly appointed and qualified successor to the deputy registrar.

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

(i) The deputy registrar shall keep records and make reports to the commissioner as the commissioner requires. The records must be maintained at the offices of the deputy registrar. The records and offices of the deputy registrar must at all times be open to the inspection of the commissioner or the commissioner's agents. The deputy registrar shall report to the commissioner by the next working day following receipt all registrations made and taxes and fees collected by the deputy registrar.

(j) The filing fee fees imposed under subdivision 7, paragraph (a), clauses (1) and (3), must be deposited in the treasury of the place for which appointed or, if not a public official, a deputy shall retain the filing fee fees, but the registration tax and, any additional fees for delayed registration the deputy registrar has collected, and the surcharge imposed under subdivision 7, paragraph (a), clause

(2), the deputy registrar shall deposit by the next working day following receipt in an approved state depository to the credit of the state through the commissioner of management and budget. The place for which the deputy registrar is appointed through its governing body must provide the deputy registrar with facilities and personnel to carry out the duties imposed by this subdivision if the deputy is a public official. In all other cases, the deputy shall maintain a suitable facility for serving the public.

Sec. 8. Minnesota Statutes 2014, section 168.33, subdivision 7, is amended to read:

Subd. 7. **Filing fees and surcharge; allocations.** (a) In addition to all other statutory fees and taxes, ~~a filing fee of:~~

(1) a \$6 filing fee is imposed on every vehicle registration renewal, excluding pro rate transactions; ~~and~~

(2) a \$10 surcharge is imposed on the fee for every vehicle registration renewal, excluding pro rate transactions; and

(3) a \$10 filing fee is imposed on every other type of vehicle transaction, including pro rate transactions.

(b) Notwithstanding paragraph (a):

(1) a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the Department of Public Safety, a dealer, or a deputy registrar; and

(2) no filing fee or other fee may be charged for the permanent surrender of a title for a vehicle.

(c) The filing fee and surcharge must be shown as a separate item on all registration renewal notices sent out by the commissioner.

(d) The statutory fees and taxes, and the filing fees and surcharge imposed under paragraph (a) may be paid by credit card or debit card. The deputy registrar may collect a surcharge on the statutory fees, taxes, statutory surcharge, and filing fee not greater than the cost of processing a credit card or debit card transaction, in accordance with emergency rules established by the commissioner of public safety. The surcharge authorized by this paragraph must be used to pay the cost of processing credit and debit card transactions.

(e) The fees and surcharge collected under ~~this subdivision~~ paragraph (a) by the department must be allocated as follows:

(1) of the fees collected under paragraph (a), clause (1):

(i) \$4.50 must be deposited in the vehicle services operating account; and

(ii) \$1.50 must be deposited:

(A) in the driver and vehicle services technology account until sufficient funds have been deposited in that account to cover all costs of administration, development, and initial full deployment of the driver and vehicle services information system; and

(B) after completion of the deposit of funds under subitem (A) in the vehicle services operating account; and

(2) of the surcharge collected under paragraph (a), clause (2):

(i) 50 percent must be deposited in the small city streets and bridges account under section 174.54, subdivision 1; and

(ii) 50 percent must be deposited in the larger city streets and bridges account under section 174.54, subdivision 2; and

(3) of the fees collected under paragraph (a), clause (2) (3):

(i) \$3.50 must be deposited in the general fund as follows:

(A) 50 percent to the small city streets and bridges account under section 174.54, subdivision 1; and

(B) 50 percent to the large city streets and bridges account under section 174.54, subdivision 2;

(ii) \$5.00 must be deposited in the vehicle services operating account; and

(iii) \$1.50 must be deposited:

(A) in the driver and vehicle services technology account until sufficient funds have been deposited in that account to cover all costs of administration, development, and initial full deployment of the driver and vehicle services information system; and

(B) after completion of the deposit of funds under subitem (A) in the vehicle services operating account.

Sec. 9. Minnesota Statutes 2014, section 168.54, subdivision 5, is amended to read:

Subd. 5. **Proceeds to general fund.** The commissioner shall collect the proceeds of the fee imposed under this section and deposit them ~~in the general fund pursuant to section 168A.31;~~

(1) 50 percent to the small city streets and bridges account under section 174.54, subdivision 1; and

(2) 50 percent to the larger city streets and bridges account under section 174.54, subdivision 2.

Sec. 10. **[174.54] CITY STREETS AND BRIDGES ACCOUNTS.**

Subdivision 1. **Small city streets and bridges account.** A small city streets and bridges account is created as a special revenue account and established in the state treasury, consisting of money allotted, appropriated, or transferred through gift or grant for the account. Money in the account must be appropriated to the commissioner of transportation by law and apportioned among all the cities in the state that are not eligible to receive municipal state aid and do not receive municipal state aid. The commissioner shall apportion the money so that each city receives of the total amount the percentage that its population bears to the total population of small cities in this state. Money apportioned under this section must be used for construction, improvement, and maintenance of city streets and bridges.

Subd. 2. **Larger city streets and bridges account.** A larger city streets and bridges account is created as a special revenue account and established in the state treasury, consisting of money allotted, appropriated, or transferred through gift or grant for the account. Money in the account must be appropriated to the commissioner of transportation by law and apportioned among all the cities in the state that are eligible to receive municipal state aid. The commissioner shall apportion: (1) 50 percent of the money so that each city receives of that amount the percentage that its population

bears to the total population of all cities that are eligible to receive municipal state aid; and (2) 50 percent of the money so that each city receives of that amount the percentage that its money needs, as determined by the commissioner under section 162.13, subdivision 3, bears to the total money needs of all cities that are eligible to receive municipal state aid.

Sec. 11. Minnesota Statutes 2014, section 297A.815, subdivision 3, is amended to read:

Subd. 3. **Motor vehicle lease sales tax revenue.** (a) ~~For purposes of this subdivision, "net revenue" means an amount equal to the revenues, including interest and penalties, collected under this section, during the fiscal year, less \$32,000,000 in each fiscal year.~~

~~(b) On or before June 30 of each fiscal year, the commissioner of revenue shall estimate the amount of the net revenue revenues for the current fiscal year, including interest and penalties collected during the fiscal year under this section.~~

~~(c) (b) On or after July 1 of the subsequent fiscal year, the commissioner of management and budget shall transfer the net revenue revenues as estimated in paragraph (b) (a) from the general fund, as follows:~~

~~(1) \$9,000,000 annually until January 1, 2015, and 50 percent annually thereafter to the county state-aid highway fund.~~

~~(c) Notwithstanding any other law to the contrary, the commissioner of transportation shall allocate the funds transferred under this clause paragraph (b) to the counties in the metropolitan area, as defined in section 473.121, subdivision 4, excluding the counties of Hennepin and Ramsey, so that each county shall receive of such amount the percentage that its population, as defined in section 477A.011, subdivision 3, estimated or established by July 15 of the year prior to the current calendar year, bears to the total population of the counties receiving funds under this clause; and~~

~~(2) the remainder to the greater Minnesota transit account. For the purposes of the calculation in this paragraph, the population of Hennepin County shall first be multiplied by 0.25, and the population of Ramsey County shall first be multiplied by 0.5.~~

~~(d) The revenues transferred under this subdivision do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.~~

~~**EFFECTIVE DATE.** Paragraphs (a) through (c) are effective January 1, 2016, and paragraph (d) is effective the day following final enactment.~~

Sec. 12. Minnesota Statutes 2014, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. **Deposit of revenues.** (a) Money collected and received under this chapter must be deposited as provided in this subdivision.

(b) ~~60~~ 58 percent of the money collected and received must be deposited in the highway user tax distribution fund, ~~36~~ 34 percent must be deposited in the metropolitan area transit account under section 16A.88, and ~~four~~ eight percent must be deposited in the greater Minnesota transit account under section 16A.88.

~~(c) It is the intent of the legislature that the allocations under paragraph (b) remain unchanged for fiscal year 2012 and all subsequent fiscal years.~~

Sec. 13. **GREATER MINNESOTA TRANSIT APPROPRIATION.**

\$...... is appropriated from the general fund to the commissioner of transportation in each of fiscal years 2016 and 2017, for assistance to transit systems outside the metropolitan area under Minnesota Statutes, section 174.24.

Sec. 14. **REPEALER.**

Minnesota Statutes 2014, section 161.081, subdivision 3, is repealed.

**EFFECTIVE DATE.** This section is effective July 1, 2015.

## ARTICLE 6

### RAILROAD RECODIFICATION

Section 1. Minnesota Statutes 2014, section 270.80, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** The following words and phrases when used in sections ~~270.80~~ 273.3712 to ~~270.87~~ 273.3719, unless the context clearly indicates otherwise, have the meanings ascribed to them in this section.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 2. Minnesota Statutes 2014, section 270.80, subdivision 2, is amended to read:

Subd. 2. **Railroad company.** "Railroad company" means:

(1) any company which as a common carrier operates a railroad or a line or lines of ~~railway~~ railroad situated within or partly within Minnesota; or

(2) any company owning or operating, other than as a common carrier, a railway principally used for transportation of taconite concentrates from the plant at which the taconite concentrates are produced in shipping form to a point of consumption or port for shipment beyond the state; or

(3) any company that produces concentrates from taconite and transports that taconite in the course of the concentrating process and before the concentrating process is completed to a concentrating plant located within the state over a railroad that is not a common carrier and ~~shall~~ does not use a common carrier or taconite railroad company as defined in clause (2) for the movement of the concentrate to a point of consumption or port for shipment beyond the state.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 3. Minnesota Statutes 2014, section 270.80, subdivision 3, is amended to read:

Subd. 3. **Operating property.** "Operating property" means all property owned or used by a railroad company in the performance of railroad transportation services, including ~~without limitation franchises, rights-of-way, bridges, trestles, shops, docks, wharves, buildings and structures,~~ but not limited to, roads, locomotives, freight cars, and improvements on leased property. Operating property is listed and assessed by the commissioner where the property is located.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 4. Minnesota Statutes 2014, section 270.80, subdivision 4, is amended to read:

Subd. 4. **Nonoperating property.** "Nonoperating property" means ~~and includes~~ all property other than property defined in subdivision 3. Nonoperating property ~~shall include~~ includes real property ~~which that~~ is leased or rented or available for lease or rent to any person ~~which that~~ is not a railroad company. Vacant land shall be presumed to be available for lease or rent if it has not been used as operating property for a period of one year immediately preceding the valuation date. Nonoperating property also includes land ~~which that~~ is not necessary and integral to the performance of railroad transportation services and ~~which that~~ is not used on a regular and continual basis in the performance of these services. Nonoperating property also includes that portion of a ~~general~~ corporation office building and its proportionate share of land ~~which that~~ is not used for ~~railway~~ railroad operation or purpose. Nonoperating property is assessed by the local or county assessor.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 5. Minnesota Statutes 2014, section 270.80, is amended by adding a subdivision to read:

Subd. 6. **Company.** "Company" means any corporation, limited liability company, association, partnership, trust, estate, fiduciary, public or private organization of any kind, or any other legal entity.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 6. Minnesota Statutes 2014, section 270.80, is amended by adding a subdivision to read:

Subd. 7. **Unit value.** "Unit value" means the value of the whole integrated system of a railroad company operating as a going concern without regard to the value of its component parts.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 7. Minnesota Statutes 2014, section 270.80, is amended by adding a subdivision to read:

Subd. 8. **Book depreciation.** "Book depreciation" means the accumulated depreciation shown by a railroad company on its books or allowed to the company by the Surface Transportation Board.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 8. Minnesota Statutes 2014, section 270.80, is amended by adding a subdivision to read:

Subd. 9. **Equalization.** "Equalization" means the adjustment of the estimated value of railroad operating property to the apparent sales ratio of commercial and industrial property.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 9. Minnesota Statutes 2014, section 270.80, is amended by adding a subdivision to read:

Subd. 10. **Exempt property.** "Exempt property" means property which is nontaxable for ad valorem tax purposes under Minnesota Statutes, including personal property exempt from taxation under chapter 272.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 10. Minnesota Statutes 2014, section 270.80, is amended by adding a subdivision to read:

Subd. 11. **Original cost.** "Original cost" means the amount paid for an asset by the current owner as recorded on the railroad's books or allowed by the Surface Transportation Board.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 11. Minnesota Statutes 2014, section 270.80, is amended by adding a subdivision to read:

Subd. 12. **System.** "System" means the total property, real and personal, of a railroad, that is used in its railroad operations.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 12. Minnesota Statutes 2014, section 270.80, is amended by adding a subdivision to read:

Subd. 14. **Minnesota allocated value.** "Minnesota allocated value" means the value of a railroad company's operating property that is assigned to Minnesota for tax purposes.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 13. Minnesota Statutes 2014, section 270.81, subdivision 1, is amended to read:

Subdivision 1. **Valuation of operating property.** The operating property of every railroad company doing business in Minnesota shall be valued by the commissioner in the manner prescribed by sections ~~270.80~~ 273.3712 to ~~270.87~~ 273.3719.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 14. Minnesota Statutes 2014, section 270.81, subdivision 3, is amended to read:

Subd. 3. **Determination of type of property.** (a) The commissioner ~~shall have~~ has exclusive primary jurisdiction to determine ~~what whether~~ whether railroad property is operating property ~~and what is~~ or nonoperating property. In making ~~such~~ the determination, the commissioner ~~shall~~ may solicit information and opinions from outside the department and afford all interested persons an opportunity to submit data or views on the subject in writing or orally.

(b) Local and county assessors may submit written requests to the commissioner, asking for a determination of the nature of specific whether property owned by a railroad and located within their assessing jurisdiction is operating or nonoperating. Any determination made by the commissioner may be appealed by the assessor to the Tax Court pursuant to chapter 271. The requests must be submitted by April 1 of the assessing year. The commissioner must send the assessor a written determination by May 1. Assessors may appeal determinations made by the commissioner to the Tax Court pursuant to chapter 271.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 15. Minnesota Statutes 2014, section 270.81, is amended by adding a subdivision to read:

Subd. 6. **Deduction for nonoperating and exempt property.** Property that was part of the system, but is nonoperating property, or that is exempt from ad valorem taxation, is excluded from the Minnesota allocated value under section 273.3718, subdivision 1a. Only qualifying property located in Minnesota may be deducted from the Minnesota allocated value. The commissioner must deduct the market value of the property to be excluded. This must be calculated by multiplying the book value of the property by the market-to-book ratio of the unit. The company has the burden of proof to establish that property should be excluded from the Minnesota allocated value. The railroad company must submit schedules of exempt or nonoperating property as the commissioner may require. The remaining amount after this deduction is the Minnesota apportionable market value.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 16. Minnesota Statutes 2014, section 270.82, is amended to read:

**270.82 REPORTS OF RAILROAD COMPANIES.**

Subdivision 1. **Annual report required.** Before March 31, every railroad company doing business in Minnesota ~~shall annually~~ must file with the commissioner ~~on or before March 31 a~~ an annual report under oath setting forth the information prescribed by the commissioner to enable the commissioner to make the valuation and equalization required by sections ~~270.80~~ 273.3712 to 270.87; 273.3719. The commissioner shall prescribe the content, format, and manner of the report pursuant to section 270C.30. If a report is made by electronic means, the taxpayer's signature is defined pursuant to section 270C.304, except that a "law administered by the commissioner" includes the property tax laws.

Subd. 2. **Extension of time.** If the commissioner ~~for good~~ determines that there is reasonable cause, the commissioner may extend the time for filing the report required by subdivision 1 for up to 15 days ~~the time for filing the report required by subdivision 1~~.

Subd. 3. **Amended reports.** A railroad company may file an amended report to correct or add information to the original report. Amended reports must be filed with the commissioner by April 30.

Subd. 4. **Failure to file reports.** (a) The commissioner may make the valuation provided for by sections 273.3712 to 237.3719, according to the commissioner's best judgment based on available information, if any railroad company does not:

- (1) make the report required by this section;
  - (2) permit an inspection and examination of its property, records, books, accounts, or other papers when requested by the commissioner; or
  - (3) appear before the commissioner or a person appointed under section 273.3715, when required to do so.
- (b) If the commissioner makes the valuation pursuant to paragraph (a), the commissioner's valuation is final. Notwithstanding any other law to the contrary, the commissioner's valuation made pursuant to this subdivision is not appealable administratively.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 17. Minnesota Statutes 2014, section 270.83, subdivision 1, is amended to read:

Subdivision 1. **Powers of commissioner.** The commissioner ~~shall have~~ has the power to examine or cause to be examined any books, papers, records, or memoranda relevant to the determination of the valuation of operating property ~~as herein provided~~. The commissioner ~~shall have the further power to~~ may require the attendance of any person having knowledge or information ~~in the premises~~ concerning the valuation of the operating property, ~~to~~ compel the production of books, papers, records, or memoranda by persons so required to attend, ~~to~~ determine the valuation of operating property and administer oaths or affirmations.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 18. Minnesota Statutes 2014, section 270.83, subdivision 2, is amended to read:



Subd. 2. **Appointment of persons; subpoenas.** For the purpose of making such examinations, The commissioner may appoint such persons as the commissioner ~~may deem~~ deems necessary to make the examinations described in subdivision 1. Such persons shall have the rights and powers of the examining of Persons appointed may examine books, papers, records or memoranda, and of subpoenaing subpoena witnesses, administering administer oaths and affirmations, and taking of take testimony, which are conferred upon the commissioner hereby. The court administrator of any court of record, upon demand of any such person appointed, shall issue a subpoena for the attendance of any witness or the production of any books, papers, records, or memoranda before such person. The commissioner may also issue subpoenas for the appearance of witnesses before the commissioner or before such persons. Disobedience of subpoenas so issued shall be punished by the district court of the district in which the subpoena is issued for a contempt of the district court. Failure to comply with a subpoena shall be punished in the same manner as contempt of the district court.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 19. Minnesota Statutes 2014, section 270.84, is amended to read:

**270.84 ANNUAL VALUATION OF OPERATING PROPERTY.**

Subdivision 1. **Annual valuation; rules.** (a) Before July 1, the commissioner shall annually between March 31 and May 31 make a determination of must determine the fair market value of the operating property of every railroad company doing business in this state as of January 2 of the year in which the valuation is made. In making this determination, The commissioner shall must employ generally accepted appraisal principles and practices which may include the unit method of determining value-, and approaches approved by the Western States Association of Tax Administrators, National Conference of Unit Valuation States, and the International Association of Assessing Officers.

(b) The unit value of railroad property is the reconciled value considering the cost, income, and market approaches under subdivisions 1a, 1b, and 1c. Each approach must be weighted in accordance with the reliability of the information and the commissioner's judgment.

Subd. 1a. **Cost approach.** (a) The commissioner may use the cost approach, including but not limited to original cost less book depreciation and replacement cost less depreciation.

(b) Book depreciation is allowed as a deduction from an original cost model. Book depreciation is assumed to include all forms of appraisal depreciation.

(c) Explicitly calculated appraisal depreciation, including physical, functional, and external obsolescence, is allowed as a deduction from the replacement cost model.

Subd. 1b. **Income approach.** (a) The commissioner may use the income approach, including but not limited to direct capitalization models and yield capitalization models.

(b) The yield rate is calculated using market data on selected comparable companies in the band of investment method.

(1) Discounted cash flows is a yield capitalization model that calculates the present value of explicit cash flow forecasts capitalized using the yield rate, plus revision to stable growth yield capitalization after the period of explicit forecasts.

(2) Stable growth yield capitalization is a yield capitalization model that calculates the present value of anticipated future cash flows, capitalized using the yield rate and considering growth.

(c) Direct capitalization is the expected net operating income for the following year, divided by the direct capitalization rate. The direct capitalization rate is calculated by using direct market observations from comparable sales or using market earning-to-price information in the band of investment method.

Subd. 1c. **Market approach.** The commissioner may use the market approach, including but not limited to a sales comparison model, a stock and debt model, or other market models that are available and reliable.

Subd. 2. **Notice.** The commissioner, after determining the fair market value of the operating property of each railroad company, shall give notice to must notify the railroad company of the valuation by first class mail, overnight delivery, or messenger service.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 20. Minnesota Statutes 2014, section 270.86, is amended to read:

**270.86 APPORTIONMENT AND EQUALIZATION OF VALUATION.**

Subdivision 1. **Apportionment of value.** Upon determining After allocating to Minnesota the fair market value of the operating property of each railroad company, the commissioner shall must apportion such the value to the respective counties and to the taxing districts therein in conformity with fair and reasonable rules and standards to be established by the commissioner pursuant to notice and hearing, except as provided in section 270.81. In establishing such rules and standards the commissioner may consider (a) the physical situs of all station houses, depots, docks, wharves, and other buildings and structures with an original cost in excess of \$10,000; (b) the proportion that the length and type of all the tracks used by the railroad in such county and taxing district bears to the length and type of all the track used in the state; and (c) other facts as will result in a fair and equitable apportionment of value the operating parcels in Minnesota.

The apportioned market value of each company's operating parcel in Minnesota is the current original cost of each parcel as of the last assessment date plus original cost of new construction minus the original cost of property retired since the last assessment date. The total Minnesota apportionable market value of the railroad is divided by the total current original cost of the railroad in Minnesota to determine a percentage. The resulting percentage is multiplied by the current original cost of each parcel to determine the apportioned market value of each parcel.

Subd. 1a. **Allocation of value.** (a) After the market value of operating property has been estimated, the portion of value that is attributable to Minnesota must be determined by calculating an allocation percentage using factors relevant to the industry segment of the railroad company. The allocation percentage must be multiplied by the value of the operating property to determine the Minnesota allocated value.

(b) The Minnesota allocated value is determined by averaging the following factors:

(1) miles of railroad track operated in Minnesota divided by miles of railroad track operated in all states;

(2) ton miles of revenue freight transported in Minnesota divided by ton miles of revenue freight transported in all states;

(3) gross revenues from transportation operations within Minnesota divided by gross revenues from transportation operations in all states; and

(4) cost of railroad property in Minnesota divided by cost of railroad property in all states.

(c) Each of the available factors must be weighted equally.

Subd. 2. **Equalized valuation.** After making the apportionment provided in subdivision 1, the commissioner ~~shall~~ must determine the equalized valuation of the operating property in each county by applying to the apportioned value an estimated current year median sales ratio for all commercial and industrial property in that county. If the commissioner ~~decides~~ determines that there are insufficient sales to determine a median commercial-industrial sales ratio, an estimated current year countywide median sales ratio for all property ~~shall~~ must be applied to the apportioned value. ~~No equalization shall~~ Equalization must not be made to the market value of the operating property if the median sales ratio determined pursuant to this subdivision is within five at least 90 but less than 105 percent of the assessment ratio of the railroad operating property.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 21. Minnesota Statutes 2014, section 270.87, is amended to read:

#### **270.87 CERTIFICATION TO COUNTY ASSESSORS.**

~~After making an annual determination of the equalized fair market value of the operating property of each company in each of the respective counties, and in the taxing districts therein, The commissioner shall~~ must certify the equalized fair market value of the operating property to the county assessor ~~on or before June 30~~ August 1. The equalized fair market value of the operating property of the railroad company in the county and the taxing districts therein is the value on which taxes must be levied and collected in the same manner as on the commercial and industrial property of such county and the taxing districts therein in the counties and taxing districts. If the commissioner determines that the equalized fair market value certified ~~on or before June 30~~ August 1 is in error, the commissioner may issue a corrected certification ~~on or before August 31~~ October 1. The commissioner may correct errors that are merely clerical in nature until December 31.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 22. Minnesota Statutes 2014, section 272.02, subdivision 9, is amended to read:

Subd. 9. **Personal property; exceptions.** Except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), shall be exempt.

The following personal property shall be taxable:

(a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;

(b) ~~railroad docks and wharves which are part of the personal property that is part of the operating property of a railroad company as defined in section 270.80~~ 273.3712;

(c) personal property defined in section 272.03, subdivision 2, clause (3);

(d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

(e) manufactured homes and sectional structures, including storage sheds, decks, and similar removable improvements constructed on the site of a manufactured home, sectional structure, park trailer or travel trailer as provided in section 273.125, subdivision 8, paragraph (f); and

(f) flight property as defined in section 270.071.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 23. Minnesota Statutes 2014, section 275.025, subdivision 1, is amended to read:

Subdivision 1. **Levy amount.** The state general levy is levied against commercial-industrial property and seasonal residential recreational property, as defined in this section. The state general levy base amount is ~~\$592,000,000~~ \$889,600,000 for taxes payable in ~~2002~~ 2016. For taxes payable in subsequent years, the levy base amount is increased each year by multiplying the levy base amount for the prior year by the sum of one plus the rate of increase, if any, in the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the Bureau of Economic Analysts of the United States Department of Commerce for the 12-month period ending March 31 of the year prior to the year the taxes are payable. The tax under this section is not treated as a local tax rate under section 469.177 and is not the levy of a governmental unit under chapters 276A and 473F.

The commissioner shall increase or decrease the preliminary or final rate for a year as necessary to account for errors and tax base changes that affected a preliminary or final rate for either of the two preceding years. Adjustments are allowed to the extent that the necessary information is available to the commissioner at the time the rates for a year must be certified, and for the following reasons:

(1) an erroneous report of taxable value by a local official;

(2) an erroneous calculation by the commissioner; and

(3) an increase or decrease in taxable value for commercial-industrial or seasonal residential recreational property reported on the abstracts of tax lists submitted under section 275.29 that was not reported on the abstracts of assessment submitted under section 270C.89 for the same year.

The commissioner may, but need not, make adjustments if the total difference in the tax levied for the year would be less than \$100,000.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 24. Minnesota Statutes 2014, section 275.025, subdivision 4, is amended to read:

Subd. 4. **Apportionment and levy of state general tax.** ~~Ninety-five~~ 95.1 percent of the state general tax must be levied by applying a uniform rate to all commercial-industrial tax capacity and ~~five~~ 4.9 percent of the state general tax must be levied by applying a uniform rate to all seasonal residential recreational tax capacity. On or before October 1 each year, the commissioner of revenue

shall certify the preliminary state general levy rates to each county auditor that must be used to prepare the notices of proposed property taxes for taxes payable in the following year. By January 1 of each year, the commissioner shall certify the final state general levy rate to each county auditor that shall be used in spreading taxes.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 25. **APPROPRIATIONS.**

The following sums are appropriated from the general fund to the agency to implement the provisions of this article as follows: \$266,000 in fiscal year 2016, \$14,000 in fiscal year 2017, \$13,000 in fiscal year 2018, and \$11,000 in fiscal year 2019. The sums indicated in this section for fiscal years 2016, 2017, and 2018 are onetime appropriations and are not added to the agency's permanent base. The sum indicated in this section for fiscal year 2019 shall become part of the agency's base.

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

Sec. 26. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall renumber the provisions of Minnesota Statutes listed in column A to the references listed in column B. The revisor shall also make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with renumbering.

| <u>Column A</u> | <u>Column B</u> |
|-----------------|-----------------|
| <u>270.80</u>   | <u>273.3712</u> |
| <u>270.81</u>   | <u>273.3713</u> |
| <u>270.82</u>   | <u>273.3714</u> |
| <u>270.83</u>   | <u>273.3715</u> |
| <u>270.84</u>   | <u>273.3716</u> |
| <u>270.85</u>   | <u>273.3717</u> |
| <u>270.86</u>   | <u>273.3718</u> |
| <u>270.87</u>   | <u>273.3719</u> |

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

Sec. 27. **REPEALER.**

Minnesota Statutes 2014, sections 270.81, subdivision 4; and 270.83, subdivision 3, and Minnesota Rules, parts 8106.0100, subparts 1, 2, 3, 4, 5, 6, 7, 8, 10, 12, 13, 14, 17, 17a, 18, 19, 20, and 21; 8106.0300, subparts 1 and 3; 8106.0400; 8106.0500; 8106.0600; 8106.0700; 8106.0800; and 8106.9900, are repealed.

**EFFECTIVE DATE.** This section is effective for assessment year 2016 and thereafter.

## ARTICLE 7

### EFFICIENCY MEASURES

Section 1. Minnesota Statutes 2014, section 16E.15, subdivision 2, is amended to read:

Subd. 2. **Software sale fund.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), proceeds of from the sale or licensing of software products or services by the chief information officer must be credited to the MN.IT services revolving fund. If a state agency other than the Office of MN.IT Services has contributed to the development of software sold or licensed under this section, the chief information officer may reimburse the agency by discounting computer services provided to that agency.

(b) Proceeds of from the sale or licensing of software products or services developed by the Pollution Control Agency, or custom developed by a vendor for the agency, must be credited to the environmental fund.

(c) Proceeds from the sale or licensing of software products or services developed by the Department of Transportation, or custom developed by a vendor for the agency, using trunk highway funds, must be credited to the trunk highway fund.

Sec. 2. Minnesota Statutes 2014, section 161.20, is amended by adding a subdivision to read:

Subd. 3a. **Transfer of appropriations.** With the approval of the commissioner of management and budget, the commissioner of transportation may transfer unencumbered balances among appropriations from the trunk highway fund and the state airports fund. No transfer may be made from appropriations for state road construction, for operations and maintenance, or for debt service. Transfers under this paragraph may not be made between funds. Transfers under this paragraph must be reported immediately to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over transportation finance.

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

Sec. 3. **[161.225] LOANS FOR LAND ACQUISITION FOR HIGHWAY PROJECTS.**

Subdivision 1. **Account established.** The state right-of-way acquisition loan account is created in the trunk highway fund for the purposes specified in this section. Money in the account is annually appropriated to the commissioner and does not lapse. Interest from the investment of money in this account must be deposited in the state right-of-way acquisition loan account.

Subd. 2. **Loans.** (a) The commissioner may make loans to counties, towns, and statutory and home rule charter cities to purchase property within the right-of-way of a state trunk highway shown on an official map adopted pursuant to section 394.361 or 462.359, or to purchase property within the proposed right-of-way of a principal or intermediate arterial highway. The loans shall be made from the fund established under this subdivision for purchases approved by the commissioner. The loans shall bear no interest.

(b) The commissioner shall make loans only to:

(1) accelerate the acquisition of primarily undeveloped property when there is a reasonable probability that the property will increase in value before highway construction, and to update an expired environmental impact statement on a project for which the right-of-way is being purchased;

(2) avert the imminent conversion or the granting of approvals which would allow the conversion of property to uses which would jeopardize its availability for highway construction;

(3) advance planning and environmental activities on highest priority major metropolitan river crossing projects under the transportation development guide chapter policy plan; or

(4) take advantage of open market opportunities when developed properties become available for sale, provided all parties involved are agreeable to the sale and funds are available.

(c) The commissioner shall not make loans to purchase property at a price which exceeds the fair market value of the property or which includes the costs of relocating or moving persons or property. The eminent domain process may be used to settle differences of opinion as to fair market value, provided all parties agree to the process.

(d) A private property owner may elect to receive the purchase price either in a lump sum or in not more than four annual installments without interest on the deferred installments. If the purchase agreement provides for installment payments, the commissioner shall make the loan in installments corresponding to those in the purchase agreement. The recipient of an acquisition loan shall convey the property for the construction of the highway at the same price which the recipient paid for the property. The price may include the costs of preparing environmental documents that were required for the acquisition and that were paid for with money that the recipient received from the loan fund. Upon notification by the commissioner that the plan to construct the highway has been abandoned or the anticipated location of the highway has changed, the recipient shall sell the property at market value in accordance with the procedures required for the disposition of the property. All rents and other money received because of the recipient's ownership of the property and all proceeds from the conveyance or sale of the property shall be paid to the commissioner. If a recipient is not permitted to include in the conveyance price the cost of preparing environmental documents that were required for the acquisition, then the recipient is not required to repay the commissioner an amount equal to 40 percent of the money received from the loan fund and spent in preparing the environmental documents.

(e) For administration of the loan program, the commissioner may expend from the fund each year an amount no greater than three percent of the amount of the proceeds for that year.

**Subd. 3. Loans for acquisition and relocation.** (a) The commissioner may make loans to acquiring authorities within the metropolitan area to purchase homestead property located in a proposed state trunk highway right-of-way or project, and to provide relocation assistance. Acquiring authorities are authorized to accept the loans and to acquire the property. Except as provided in this subdivision, the loans shall be made as provided in subdivision 2. Loans shall be in the amount of the fair market value of the homestead property plus relocation costs and less salvage value. Before construction of the highway begins, the acquiring authority shall convey the property to the commissioner at the same price it paid, plus relocation costs and less its salvage value. Acquisition and assistance under this subdivision must conform to sections 117.50 to 117.56.

(b) The commissioner may make loans only when:

(1) the owner of affected homestead property requests acquisition and relocation assistance from an acquiring authority;

(2) federal or state financial participation is not available;

(3) the owner is unable to sell the homestead property at its appraised market value because the property is located in a proposed state trunk highway right-of-way or project as indicated on an official map or plat adopted under section 160.085, 394.361, or 462.359; and

(4) the commissioner agrees to and approves the fair market value of the homestead property, which approval shall not be unreasonably withheld.

(c) For purposes of this subdivision, the following terms have the meanings given them:

(1) "acquiring authority" means counties, towns, and statutory and home rule charter cities;

(2) "homestead property" means: (i) a single-family dwelling occupied by the owner, and the surrounding land, not exceeding a total of ten acres; or (ii) a manufactured home, as defined in section 327B.01, subdivision 13; and

(3) "salvage value" means the probable sale price of the dwelling and other property that is severable from the land if offered for sale on the condition that it be removed from the land at the buyer's expense, allowing a reasonable time to find a buyer with knowledge of the possible uses of the property, including separate use of serviceable components and scrap when there is no other reasonable prospect of sale.

**EFFECTIVE DATE.** This section is effective January 1, 2016.

Sec. 4. Minnesota Statutes 2014, section 161.231, is amended to read:

**161.231 APPROPRIATION; PROCEEDS FROM ~~LEASED~~ STATE PROPERTY.**

There is appropriated annually from the fund or account in the state treasury to which the ~~rental~~ money from the sale, lease, conveyance, or disposal of state ~~leased~~ property is credited a sufficient amount of money to carry out the state's obligations under the provisions of sections 15.16, 117.135, 117.226, 161.16, 161.202, 161.23, subdivision 3, 161.24, 161.241, 161.43, 161.433, 161.44, 161.442, and 272.68, subdivision 3, including the inventorying, marketing, and property management activities required to sell, lease, rent, permit, convey, or otherwise dispose of the land or the interest in the land. At the discretion of the commissioner of transportation, money in the account at the end of each biennium may cancel to the trunk highway fund.

Sec. 5. Minnesota Statutes 2014, section 161.46, subdivision 2, is amended to read:

Subd. 2. **Relocation of facilities; reimbursement.** (a) Whenever the commissioner shall determine the relocation of any utility facility is necessitated by the construction of a project on the routes of federally aided state trunk highways, including urban extensions thereof, which routes are included within the National System of Interstate Highways, the owner or operator of such utility facility shall relocate the same in accordance with the order of the commissioner. After the completion of such relocation the cost thereof shall be ascertained and paid by the state out of trunk highway funds; provided, however, the amount to be paid by the state for such reimbursement shall not exceed the amount on which the federal government bases its reimbursement for said interstate system.

(b) Notwithstanding paragraph (a), any utility facility installed after August 1, 2015, is not eligible for relocation reimbursement.

Sec. 6. Minnesota Statutes 2014, section 168.013, subdivision 8, is amended to read:

Subd. 8. **Tax proceeds to highway user fund; fee proceeds to vehicle services account.** (a) Unless otherwise specified in this chapter, the net proceeds of the registration tax imposed under this chapter, including the penalty surcharge for late payment, imposed in section 168.31, subdivision 1a, must be collected by the commissioner, paid into the state treasury, and credited to the highway user tax distribution fund.



(b) All fees collected under this chapter, unless otherwise specified, must be deposited in the vehicle services operating account in the special revenue fund under section 299A.705.

**EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to vehicle registration taxes due and unpaid on and after that date.

Sec. 7. Minnesota Statutes 2014, section 168.31, is amended by adding a subdivision to read:

**Subd. 1a. Penalty surcharge for late payment.** Except as otherwise provided in subdivisions 4 and 4a, a vehicle owner who has failed to pay the tax required under this chapter on or before the due date shall pay in full the tax due on the vehicle, together with a penalty surcharge of \$25 for each month or portion of a month following the expiration of the registration period, except that the amount of the late fee may not exceed \$100.

**EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to vehicle registration taxes due and unpaid on and after that date.

Sec. 8. **[174.53] FEDERAL FUND FLEXIBILITY PROGRAM.**

The commissioner shall establish a program to allow greater flexibility and efficiency in the allocation of federal funds for state-aid transportation projects. The commissioner shall:

(1) establish and administer selection criteria and a process under which a local unit of government that would otherwise receive federal funds for a local transportation project would be able to finance the project with state funds instead of federal funds;

(2) redirect the unused federal funds to transportation projects for which federal funds could be utilized by the state more efficiently and productively;

(3) achieve a reasonable degree of equity among the department districts in distributing funds under the program; and

(4) ensure that the state's receipt of federal funds for transportation projects is not jeopardized by the program.

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

Sec. 9. Minnesota Statutes 2014, section 299D.09, is amended to read:

**299D.09 ESCORT SERVICE; APPROPRIATION; RECEIPTS.**

(a) Fees charged for escort services provided by the State Patrol are annually appropriated to the commissioner of public safety to administer and provide these services.

~~(b) The fee charged for services provided by the State Patrol with a vehicle is \$79.28 an hour. The fee charged for services provided without a vehicle is \$59.28 an hour~~ shall be set to recover actual costs as determined by the commissioner of public safety by July 1 each year.

(c) The fees charged for State Patrol flight services are \$140 an hour for a fixed wing aircraft, \$490 an hour for a helicopter, and \$600 an hour for the Queen Air in fiscal year 2012; and \$139.64 an hour for a fixed wing aircraft, \$560.83 an hour for a helicopter, and \$454.84 an hour for the Queen Air in fiscal year 2013 and thereafter.

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

Sec. 10. Minnesota Statutes 2014, section 360.024, is amended to read:

**360.024 AIR TRANSPORTATION SERVICE CHARGE.**

The commissioner shall charge users of air transportation services provided by the commissioner for direct operating costs, excluding pilot salary ~~and aircraft acquisition~~ costs. All receipts for these services shall be deposited in the air transportation services account in the state airports fund and are appropriated to the commissioner to pay these direct air service operating costs.

Sec. 11. Minnesota Statutes 2014, section 473.167, is amended to read:

**473.167 HIGHWAY AND TRANSIT PROJECTS.**

Subd. 2. **Loans for acquisition.** (a) The council may make loans to counties, towns, and statutory and home rule charter cities within the metropolitan area for the purchase of property within the right-of-way of a state trunk highway shown on an official map adopted pursuant to section 394.361 or 462.359 ~~or~~ for the purchase of property within the proposed right-of-way of a principal or intermediate arterial highway designated by the council as a part of the metropolitan highway system plan and approved by the council pursuant to section 473.166, or for the purchase of property needed for proposed transit-related capital improvements, including transitways designated in the council's most recent transportation policy plan. The loans shall be made by the council, from the fund established pursuant to this subdivision, for purchases approved by the council. The loans shall bear no interest.

(b) The council shall make loans only:

(1) to accelerate the acquisition of primarily undeveloped property when there is a reasonable probability that the property will increase in value before highway or transit-related construction, and to update an expired environmental impact statement on a project for which the right-of-way is being purchased;

(2) to avert the imminent conversion or the granting of approvals which would allow the conversion of property to uses which would jeopardize its availability for highway or transit-related construction;

(3) to advance planning and environmental activities on highest priority major metropolitan river crossing projects, under the transportation development guide chapter/policy plan; or

(4) to take advantage of open market opportunities when developed properties become available for sale, provided all parties involved are agreeable to the sale and funds are available.

(c) The council shall not make loans for the purchase of property at a price which exceeds the fair market value of the property or which includes the costs of relocating or moving persons or property. The eminent domain process may be used to settle differences of opinion as to fair market value, provided all parties agree to the process.

(d) A private property owner may elect to receive the purchase price either in a lump sum or in not more than four annual installments without interest on the deferred installments. If the purchase agreement provides for installment payments, the council shall make the loan in installments corresponding to those in the purchase agreement. The recipient of an acquisition loan shall convey the property for the construction of the highway at the same price which the recipient paid for the property. The price may include the costs of preparing environmental documents that were

required for the acquisition and that were paid for with money that the recipient received from the loan fund. Upon notification by the council that the plan to construct the highway or transit project has been abandoned or the anticipated location of the highway or transit project changed, the recipient shall sell the property at market value in accordance with the procedures required for the disposition of the property. All rents and other money received because of the recipient's ownership of the property and all proceeds from the conveyance or sale of the property shall be paid to the council. If a recipient is not permitted to include in the conveyance price the cost of preparing environmental documents that were required for the acquisition, then the recipient is not required to repay the council an amount equal to 40 percent of the money received from the loan fund and spent in preparing the environmental documents.

(e) The proceeds of the tax authorized by subdivision 3, all money paid to the council by recipients of loans, and all interest on the proceeds and payments shall be maintained as a separate fund. For administration of the loan program, the council may expend from the fund each year an amount no greater than three percent of the amount of the proceeds for that year.

Subd. 2a. **Loans for acquisition and relocation.** (a) The council may make loans to acquiring authorities within the metropolitan area to purchase homestead property located in a proposed state trunk highway right-of-way or project or transit-related project, and to provide relocation assistance. Acquiring authorities are authorized to accept the loans and to acquire the property. Except as provided in this subdivision, the loans shall be made as provided in subdivision 2. Loans shall be in the amount of the fair market value of the homestead property plus relocation costs and less salvage value. Before construction of the highway or transit-related project begins, the acquiring authority shall convey the property to the commissioner of transportation or council at the same price it paid, plus relocation costs and less its salvage value. Acquisition and assistance under this subdivision must conform to sections 117.50 to 117.56.

(b) The council may make loans only when:

(1) the owner of affected homestead property requests acquisition and relocation assistance from an acquiring authority;

(2) federal or state financial participation is not available;

(3) the owner is unable to sell the homestead property at its appraised market value because the property is located in a proposed state trunk highway right-of-way or project as indicated on an official map or plat adopted under section 160.085, 394.361, or 462.359, or transit-related project; and

(4) the council agrees to and approves the fair market value of the homestead property, which approval shall not be unreasonably withheld.

(c) For purposes of this subdivision, the following terms have the meanings given them.

(1) "Acquiring authority" means counties, towns, and statutory and home rule charter cities in the metropolitan area.

(2) "Homestead property" means: (i) a single-family dwelling occupied by the owner, and the surrounding land, not exceeding a total of ten acres; or (ii) a manufactured home, as defined in section 327B.01, subdivision 13.

(3) "Salvage value" means the probable sale price of the dwelling and other property that is severable from the land if offered for sale on the condition that it be removed from the land at the buyer's expense, allowing a reasonable time to find a buyer with knowledge of the possible uses of the property, including separate use of serviceable components and scrap when there is no other reasonable prospect of sale.

Subd. 3. **Tax.** The council may levy a tax on all taxable property in the metropolitan area, as defined in section 473.121, to provide funds for loans made pursuant to subdivisions 2 and 2a. This tax for the right-of-way acquisition loan fund shall be certified by the council, levied, and collected in the manner provided by section 473.13. The tax shall be in addition to that authorized by section 473.249 and any other law and shall not affect the amount or rate of taxes which may be levied by the council or any metropolitan agency or local governmental unit. The amount of the levy shall be as determined and certified by the council, provided that the tax levied by the Metropolitan Council for the right-of-way acquisition loan fund shall not exceed \$2,828,379 for taxes payable in 2004 and \$2,828,379 for taxes payable in 2005. The amount of the levy for taxes payable in 2006 and subsequent years shall not exceed the product of (1) the Metropolitan Council's property tax levy limitation under this subdivision for the previous year, multiplied by (2) one plus a percentage equal to the growth in the implicit price deflator as defined in section 275.70, subdivision 2.

Subd. 4. **State review.** The commissioner of revenue shall certify the council's levy limitation under this section to the council by August 1 of the levy year. The council must certify its proposed property tax levy to the commissioner of revenue by September 1 of the levy year. The commissioner of revenue shall annually determine whether the property tax for the right-of-way acquisition loan fund certified by the Metropolitan Council for levy following the adoption of its proposed budget is within the levy limitation imposed by this section. The determination must be completed prior to September 10 of each year. If current information regarding market valuation in any county is not transmitted to the commissioner in a timely manner, the commissioner may estimate the current market valuation within that county for purposes of making the calculation.

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

Sec. 12. Laws 2014, chapter 312, article 11, section 33, is amended to read:

**Sec. 33. TRANSPORTATION EFFICIENCIES.**

(a) The commissioner of transportation shall include in the report under Minnesota Statutes, section 174.56, due by December 15, 2015, information on efficiencies implemented in fiscal year 2015 in planning and project management and delivery, along with an explanation of the efficiencies employed to achieve the savings and the methodology used in the calculations. The level of savings achieved must equal, in comparison with the total state road construction budget for that year, a minimum of five percent in fiscal year 2015. The report must identify the projects that have been advanced or completed due to the implementation of efficiency measures.

(b) The commissioner shall identify in the report those recommendations from the Transportation Strategic Management and Operations Advisory Task Force Report dated January 23, 2009, submitted to the legislature by the Departments of Administration and Transportation, as required by Laws 2008, chapter 152, article 6, section 9, that the commissioner has implemented, with a description of current status of the recommendation and results of implementation.

(c) The commissioner shall present in the report plans to incorporate greater efficiencies in department operation and decision-making, including, but not limited to, the following: financing innovations, mode choice in project selection and design, land use planning, return on investment calculation, project delivery, including selection of materials and decreasing project delivery time, and efficiencies in multiagency permitting.

Sec. 13. **APPROPRIATION.**

\$...... is appropriated from the trunk highway fund to the commissioner of transportation for deposit in the state right-of-way acquisition loan account under Minnesota Statutes, section 161.225.

**EFFECTIVE DATE.** This section is effective January 1, 2016.

**ARTICLE 8**

**TRANSPORTATION POLICY**

Section 1. Minnesota Statutes 2014, section 161.088, subdivision 3, is amended to read:

Subd. 3. **Project classification.** The commissioner shall determine whether each candidate project can be classified into at least one of the following classifications:

- (1) capacity development, for a project on a segment of a trunk highway where the segment:
  - (i) is not a divided highway, and that highway is an expressway or freeway beyond the project limits;
  - (ii) contains a highway terminus that lacks an intersection or interchange with another trunk highway;
  - (iii) contains fewer lanes of travel compared to that highway beyond the project limits; or
  - (iv) contains a location that is proposed as a new interchange or to be reconstructed from an intersection to an interchange; ~~or~~
- (2) freight improvement, for an asset preservation or replacement project that can result in:
  - (i) removing or reducing barriers to commerce;
  - (ii) easing or preserving freight movement;
  - (iii) supporting emerging industries; or
  - (iv) providing connections between the trunk highway system and other transportation modes for the movement of freight; or
- (3) main street improvement, for a project on a segment of trunk highway passing through a city center, in order to:
  - (i) restore or improve economic vitality; and
  - (ii) improve safety for all road users.

Sec. 2. Minnesota Statutes 2014, section 161.088, subdivision 4, is amended to read:

Subd. 4. **Project eligibility.** (a) The commissioner shall establish eligibility requirements for projects that can be funded under the program. Eligibility must include:

- (1) consistency with the statewide multimodal transportation plan under section 174.03;
- (2) location of the project on an interregional corridor, for a project located outside of the Department of Transportation metropolitan district, or within a city;
- (3) placement into at least one project classification under subdivision 3;
- (4) a maximum length of time, as determined by the commissioner, until commencement of construction work on the project; and
- (5) for each type of project classification under subdivision 3, a maximum allowable amount for the total project cost estimate, as determined by the commissioner with available data.

(b) A project whose construction is programmed in the state transportation improvement program is not eligible for funding under the program. This paragraph does not apply to a project that is programmed as result of selection under this section.

(c) A project may be, but is not required to be, identified in the 20-year state highway capital investment plan under section 174.03.

Sec. 3. Minnesota Statutes 2014, section 161.088, subdivision 5, is amended to read:

Subd. 5. **Project selection process; criteria.** (a) The commissioner shall establish a process for identification, evaluation, and selection of projects under the program.

(b) As part of the project selection process, the commissioner shall annually accept recommendations on candidate projects from area transportation partnerships and other interested stakeholders in each Department of Transportation district. For each candidate project identified under this paragraph, the commissioner shall determine eligibility, classify, and if appropriate, evaluate the project for the program.

(c) Project evaluation and prioritization must be performed on the basis of objective criteria, which must include:

- (1) a return on investment measure that provides for comparison across eligible projects;
- (2) measurable impacts on commerce and economic competitiveness;
- (3) efficiency in the movement of freight, including but not limited to:
  - (i) measures of annual average daily traffic and commercial vehicle miles traveled, which may include data near the project location on that trunk highway or on connecting trunk and local highways; and
  - (ii) measures of congestion or travel time reliability, which may be within or near the project limits, or both;
- (4) improvements to traffic safety for all road users;
- (5) ~~connections to~~ between and within regional trade centers; and connections with local highway systems, and other transportation modes;
- (6) the extent to which the project addresses multiple transportation system policy objectives and principles; and

(7) support and consensus for the project among members of the surrounding community.

(d) As part of the project selection process, the commissioner may divide funding to be separately available among projects within each classification under subdivision 3, and may apply separate or modified criteria among those projects falling within each classification.

**Sec. 4. [161.317] MADE IN AMERICA.**

In all highway construction and maintenance projects, the commissioner shall, to the greatest extent feasible, utilize products, materials, and equipment that are made in America and shall include this requirement in the department's contract specifications.

Sec. 5. Minnesota Statutes 2014, section 168.053, subdivision 1, is amended to read:

Subdivision 1. **Application; fee; penalty.** Any person, firm, or corporation with a business located in Minnesota engaged in the business of transporting motor vehicles owned by another, by delivering, by drive-away or towing methods, either singly or by means of the full mount method, the saddle mount method, the tow bar method, or any other combination thereof, and under their own power, vehicles over the highways of the state from the manufacturer or any other point of origin, to any point of destination, within or without the state, shall make application to the registrar for a drive-away in-transit license. This application for annual license shall be accompanied by a registration fee of \$250 and contain information the registrar may require. Upon the filing of the application and the payment of the fee, the registrar shall issue to each drive-away operator a drive-away in-transit license plate, which must be carried and displayed on the power unit consistent with section 169.79 and the plate shall remain on the vehicle while being ~~operated within Minnesota~~ transported. The license plate issued under this subdivision is not valid for the purpose of permanent vehicle registration ~~and is not valid outside Minnesota~~. Additional drive-away in-transit license plates desired by any drive-away operator may be secured from the registrar of motor vehicles upon the payment of a fee of \$5 for each set of additional license plates. Any person, firm, or corporation engaging in the business as a drive-away operator, of transporting and delivering by means of full mount method, the saddle mount method, the tow bar method, or any combination thereof, and under their own power, motor vehicles, who fails or refuses to file or cause to be filed an application, as is required by law, and to pay the fees therefor as the law requires, shall be found guilty of violating the provisions of sections 168.053 to 168.057; and, upon conviction, fined not less than \$50, and not more than \$100, and all costs of court. Each day so operating without securing the license and plates as required shall constitute a separate offense.

Sec. 6. Minnesota Statutes 2014, section 168D.06, is amended to read:

**168D.06 FUEL LICENSE FEES.**

License fees paid to the commissioner under the International Fuel Tax Agreement must be deposited in the vehicle services operating account in the special revenue fund under section 299A.705. The commissioner shall charge an annual fuel license fee of \$15, ~~and~~ an annual application filing fee of \$13 for quarterly reporting of fuel tax, and a reinstatement fee of \$100 to reinstate a revoked International Fuel Tax Agreement license.

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

Sec. 7. Minnesota Statutes 2014, section 174.03, subdivision 10, is amended to read:

Subd. 10. **Highway construction training; report.** (a) The commissioner of transportation shall utilize the maximum feasible amount of all federal funds available to this state under United States Code, title 23, section 140, paragraph (b), to develop, conduct, and administer highway construction training, including skill improvement programs.

(b) The commissioner of transportation must report by February 1 of each ~~odd-numbered~~ year to the house of representatives and senate committees having jurisdiction over transportation policy and finance concerning the commissioner's compliance with paragraph (a). The report must, with respect to ~~each of the two previous calendar years~~ year:

(1) describe the highway construction training and skill improvement programs the commissioner has conducted and administered;

(2) analyze the results of the commissioner's training programs;

(3) state the amount of federal funds available to this state under United States Code, title 23, section 140, paragraph (b); and

(4) identify the amount spent by the commissioner in conducting and administering the programs.

Sec. 8. Minnesota Statutes 2014, section 174.03, subdivision 11, is amended to read:

Subd. 11. **Disadvantaged business enterprise program; report.** (a) The commissioner shall include in each contract that is funded at least in part by federal funds, a sanction for each contractor who does not meet the established project disadvantaged business enterprise goal or demonstrate good-faith effort to meet the goal.

(b) The commissioner of transportation shall report by February 1 of each ~~odd-numbered~~ year to the house of representatives and senate committees having jurisdiction over transportation policy and finance concerning the commissioner's disadvantaged business enterprise program. The report must, with respect to ~~each of the two previous calendar years~~ year:

(1) state the department's annual overall goal, compared with the percentage attained;

(2) explain the methodology, applicable facts, and public participation used to establish the overall goal;

(3) describe good-faith efforts to meet the goal, if the goal was not attained;

(4) describe actions to address overconcentration of disadvantaged business enterprises in certain types of work;

(5) state the number of contracts that included disadvantaged business enterprise goals, the number of contractors that met established disadvantaged business enterprise goals, and sanctions imposed for lack of good-faith effort; and

(6) describe contracts with no disadvantaged business enterprise goals, and, of those, state number of contracts and amount of each contract with targeted groups under section 16C.16.

Sec. 9. Minnesota Statutes 2014, section 174.12, subdivision 5, is amended to read:

Subd. 5. **Financial assistance; criteria.** The commissioners of transportation and employment and economic development shall establish criteria for evaluating projects for financial assistance



under this section. At a minimum, the criteria must provide an objective method to prioritize and select projects on the basis of:

(1) the extent to which the project provides measurable economic benefit in accordance with the performance measures developed by the commissioner of employment and economic development under subdivision 4;

(2) consistency with relevant state and local transportation plans;

(3) the availability and commitment of funding or in-kind assistance for the project from nonpublic or nonstate sources;

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

(5) the extent to which completion of the project will improve the movement of people and freight; **and**

(6) the extent to which the project promotes access to jobs and employment centers and connections between modes of transportation; and

~~(6)~~ (7) geographic balance as required under subdivision 7, paragraph (b).

**Sec. 10. [174.38] ACTIVE TRANSPORTATION PROGRAMS.**

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

(b) "Administering authority" or "authority" means the commissioner of transportation, the joint powers board under section 297A.992, or the council, as appropriate.

(c) "Bond-eligible cost" means:

(1) expenditures under this section for acquisition of land or permanent easements, predesign, design, preliminary and final engineering, environmental analysis, construction, and reconstruction of publicly owned infrastructure in this state with a useful life of at least ten years that provides for nonmotorized transportation;

(2) preparation of land for which a nonmotorized transportation route is established, including demolition of structures and remediation of any hazardous conditions on the land; and

(3) the unpaid principal on debt issued by a political subdivision for a nonmotorized transportation project.

(d) "Council" means the Metropolitan Council, as defined under section 473.121, subdivision 3.

Subd. 2. **Programs established.** (a) Upon availability of funds specifically provided to an administering authority for purposes of this section, the authority shall establish a program to support bicycling, pedestrian activities, and other forms of nonmotorized transportation as provided in this section.

(b) Subject to the requirements of this section, the authority may provide grants or other financial assistance for a project.

Subd. 3. **Active transportation accounts.** (a) An active transportation account is established in the bond proceeds fund. The account consists of state bond proceeds appropriated to the

commissioner or the council. Money in the account may only be expended on bond-eligible costs of a project receiving financial assistance under this section. All uses of funds from the account must be for publicly owned property.

(b) A greater Minnesota active transportation account is established in the special revenue fund. The account consists of funds as provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account may only be expended on a project that is primarily located outside of metropolitan counties, as defined in section 473.121, subdivision 4, and receiving financial assistance as provided under this section.

(c) A metropolitan area active transportation account is established in the special revenue fund. The account consists of funds as provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account may only be expended on a project that is primarily located within metropolitan counties, as defined in section 473.121, subdivision 4, and receiving financial assistance as provided under this section.

Subd. 4. **Program administration.** (a) The authority shall establish program requirements, including:

- (1) eligibility for assistance, subject to the requirements under paragraph (b);
- (2) a process for solicitation and application that minimizes applicant burdens; and
- (3) procedures for award and payment of financial assistance.

(b) Eligible recipients of financial assistance under this section are:

- (1) a political subdivision; and
- (2) a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, as amended.

(c) The authority shall make reasonable efforts to publicize each solicitation for applications among all eligible recipients, and provide assistance in creating and submitting applications.

(d) The authority may expend no more than one percent of available funds in a fiscal year under this section on program administration.

Subd. 5. **State general obligation bond funds.** Minnesota Constitution, article XI, section 5, clause (a), requires that state general obligation bonds be issued to finance only the acquisition or betterment of public land, buildings, and other public improvements of a capital nature. The legislature has determined that many nonmotorized transportation infrastructure projects will constitute betterments and capital improvements within the meaning of the Minnesota Constitution and capital expenditures under generally accepted accounting principles, and will be financed more efficiently and economically under this section than by direct appropriations for specific projects.

Subd. 6. **Use of funds.** (a) For a project funded through state bond proceeds under this section, financial assistance is limited solely to bond-eligible costs.

(b) Subject to paragraph (a), the authority shall determine permissible uses of financial assistance under this section, which must include:

- (1) construction and maintenance of bicycle, trail, and pedestrian infrastructure, including but not limited to bicycle facilities and centers, and safe routes to school infrastructure; and

(2) noninfrastructure programming, including activities as specified in section 174.40, subdivision 7a, paragraph (b).

Subd. 7. **Project evaluation and selection.** The authority shall establish a project evaluation and selection process under this section that is competitive, criteria-based, and objective. The process must include criteria and prioritization of projects based on:

- (1) inclusion of the project in a municipal or regional nonmotorized transportation system plan;
- (2) location of the project in a jurisdiction in which a complete streets policy, as provided under section 174.75, is in effect;
- (3) the extent to which the project supports development of continuous and convenient safe routes to school;
- (4) the extent to which the project supports development of routes to and connections with educational facilities, centers of employment, governmental services, health care facilities, food sources, transit facilities, and other community destinations;
- (5) general benefits to public health and safety as a result of the project; and
- (6) geographic equity in project benefits, as well as benefits in areas or locations experiencing high rates of pedestrian or bicycle collisions, high rates of health disparities, and high concentration of poverty.

Subd. 8. **Grant cancellation.** If, five years after execution of a grant agreement, the authority determines that the grantee has not proceeded in a timely manner with implementation of the project funded, the commissioner must cancel the grant and the grantee must repay to the commissioner all grant money paid to the grantee. Section 16A.642 applies to any appropriations made from the bond proceeds fund to the commissioner under this section that have not been awarded as financial assistance.

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

Sec. 11. Minnesota Statutes 2014, section 174.42, is amended by adding a subdivision to read:

Subd. 3. **Funding requirement for greater Minnesota.** (a) In each federal fiscal year, the commissioner shall spend out of National Highway Performance Program funds a total amount in federal transportation funds for an active transportation competitive grant program in greater Minnesota that totals a minimum of \$16,000,000 in excess of the average annual spending on greater Minnesota transportation alternatives projects in federal fiscal years between October 2009 and September 2012. This requirement must not reduce the amount of federal transportation funding for metropolitan projects.

(b) The commissioner of transportation shall create and implement the active transportation competitive grant program. The program must receive funds under this subdivision and may receive funds from any other source. The commissioner shall establish criteria for grant awards, in collaboration with experts in bicycle, pedestrian, trail, and safe routes to school infrastructure. The criteria must clarify statewide priorities, ensure that grant awards further these statewide priorities, and require grant recipients to be accountable for their use of program resources. Cities, counties, and townships in greater Minnesota are eligible to apply for grants for projects related to safe routes to school infrastructure and noninfrastructure activities, bicycle and pedestrian elements of

a main street program, and planning activities and construction and maintenance of bicycle, trail, and pedestrian infrastructure.

**EFFECTIVE DATE.** This section is effective October 1, 2015.

Sec. 12. Minnesota Statutes 2014, section 174.52, subdivision 4a, is amended to read:

Subd. 4a. **Rural road safety account; appropriation.** (a) A rural road safety account is established in the local road improvement fund. Money in the account is annually appropriated to the commissioner of transportation for expenditure as specified in this subdivision. Money in the account must be used as grants to counties to assist in paying the costs of capital improvement projects on county state-aid highways that are intended primarily to reduce traffic crashes, deaths, injuries, and property damage and improve safety for all road users.

(b) The commissioner shall establish procedures for counties to apply for grants from the rural road safety account and criteria to be used to select projects for funding. The commissioner shall establish these procedures and criteria in consultation with representatives appointed by the Association of Minnesota Counties. Eligibility for project selection must be based on the ability of each proposed project to reduce the frequency and severity of crashes.

(c) Money in the account must be allocated in each fiscal year as follows:

(1) one-third of money in the account must be used for projects in the counties of Anoka, Chisago, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington; and

(2) the remainder must be used for projects elsewhere in the state.

Sec. 13. Minnesota Statutes 2014, section 174.52, subdivision 5, is amended to read:

Subd. 5. **Grant procedures and criteria.** The commissioner shall establish procedures for statutory or home rule charter cities, towns, and counties to apply for grants or loans from the fund and criteria to be used to select projects for funding. The commissioner shall establish these procedures and criteria in consultation with representatives appointed by the Association of Minnesota Counties, League of Minnesota Cities, Minnesota Association of Townships, and the appropriate state agency as needed. The criteria for determining project priority and the amount of a grant or loan must be based upon consideration of:

(1) the availability of other state, federal, and local funds;

(2) the regional significance of the route;

(3) effectiveness of the proposed project in eliminating a transportation system deficiency and improve safety for all road users;

(4) the number of persons who will be positively impacted by the project;

(5) the project's contribution to other local, regional, or state economic development or redevelopment efforts including livestock and other agricultural operations permitted after the effective date of this section; and

(6) ability of the local unit of government to adequately provide for the safe operation and maintenance of the facility upon project completion.

Sec. 14. **[219.016] RAILROAD COMPANY ASSESSMENT; ACCOUNT; APPROPRIATION.**

(a) As provided in this section, the commissioner shall annually assess railroad companies that are (1) defined as common carriers under section 218.011; (2) classified by federal law or regulation as Class I Railroads or Class I Rail Carriers; and (3) operating in this state. The total assessment amount may not exceed \$32,500,000 annually.

(b) The assessment must be by a division of the annual appropriation to the grade crossing safety improvement account in equal proportion between carriers based on route miles operated in Minnesota, assessed in equal amounts for 365 days of the calendar year.

(c) The assessments must be deposited in the rail grade crossing safety improvement account, which is created in the special revenue fund. Money in the account is appropriated to the commissioner for the development, administration, and construction of highway-rail grade crossing improvements on rail corridors transporting crude oil, and other selected routes, including those carrying hazardous materials. Improvements may include upgrades to existing protection systems, the closing of crossings and necessary roadwork, and reconstruction of at-grade crossings to full grade separations. Funds in the account are available until expended.

Sec. 15. Minnesota Statutes 2014, section 222.50, subdivision 7, is amended to read:

Subd. 7. **Expenditures.** (a) The commissioner may expend money from the rail service improvement account for the following purposes:

(1) to make transfers as provided under section 222.57 or to pay interest adjustments on loans guaranteed under the state rail user and rail carrier loan guarantee program;

(2) to pay a portion of the costs of capital improvement projects designed to improve rail service of a rail user or a rail carrier;

(3) to pay a portion of the costs of rehabilitation projects designed to improve rail service of a rail user or a rail carrier;

(4) to acquire, maintain, manage, and dispose of railroad right-of-way pursuant to the state rail bank program;

(5) to provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the in-place track;

(6) to pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A;

(7) to pay the state matching portion of federal grants for rail-highway grade crossing improvement projects;

(8) for expenditures made before July 1, 2017, to pay the state matching portion of grants under the federal Transportation Investment Generating Economic Recovery (TIGER) program of the United States Department of Transportation; ~~and~~

(9) to fund rail planning studies; and

(10) to pay a portion of the costs of capital improvement projects designed to improve capacity or safety at rail yards.

(b) All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the rail service improvement account.

Sec. 16. Minnesota Statutes 2014, section 297A.94, is amended to read:

**297A.94 DEPOSIT OF REVENUES.**

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(e) 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(f) The revenue dedicated under paragraph (e) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (e) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (e) must be allocated for field operations.

(g) Beginning July 15, 2016, and by July 15 of each year, the commissioner of revenue shall transfer an amount equal to the estimated revenues, including interest and penalties, collected in tax from the sale or purchase of new or used bicycles by a person who is required to have or voluntarily obtains a permit under section 297A.83, subdivision 1, from the general fund to be divided equally between the greater Minnesota active transportation account and the metropolitan area active transportation account under section 174.38, subdivision 3. Beginning June 30, 2016, and by June 30 of every fourth year thereafter, the commissioner of revenue must estimate the percentage of total sales tax revenues collected in the previous calendar year that is attributable to sales and purchases of bicycles, based on available federal data and Department of Revenue consumption models. The amount of sales tax revenue to be transferred to the active transportation account on each July 15 is equal to the most recently calculated percentage estimate under this paragraph multiplied by the total sales tax revenues collected in the previous calendar year. For purposes of this section, "bicycle" has the meaning given in section 169.011, subdivision 4, and does not include bicycle parts.

(g) (h) The revenues deposited under paragraphs (a) to (f) in, transferred to, or credited to a fund other than the general fund by a provision in this chapter do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

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

**Sec. 17. [299D.11] MOTORCYCLE PROFILING.**

Subdivision 1. **Purpose.** The legislature finds that the reality or public perception of motorcycle profiling alienates people from police, hinders community policing efforts, and causes law enforcement to lose credibility and trust among the people law enforcement is sworn to protect and serve. No stop initiated by a peace officer should be made without a legitimate reason; the fact that someone rides a motorcycle or wears motorcycle paraphernalia is not a legitimate reason.

Law enforcement policies and training programs must emphasize the need to respect the balance between the rights of all persons to be free from unreasonable governmental intrusions and law enforcement's need to enforce the law.

Subd. 2. **Definition.** For purposes of this section, "motorcycle profiling" means the illegal use of the fact that a person rides a motorcycle or wears motorcycle-related accouterments as a factor in deciding to stop and question, take enforcement action, arrest, or search a person or vehicle with or without a legal basis under the United States Constitution or Minnesota Constitution.

Subd. 3. **Statewide model policy.** By October 1, 2015, the State Patrol, after consulting with the Department of Public Safety Motorcycle Safety Advisory Task Force, the Department of Public Safety, the Minnesota Chiefs of Police Association, the Minnesota Sheriffs Association, the Minnesota Police and Peace Officers Association, and the Board of Peace Officer Standards and Training, shall develop a statewide model training policy designed to eliminate motorcycle profiling from law enforcement in the state. The model antimotorcycle profiling policy must include training in:

- (1) acts that constitute motorcycle profiling;
- (2) tactics for avoiding motorcycle profiling; and
- (3) methods for peace officers and their supervisors to identify and respond to motorcycle profiling by other peace officers.

Subd. 4. **Agency policies required.** (a) By November 1, 2016, the chief law enforcement officer of each state and local law enforcement agency must establish and enforce a written antimotorcycle profiling policy governing the conduct of peace officers engaged in stops of citizens. The chief law enforcement officer shall ensure that each peace officer receives a copy of the agency's antimotorcycle profiling policy. The chief law enforcement officer also must ensure that each peace officer is aware of the policy's purpose and prohibited conduct.

(b) The policy must, at a minimum, comply with the requirements of the model policy adopted by the State Patrol under subdivision 3 and require peace officers to give their name and badge number to each motorcycle operator stopped for any reason.

(c) Each state and local law enforcement agency must certify to the State Patrol that the agency has adopted a written policy in compliance with the State Patrol's model policy.

Subd. 5. **Compliance reviews.** The State Patrol has authority to inspect state and local agency policies to ensure compliance with subdivision 4. The State Patrol may conduct an inspection based upon a complaint it receives about a particular agency or through a random selection process.

Sec. 18. Minnesota Statutes 2014, section 360.305, subdivision 4, is amended to read:

Subd. 4. **Costs allocated; local contribution; hangar construction account.** (a) ~~Except as otherwise provided in this subdivision~~ Annually by June 1, the commissioner of transportation shall require as a condition of assistance by the state that the establish local contribution rates which will apply to a political subdivision, municipality, or public corporation ~~make a substantial contribution to the cost of the construction, improvement, maintenance, or operation of the airport, in connection with which the assistance of the state is sought. These costs are referred to as project costs when applying for state or federal funding assistance to construct, improve, maintain, or operate an airport,~~



or to acquire land for airport facilities or clear zones. If the commissioner does not establish local contribution rates by June 1, the previous rates apply.

~~(b) For any airport, whether key, intermediate, or landing strip, where only state and local funds are to be used, the contribution shall be not less than one-fifth of the sum of:~~

~~(1) the project costs;~~

~~(2) acquisition costs of the land and clear zones, which are referred to as acquisition costs. The commissioner may pay all costs beyond the local contribution. Local contribution rates shall not be less than five percent of the total cost of the activity or acquisition, except that the commissioner may require less than five percent for research projects, radio or navigational aids, activities, or acquisitions for which federal funds are available to cover more than 90 percent of the total cost, or as otherwise necessary to respond to an emergency.~~

~~(c) For any airport where federal, state, and local funds are to be used, the contribution shall not be less than five percent of the sum of the project costs and acquisition costs. The commissioner's establishment of local contribution rates is not subject to the rulemaking requirements of chapter 14.~~

~~(d) The commissioner may pay the total cost of radio and navigational aids:~~

~~(e) Notwithstanding paragraph (b) or (c), the commissioner may pay all of the project costs of a new landing strip, but not an intermediate airport or key airport, or may pay an amount equal to the federal funds granted and used for a new landing strip plus all of the remaining project costs; but the total amount paid by the commissioner for the project costs of a new landing strip, unless specifically authorized by an act appropriating funds for the new landing strip, shall not exceed \$200,000.~~

~~(f) Notwithstanding paragraph (b) or (c), the commissioner may pay all the project costs for research and development projects, including, but not limited to noise abatement; provided that in no event shall the sums expended under this paragraph exceed five percent of the amount appropriated for construction grants:~~

~~(g) (d) To receive aid under this section for project costs or for acquisition costs, the municipality must enter into an agreement with the commissioner giving assurance that the airport will be operated and maintained in a safe, serviceable manner for aeronautical purposes only for the use and benefit of the public:~~

~~(1) for 20 years after the date that the municipality receives any state funds for project construction or improvement costs are received by the municipality; and~~

~~(2) for 99 years after the date that the municipality receives any state funds for land acquisition costs are received by the municipality. If any land acquired with state funds ceases to be used for aviation purposes, the municipality shall repay the state airports fund the same percentage of the appraised value of the property as that percentage of the costs of acquisition and participation provided by the state to acquire the land.~~

The agreement may contain other conditions as the commissioner deems reasonable.

~~(h) (e) The commissioner shall establish a hangar construction revolving account, which shall be used for the purpose of financing the construction of hangar buildings to be constructed by municipalities owning airports. All municipalities owning airports are authorized to enter into~~

contracts for the construction of hangars, and contracts with the commissioner for the financing of hangar construction for an amount and period of time as may be determined by the commissioner and municipality. All receipts from the financing contracts shall be deposited in the hangar construction revolving account and are reappropriated for the purpose of financing construction of hangar buildings. ~~The commissioner may pay from the hangar construction revolving account 80 percent of the cost of financing construction of hangar buildings. For purposes of this paragraph, the construction of hangars shall include their design.~~ The commissioner shall transfer up to \$4,400,000 from the state airports fund to the hangar construction revolving account.

~~(i) (f) The commissioner may pay a portion of the purchase price of any~~ contribute to costs incurred by any municipality for airport maintenance and operations, safety equipment, and of the actual airport snow removal costs incurred by any municipality. ~~The portion to be paid by the state shall not exceed two-thirds of the cost of the purchase price or snow removal. To receive aid a municipality must enter into an agreement of the type referred to in paragraph (g).~~

~~(j) (g) This subdivision applies only to project costs or acquisition costs of municipally owned airports incurred after June 1, 1971.~~

Sec. 19. Minnesota Statutes 2014, section 357.021, subdivision 7, is amended to read:

Subd. 7. **Disbursement of surcharges by commissioner of management and budget.** (a) Except as provided in paragraphs (b), (c), and (d), and (e), the commissioner of management and budget shall disburse surcharges received under subdivision 6 and section 97A.065, subdivision 2, as follows:

(1) one percent ~~shall~~ must be credited to the peace officer training account in the game and fish fund to provide peace officer training for employees of the Department of Natural Resources who are licensed under sections 626.84 to 626.863, and who possess peace officer authority for the purpose of enforcing game and fish laws;

(2) 39 percent ~~shall~~ must be credited to the peace officers training account in the special revenue fund; and

(3) 60 percent ~~shall~~ must be credited to the general fund.

(b) The commissioner of management and budget shall credit \$3 of each surcharge received under subdivision 6 and section 97A.065, subdivision 2, except for the \$12 parking surcharge, to the general fund.

(c) In addition to any amounts credited under paragraph (a), the commissioner of management and budget shall credit \$47 of each surcharge received under subdivision 6 and section 97A.065, subdivision 2, ~~and the \$12 parking surcharge,~~ to the general fund.

(d) If the Ramsey County Board of Commissioners authorizes imposition of the additional \$1 surcharge provided for in subdivision 6, paragraph (a), the court administrator in the Second Judicial District shall transmit the surcharge to the commissioner of management and budget. The \$1 special surcharge is deposited in a Ramsey County surcharge account in the special revenue fund and amounts in the account are appropriated to the trial courts for the administration of the petty misdemeanor diversion program operated by the Second Judicial District Ramsey County Violations Bureau.

(e) The commissioner of management and budget shall credit the \$12 parking surcharge to the highway user tax distribution fund.

**EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to surcharges on parking violations committed on and after that date.

Sec. 20. **[473.1296] MADE IN AMERICA.**

In all construction and maintenance projects, the council shall, to the greatest extent feasible, utilize products, materials, and equipment that are made in America and shall include this requirement in its contract specifications.

Sec. 21. Minnesota Statutes 2014, section 473.915, is amended to read:

**473.915 PROCUREMENTS.**

Subdivision 1. **Review by Legislative Advisory Commission.** All proposed Metropolitan Council procurements over \$125,000,000 must be reviewed by the members of the Legislative Advisory Commission under section 3.30 and the ranking minority members of the house of representatives and senate committees or divisions responsible for overseeing the items subject to the proposed procurement. The chair of the Metropolitan Council shall give notice to the Legislative Advisory Commission secretary when a procurement over \$125,000,000 is being considered. The commission shall take testimony on the procurements.

Subd. 2. **Review by Transportation Accessibility Advisory Committee.** The council shall consult with the Transportation Accessibility Advisory Committee concerning all proposed Metropolitan Council procurements of transit vehicles and shall consider the committee's input before ordering vehicles.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 22. **COST SHARE POLICY.**

The commissioner of transportation, in consultation with representatives of local units of government, shall create and adopt a policy concerning cost participation for cooperative construction projects and maintenance responsibilities between the Department of Transportation and local units of government. The policy must minimize the share of cooperative project costs to be funded by the local units of government, while complying in all respects with the state constitutional requirements concerning allowable uses of the trunk highway fund. The policy must be completed and adopted by the commissioner no later than September 1, 2015.

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

Sec. 23. **PUBLIC-PRIVATE PARTNERSHIP PILOT PROGRAM.**

Subdivision 1. **Public-private partnership initiatives.** (a) The commissioner of transportation and Metropolitan Council are authorized to consider and utilize public-private partnership procurement methods for up to three pilot projects as provided in this section. Utilization of public-private partnerships is a recognition of the importance to the state of an efficient and safe transportation system, and the necessity of developing alternative funding sources to supplement traditional sources of transportation revenues. A public-private partnership initiative must take advantage of private sector efficiencies in design and construction, along with expertise in finance

and development, and provide a better long-term value for the state than could be obtained through traditional procurement methods.

(b) Notwithstanding Minnesota Statutes, section 160.98, or any other law to the contrary, the commissioner or council may consider for use in the pilot program any existing public-private partnership mechanism or any proposed mechanism that proves the best available option for the state. Mechanisms the commissioner or council may consider include, but are not limited to, toll facilities, BOT facilities, BTO facilities, user fees, construction payments, joint development agreements, negotiated exactions, air rights development, street improvement districts, or tax increment financing districts for transit. For the purposes this section, toll facilities, BOT facilities, and BTO facilities have the meanings given under Minnesota Statutes, section 160.84.

(c) As part of the pilot program, the commissioner and council are directed to form an independent advisory and oversight office, the Joint Program Office for Economic Development and Alternative Finance. The office shall consist of the commissioner of management and budget, the commissioner of employment and economic development, the commissioner of administration, the commissioner of transportation, the Metropolitan Council, and one representative each from the American Council of Engineering Companies - Minnesota chapter, the Central Minnesota Transportation Alliance, the Counties Transit Improvement Board, and the Minnesota County Engineers Association. In addition, the commissioner and Metropolitan Council shall invite the Federal Highway Administration and the Federal Transit Administration to participate in the office's activities. The office's duties shall include, but are not limited to, reviewing and approving projects proposed under this section, reviewing any contractual or financial agreements to ensure program requirements are met, and ensuring that any proposed or executed agreement serves the public interest.

Subd. 2. **Pilot program restrictions and project selection.** (a) The commissioner or council may receive or solicit and evaluate proposals to build, operate, and finance projects that are not inconsistent with the commissioner's most recent statewide transportation plan or the council's most recent transportation policy plan. If the department or council receives an unsolicited proposal, the department or council shall publish a notice in the State Register at least once a week for two weeks stating that the department or council has received the proposal and will accept, for 120 days after the initial date of publication, other proposals for the same project purpose. The private proposer must be selected on a competitive basis.

(b) When entering into a public-private partnership, the commissioner or Metropolitan Council may not enter into any noncompete agreement that inhibits the state's ability to address ongoing or future infrastructure needs.

(c) If the commissioner or council enters into a public-private partnership agreement that includes a temporary transfer of ownership or control of a road, bridge, or other infrastructure investment to the private entity, the agreement must include a provision requiring the return of the road, bridge, or other infrastructure investment to the state after a specified period of time.

(d) The commissioner and council may only consider new projects for a public-private partnership. The commissioner and council are prohibited from considering projects involving existing infrastructure for a public-private partnership, unless the proposed project adds capacity to the existing infrastructure.

**Subd. 3. Evaluation and selection of private entity and project.** (a) The commissioner and council shall contract with one or more consultants to assist in proposal evaluation. The consultant must possess expertise and experience in public-private partnership project evaluation methodology, such as value for money, costs of public-private partnership compared with costs of public project delivery, and cost-benefit analysis.

(b) When soliciting, evaluating, and selecting a private entity with which to enter into a public-private partnership and before selecting a project, the commissioner or council must consider:

(1) the ability of the proposed project to improve safety, reduce congestion, increase capacity, and promote economic growth;

(2) the proposed cost of and financial plan for the project;

(3) the general reputation, qualifications, industry experience, and financial capacity of the private entity;

(4) the project's proposed design, operation, and feasibility;

(5) length and extent of transportation and transit service disruption;

(6) comments from local citizens and affected jurisdictions;

(7) benefits to the public;

(8) the safety record of the private entity; and

(9) any other criteria the commissioner or council deems appropriate.

(c) The independent advisory and oversight office established under subdivision 1, paragraph (c), shall review proposals evaluated by the commissioner or council to ensure the requirements of this section are being met. The independent advisory and oversight office shall first determine whether the project, as proposed, serves the public interest. In making this determination, the office must identify and consider advantages and disadvantages for various stakeholders, including taxpayers, workers, transportation and transit providers and operators, transportation and transit users, commercial vehicle operators, and the general public, including the impact on the state's economy. If the proposed project serves the public interest, the office must evaluate the proposals according to the criteria specified in this section.

**Subd. 4. Public-private agreement.** (a) A public-private agreement between the commissioner or the council and a private entity shall, at a minimum, specify:

(1) the planning, acquisition, financing, development, design, construction, reconstruction, replacement, improvement, maintenance, management, repair, leasing, or operation of the project;

(2) the term of the public-private agreement;

(3) the type of property interest, if any, that the private entity will have in the project;

(4) a description of the actions the commissioner or council may take to ensure proper maintenance of the project;

(5) whether user fees will be collected on the project and the basis by which the user fees shall be determined and modified along with identification of the public agency that will determine and modify fees;

(6) compliance with applicable federal, state, and local laws;

(7) grounds for termination of the public-private agreement by the commissioner or council;

(8) adequate safeguards for the traveling public and residents of the state in event of default on the contract;

(9) financial protection for the state in the event of default; and

(10) procedures for amendment of the agreement.

(b) A public-private agreement between the commissioner or council and a private entity may provide for:

(1) review and approval by the commissioner or council of the private entity's plans for the development and operation of the project;

(2) inspection by the commissioner or council of construction and improvements to the project;

(3) maintenance by the private entity of a liability insurance policy;

(4) filing of appropriate financial statements by the private entity on a periodic basis;

(5) filing of traffic reports by the private entity on a periodic basis;

(6) financing obligations of the commissioner or council and the private entity;

(7) apportionment of expenses between the commissioner or council and the private entity;

(8) the rights and remedies available in the event of a default or delay;

(9) the rights and duties of the private entity, the commissioner or council, and other state or local governmental entities with respect to the use of the project;

(10) the terms and conditions of indemnification of the private entity by the commissioner or council;

(11) assignment, subcontracting, or other delegations of responsibilities of (i) the private entity, or (ii) the commissioner or council under agreement to third parties, including other private entities or state agencies;

(12) if applicable, sale or lease to the private entity of private property related to the project;

(13) traffic enforcement and other policing issues; and

(14) any other terms and conditions the commissioner or council deems appropriate.

(c) The independent advisory and oversight office established under subdivision 1, paragraph (c), shall review any proposed contractual agreement prior to execution in order to ensure that the contract serves the public interest and the requirements of this section are met.

Subd. 5. **Funding from federal government.** (a) The commissioner or council may accept from the United States or any of its agencies funds that are available to the state for carrying out the pilot program, whether the funds are available by grant, loan, or other financial assistance.

(b) The commissioner or council may enter into agreements or other arrangements with the United States or any of its agencies as necessary for carrying out the pilot program.

(c) The commissioner or council shall seek to maximize project funding from nonstate sources and may combine federal, state, local, and private funds to finance a public-private partnership pilot project.

Subd. 6. **Reporting.** By August 1, 2016, and annually by August 1 thereafter, the commissioner and council shall submit to the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over transportation policy and finance a list of all agreements executed under the pilot program authority. The list must identify each agreement, the contracting entities, contract amount and duration, any repayment requirements, and provide an update on the project's progress. The list may be submitted electronically and is subject to Minnesota Statutes, section 3.195, subdivision 1.

**EFFECTIVE DATE.** This section is effective the day after an appropriation is effective to pay administrative expenses creating and operating the Joint Program Office for Economic Development and Alternative Finance, hiring a consultant, and preparing required reports.

Sec. 24. **DEPARTMENT OF TRANSPORTATION LAND ACQUISITION.**

As part of the construction of a bridge and bridge approaches along Trunk Highway 23 in the city of Duluth, the commissioner of transportation shall acquire by purchase or gift, in fee or a lesser estate as the commissioner deems necessary, the lands and properties located in St. Louis County and consisting of three parcels identified and described as St. Louis County Property Tax Parcel Numbers 010-3510-08110, 101-3510-08120, and 010-3510-08130.

Sec. 25. **TRANSPORTATION PROJECT SELECTION PROCESS.**

Subdivision 1. **Adoption of process and public input.** The commissioner of transportation shall, after consultation with metropolitan planning organizations, regional development commissions, area transportation partnerships, local governments, and the Metropolitan Council, draft a proposed transportation project data-driven evaluation process to provide an objective and consistent analysis to assist in developing the statewide transportation plan and prioritization of highway construction, reconstruction, and improvement projects in the state transportation improvement program. No later than September 1, 2015, the proposed process must be reported to the chairs and ranking minority members of the senate and house of representatives committees on transportation policy and finance and publicized, along with a schedule for public hearings and additional opportunities for public input electronically and at locations throughout the state. No later than January 10, 2016, after public comment has been heard and incorporated into the proposed evaluation process, the commissioner shall adopt a final process for use in highway project investment decisions on and after March 1, 2016.

Subd. 2. **Factors in analysis.** The process must be based on objective, consistent, and quantifiable analysis. Factors in the analysis must include return on investment, benefit-cost, local rankings, safety, congestion mitigation, economic development, accessibility, environmental quality, regional and metropolitan-rural balance, and land use. The process may assign different

weights to factors in evaluating projects on the trunk highway system, the county state-aid highway system, and the municipal state-aid street system.

Subd. 3. **Exemptions.** A proposed project is exempt from the process if it is:

(1) funded by a grant from:

(i) the corridors of commerce program under Minnesota Statutes, section 161.088;

(ii) the transportation economic development program under Minnesota Statutes, section 174.12; and

(iii) the joint powers board under Minnesota Statutes, section 297A.992, subdivision 6; or

(2) preservation, maintenance, capital preventive treatment or safety project that does not increase capacity of the infrastructure, or if subjecting it to the evaluation process would result in a loss of federal funds.

Subd. 4. **Information on department's Web site.** For each proposed project evaluated under this process, the applicable scoring process, the score for each factor, and the overall score are public information and must be publicized on the department's Web site.

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

Sec. 26. **ACTIVE TRANSPORTATION PROGRAM DEVELOPMENT.**

(a) By October 1, 2015, the Advisory Committee on Nonmotorized Transportation under Minnesota Statutes, section 174.37, shall develop and submit recommendations to each administering authority under Minnesota Statutes, section 174.38, for developing project evaluation and selection processes under Minnesota Statutes, section 174.38, subdivision 7. The advisory committee may consult with representatives from the Bicycle Alliance of Minnesota, Minnesota Chamber of Commerce, Metropolitan Council Transportation Accessibility Advisory Committee, Minnesota Department of Transportation district area transportation partnerships, Minnesota State Council on Disability, organizations representing elderly populations, and public health organizations with experience in active transportation.

(b) In its next annual report under Minnesota Statutes, section 174.37, subdivision 4, the advisory committee shall include a summary of the recommendations under this section and submit a copy to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report is subject to Minnesota Statutes, section 3.195.

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

Sec. 27. **REPORT ON DEDICATED FUND EXPENDITURES.**

By January 15, 2016, the commissioner of management and budget shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance. The report must list detailed expenditures and transfers from the trunk highway fund and highway user tax distribution fund for fiscal years 2010 through 2015, and shall include information on the purpose of each expenditure.

Sec. 28. **ROAD DESIGN STANDARDS.**



By August 15, 2016, the commissioner of transportation shall, in collaboration with city and county engineers, establish and adopt design standards and guidelines to be applied consistently to trunk highways, county state-aid highways, and municipal state-aid streets with similar characteristics. The standards and guidelines must align the state-aid standards with the Department of Transportation trunk highway standards and technical memoranda as appropriate. The commissioner shall report the adopted standards and guidelines to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation policy by August 15, 2016, and present an interim report by March 15, 2016.

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

Delete the title and insert:

"A bill for an act relating to transportation; capital investment; taxes; amending provisions governing transportation finance; establishing gross receipts motor fuels tax; amending vehicle registration tax and metropolitan area transit sales tax; amending distribution of highway user fund and county state-aid funding; authorizing sale and issuance of trunk highway bonds; requiring a report; appropriating money; amending Minnesota Statutes 2014, sections 16E.15, subdivision 2; 115A.908; 161.081, subdivision 1; 161.082, subdivision 1, by adding a subdivision; 161.083; 161.088, subdivisions 3, 4, 5; 161.20, by adding a subdivision; 161.231; 161.46, subdivision 2; 162.07, subdivision 1a; 168.013, subdivisions 1a, 8; 168.053, subdivision 1; 168.31, by adding a subdivision; 168.33, subdivisions 2, 7; 168.54, subdivision 5; 168D.06; 174.03, subdivisions 10, 11; 174.12, subdivision 5; 174.42, by adding a subdivision; 174.52, subdivisions 4a, 5; 222.50, subdivision 7; 270.80, subdivisions 1, 2, 3, 4, by adding subdivisions; 270.81, subdivisions 1, 3, by adding a subdivision; 270.82; 270.83, subdivisions 1, 2; 270.84; 270.86; 270.87; 272.02, subdivision 9; 275.025, subdivisions 1, 4; 296A.061; 296A.11; 296A.12; 296A.16; 297A.815, subdivision 3; 297A.94; 297A.992, subdivisions 1, 4, 5, 6; 297B.09, subdivision 1; 299D.09; 357.021, subdivision 7; 360.024; 360.305, subdivision 4; 473.167; 473.915; Laws 2014, chapter 312, article 11, section 33; proposing coding for new law in Minnesota Statutes, chapters 161; 174; 219; 296A; 297A; 299D; 473; repealing Minnesota Statutes 2014, sections 161.081, subdivision 3; 270.81, subdivision 4; 270.83, subdivision 3; 473.4051, subdivision 2; Minnesota Rules, parts 8106.0100, subparts 1, 2, 3, 4, 5, 6, 7, 8, 10, 12, 13, 14, 17, 17a, 18, 19, 20, 21; 8106.0300, subparts 1, 3; 8106.0400; 8106.0500; 8106.0600; 8106.0700; 8106.0800; 8106.9900."

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

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

**S.F. No. 498:** A bill for an act relating to data practices; adding provisions for portable recording systems; classifying audio and video data captured by a law enforcement officer; amending Minnesota Statutes 2014, section 13.82, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 13.82, subdivision 15, is amended to read:

Subd. 15. **Public benefit data.** Any law enforcement agency may make any data classified as confidential or protected nonpublic pursuant to subdivision 7 or as private or nonpublic under

subdivision 31 accessible to any person, agency, or the public if the agency determines that the access will aid the law enforcement process, promote public safety, or dispel widespread rumor or unrest.

Sec. 2. Minnesota Statutes 2014, section 13.82, is amended by adding a subdivision to read:

**Subd. 31. Portable recording systems.** (a) As used in this subdivision:

(1) "portable recording system data" means audio or video data collected by a device worn by a peace officer that is capable of both video and audio recording of the officer's activities and interactions with others or collecting digital multimedia evidence as part of an investigation;

(2) "public place" means a location that is accessible to the general public where individuals do not have a reasonable expectation of privacy with respect to audio or video recording of their activities and interactions with others; and

(3) "redact" means to blur video or distort audio so that the identity of the subject in a recording is obscured sufficiently to render the subject unidentifiable.

For purposes of this subdivision, the peace officer who collected the portable recording system data or an officer whose image or voice is recorded is a subject of the data, regardless of whether the officer is or can be identified by the recording.

(b) Portable recording system data are private data on individuals or nonpublic data unless the recording occurred in a public place and:

(1) the incident involved the use of a dangerous weapon by a peace officer or use of physical coercion by a peace officer that causes at least substantial bodily harm, as those terms are defined in section 609.02; or

(2) a subject of the data requests that the data be accessible to the public, provided that data on a subject who is not a peace officer and who does not consent to the release must be redacted, if practicable.

A law enforcement agency may withhold access to data that are public under this paragraph or redact the data to the extent that the data are clearly offensive to common sensibilities.

(c) Notwithstanding paragraph (b):

(1) portable recording system data that are criminal investigative data are governed by subdivision 7, except that inactive criminal investigative data are governed by paragraph (b);

(2) portable recording system data that are public personnel data under section 13.43, subdivision 2, clause (5), are public; and

(3) data that are not public data under other provisions of this section retain that classification.

(d) Any person may bring an action in the district court located in the county where portable recording system data are being maintained to authorize disclosure of data that are private or nonpublic under this subdivision. The person bringing the action must give notice of the action to the law enforcement agency and subjects of the data, if known. The law enforcement agency must give notice to other subjects of the data, if known, who did not receive the notice from the person bringing the action. The court may order that all or part of the data be released to the public or to the person bringing the action. In making this determination, the court shall consider whether the

benefit to the person bringing the action or to the public outweighs any harm to the public, to the law enforcement agency, or to a subject of the data. The data in dispute must be examined by the court in camera. This paragraph does not affect the right of a defendant in a criminal proceeding to obtain access to portable recording system data under the Rules of Criminal Procedure.

(e) A law enforcement agency that uses portable recording systems must maintain the following information, which is public data:

- (1) the total number of devices owned or maintained by the agency;
- (2) a daily record of the total number of devices actually deployed and used by officers and, if applicable, the precincts in which they were used;
- (3) the law enforcement agency's policies and procedures for use of portable recording systems; and
- (4) the total amount of recorded audio and video data collected by portable recording systems and maintained by the agency and the agency's retention schedule for the data and procedures for destruction.

(f) Notwithstanding section 138.17, portable recording system data that are not active or inactive criminal investigative data and are not described in paragraph (g) must be maintained for at least 90 days and destroyed within one year of the date the data were collected.

(g) Portable recording system data must be maintained for at least one year and destroyed within three years of the date the data were collected if:

- (1) the incident involved the use of a dangerous weapon by a peace officer or use of physical coercion by a peace officer that causes at least substantial bodily harm, as those terms are defined in section 609.02; or
- (2) a formal complaint is made against a peace officer related to the incident.

(h) If a subject of the data submits a written request to the law enforcement agency to retain the recording beyond the applicable retention period for possible evidentiary or exculpatory use in a future proceeding related to the circumstances under which the data were collected, the law enforcement agency shall retain the recording for an additional time period requested by the subject of up to 180 days and notify the requester that the recording will then be destroyed unless a new request is made under this paragraph. A government entity may retain the recording for as long as reasonably necessary for possible evidentiary or exculpatory use in a future proceeding related to the incident with respect to which the data were collected.

(i) An individual who is the subject of portable recording system data has access to the data, including data on other individuals who are the subject of the recording. If the individual requests a copy of the recording, data on other individuals who do not consent to its release must be redacted from the copy.

(j) A law enforcement agency using portable recording systems must arrange for an independent triennial audit of data collected from the systems to determine whether the data have been maintained, classified, and destroyed as required by this subdivision. Summary data related to the results of the audit are public data.

(k) A law enforcement agency must not use a portable recording system unless the agency has adopted and enforces a written policy governing the use and operation of portable recording systems and standards and procedures for complying with this subdivision. At a minimum, the policy must:

(1) establish strict procedures governing access to the data to ensure that the data are not edited, altered, or prematurely destroyed, except to the extent that redaction of data is required under this subdivision;

(2) include guidelines or standards governing the circumstances under which a portable recording system must or may be activated or deactivated and whether notice of use is required; and

(3) provide for training of peace officers for purposes of complying with this subdivision and the policy.

**EFFECTIVE DATE.** This section is effective the day following final enactment. Data collected before the effective date of this section must be destroyed, if required by this section, no more than 90 days after this section becomes effective.

Sec. 3. Minnesota Statutes 2014, section 13.82, is amended by adding a subdivision to read:

Subd. 32. **Portable recording system vendor.** (a) For purposes of this subdivision, a "portable recording system vendor" means a person who is not a government entity and that provides services for the creation, collection, retention, maintenance, processing, or dissemination of portable recording system data for a law enforcement agency or other government entity. By providing these services to a government entity, a vendor is subject to all of the requirements of this chapter as if it were a government entity.

(b) Subject to paragraph (c), in an action against a vendor under section 13.08 for a violation of this chapter, the vendor is liable for presumed damages of \$2,500 or actual damages, whichever is greater, and reasonable attorney fees.

(c) In an action against a vendor that improperly discloses data made not public by this chapter or any other statute classifying data as not public, the vendor is liable for presumed damages of \$10,000 or actual damages, whichever is greater, and reasonable attorney fees.

Sec. 4. **EFFECTIVE DATE; APPLICATION.**

Chief law enforcement officers shall adopt the policy under section 2, paragraph (k), by January 15, 2016."

Delete the title and insert:

"A bill for an act relating to data practices; classifying portable recording system data; establishing requirements for the destruction of data; requiring policies; imposing requirements on vendors and providing for damage awards; amending Minnesota Statutes 2014, section 13.82, subdivision 15, by adding subdivisions."

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

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

**S.F. No. 1694:** A bill for an act relating to public safety; providing for religious objections to autopsies in certain cases; amending Minnesota Statutes 2014, sections 390.005, by adding a subdivision; 390.11, subdivisions 1, 2, by adding a subdivision.

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

Page 1, line 8, delete "a surviving relative" and insert "family during a death investigation"

Page 1, line 10, delete "a surviving relative" and insert "families during a death investigation"

Page 1, line 11, delete everything before the period

Page 3, delete section 4 and insert:

"Sec. 4. Minnesota Statutes 2014, section 390.11, is amended by adding a subdivision to read:

Subd. 2b. **Religious objections to autopsy.** (a) For purposes of this subdivision:

(1) "compelling state interest" means that:

(i) the autopsy is essential to investigation of a suspected crime;

(ii) the autopsy is necessary to prevent a potential public health threat and essential to ascertain the cause or manner of death;

(iii) the autopsy is essential to ascertain the cause or manner of death following an unexpected death, regardless of the decedent's underlying disease, in order to protect the public's health;

(iv) the autopsy is necessary to obtain proper toxicologic or other specimens that may represent evidence of a crime and may deteriorate over time;

(v) the death is an unexpected and unexplained death of a child;

(vi) the death is associated with police action;

(vii) the death is unnatural, unattended, or unexpected and occurred within a facility licensed by the Department of Corrections;

(viii) the death is due to acute workplace injury;

(ix) the death is caused by apparent electrocution;

(x) the death is caused by unwitnessed or suspected drowning;

(xi) the body is unidentified and the autopsy may aid in identification;

(xii) the body is skeletonized but not subject to the provisions of section 307.08;

(xiii) the death appears to be caused by fire or explosion; or

(xiv) the need for an autopsy is otherwise established under paragraph (e);

(2) "interested party" means a person who is not a surviving relative but who is in a class of persons listed in section 149A.80, subdivision 2, clauses (2) to (11);

(3) "religious beliefs" means the recognized tenets, understandings, customs, or rites of any culture or recognized religion as they apply to activities described in section 149A.01, subdivision 3, paragraph (b);

(4) "religious grounds" means that performance of an autopsy is contrary to the religious beliefs of the decedent or the decedent included a religious objection to an autopsy in the decedent's health care directive; and

(5) "surviving relative" means the person or persons with the right to control and duty of disposition of the body of the decedent under section 149A.80, subdivision 2.

(b) The coroner or medical examiner shall, as soon as possible, but no more than 24 hours after the discovery of the decedent's body, exercise good faith efforts to give written or verbal notice to the surviving relative of the decedent of the intended autopsy and their rights under this section. If the surviving relative does not object, the autopsy may be performed without delay. If, despite a good faith effort, no surviving family members can be found within 24 hours of the discovery of the decedent's body, the autopsy may proceed without further delay. A record summarizing verbal communication with a surviving relative must be maintained indefinitely in the coroner or medical examiner's records. The coroner or medical examiner may require a surviving relative, or a person representing a class of surviving relatives, to present an affidavit stating the person's relationship to the decedent, any religious affiliation of the decedent, that the decedent had a religious objection to an autopsy and the basis for that belief, and that the relative will assume responsibility for the lawful disposition of the body of the deceased. An autopsy must not be performed if a surviving relative of the decedent objects based on religious grounds, unless there is a compelling state interest to perform the autopsy.

(c) If the coroner or medical examiner determines that a compelling state interest to perform an autopsy exists under paragraph (a), clause (1), items (i) to (xiii), the autopsy may proceed without further delay, except that where there has been a religious objection under this subdivision, the least invasive means to accomplish the compelling state interest must be used.

(d) The court may waive the waiting period under paragraph (b) upon ex parte motion if it determines that the delay may prejudice the accuracy of the autopsy.

(e) If the coroner or medical examiner determines that there is a compelling state interest to perform an autopsy under circumstances not described in paragraph (a), clause (1), items (i) to (xiii), and the surviving relative objects based on religious grounds or an interested party objects and submits written information to the coroner or medical examiner showing reason to believe that the autopsy is contrary to the religious beliefs of the decedent, the coroner or medical examiner may bring an action in district court for an order authorizing the autopsy. The action must be brought by notice of an order to show cause served on the surviving relative or, if a surviving relative is not available, on another party if directed by the court. The proceeding must be determined summarily upon the petition and the oral or written proof that may be offered by the parties. The court shall grant the relief sought in the petition if it finds that the petitioner has established a demonstrable need for the autopsy that outweighs the state's interest in observing the decedent's religious beliefs. If the petition is denied and no stay is granted by the court, the body must immediately be released for burial to the surviving relative.

(f) Autopsies performed under this section based on a compelling state interest must be the least intrusive procedure consistent with that interest. This section does not prohibit a coroner or medical examiner from obtaining voluntary permission from a surviving relative to conduct an examination and inquiry involving less intrusive means than an autopsy.

(g) A coroner or medical examiner is not liable for not performing an autopsy if a surviving relative has objected to an autopsy on religious grounds under this subdivision.

Sec. 5. Minnesota Statutes 2014, section 390.32, subdivision 2, is amended to read:

Subd. 2. ~~**Violent or mysterious deaths; Autopsies.**~~ Subject to section 390.11, subdivision 2b, the medical examiner may conduct an autopsy in the case of any human death of any type referred to in subdivision 1, clause (1) or (2), ~~when in the judgment of the medical examiner the public interest requires an autopsy or in section 390.11, subdivision 1.~~

Sec. 6. Minnesota Statutes 2014, section 390.32, subdivision 3, is amended to read:

Subd. 3. **Other deaths; autopsies; exhumation consent.** Subject to section 390.11, subdivision 2b, the medical examiner may conduct an autopsy in the case of any human death of any type referred to in subdivision 1, clause (3) or (4), or may exhume any human body and perform an autopsy in the case of any human death of any type referred to in subdivision 1 when in the judgment of the medical examiner the public interest requires an autopsy. No such autopsy on an exhumed body shall be conducted unless the surviving spouse, or next of kin if there is no surviving spouse, consents, or unless the district court of the county where the body is located or buried, upon notice as the court directs, enters its order authorizing an autopsy or an exhumation and autopsy. Application for an order may be made by the medical examiner or the county attorney of the county where the body is located or buried, upon a showing that the court deems appropriate.

Sec. 7. **AUTOPSY REVIEW STUDY.**

The commissioner of health shall review the death records for which an autopsy was performed by a coroner or medical examiner within the past five years. The commissioner shall review the death records in terms of sociodemographic factors, including, but not limited to, sex, race, and ethnicity. The commissioner shall compile a summary of this information by county and provide it to the chairs and ranking minority members of the legislative committees with jurisdiction over health and judiciary by January 15, 2016."

Amend the title numbers accordingly

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

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

**S.F. No. 1818:** A bill for an act relating to health; permitting the commissioner of health to use the all-payer claims data to compile public use files of summary data; amending Minnesota Statutes 2014, section 62U.04, subdivision 11.

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

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2014, section 13.3806, subdivision 4, is amended to read:

Subd. 4. **Vital statistics.** (a) **Parents' Social Security number; birth record.** Parents' Social Security numbers and certain contact information provided for a child's birth record are classified under section 144.215, subdivision 4, or 4a.

(b) **Foundling registration.** The report of the finding of an infant of unknown parentage is classified under section 144.216, subdivision 2.

(c) **New record of birth.** In circumstances in which a new record of birth may be issued under section 144.218, the original record of birth is classified as provided in that section.

(d) **Vital records.** Physical access to vital records is governed by section 144.225, subdivision 1.

(e) **Birth record of child of unmarried parents.** Access to the birth record of a child whose parents were not married to each other when the child was conceived or born is governed by sections 144.225, subdivisions 2 and 4, and 257.73.

(f) **Health data for birth registration.** Health data collected for birth registration or fetal death reporting are classified under section 144.225, subdivision 2a.

(g) **Birth record; sharing.** Sharing of birth record data and data prepared under section 257.75, is governed by section 144.225, subdivision 2b.

(h) **Group purchaser identity for birth registration.** Classification of and access to the identity of a group purchaser collected in association with birth registration is governed by section 144.225, subdivision 6."

Page 2, after line 15, insert:

"Sec. 3. Minnesota Statutes 2014, section 144.215, is amended by adding a subdivision to read:

Subd. 4a. **Parent contact information.** The mailing address, residence address, e-mail address, and telephone number of a parent provided in connection with the registration of a birth or application for a birth certificate are private data on individuals, provided that the data may be disclosed to a local, state, tribal, or federal government agency to the extent that the data are necessary for the government agency to perform its duties."

Re-number the sections in sequence

Amend the title accordingly

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

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

**S.F. No. 1413:** A bill for an act relating to criminal justice; expanding the trespass crime to include trespassing on a school bus; imposing a criminal penalty; amending Minnesota Statutes 2014, section 609.605, by adding a subdivision.

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

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

**S.F. No. 878:** A bill for an act relating to criminal justice; modifying disaster assistance; appropriating money for courts, Guardian Ad Litem Board, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, sentencing guidelines, public safety, Peace Officer Standards and Training (POST) Board, Private Detective Board, human rights, and corrections; amending Minnesota Statutes 2014, sections 12.221, subdivision 6; 12B.15, subdivision 2, by adding a subdivision; 12B.25, subdivision 1; 12B.40; Laws 2013, chapter 86, article 1, section 9.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Finance without recommendation. Report adopted.



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

**S.F. No. 1393:** A bill for an act relating to public safety; authorizing issuance of citations for certain work zone violations; amending Minnesota Statutes 2014, section 169.06, subdivision 4a.

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. 1521:** A bill for an act relating to health; modifying requirements for the license of health professionals; amending Minnesota Statutes 2014, sections 148.271; 214.077; 214.10, subdivisions 2, 2a; 214.32, subdivision 6.

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

Page 4, line 31, strike "609.224, subdivision 2" and insert "609.2231, subdivision 8"

Page 4, line 32, strike "paragraph (c),"

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. 1147:** A bill for an act relating to real property; clarifying the mortgage foreclosure by advertisement publication requirements; amending Minnesota Statutes 2014, section 582.25; proposing coding for new law in Minnesota Statutes, chapter 580.

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

Page 1, delete section 1 and insert:

"Section 1. [580.033] WHERE NOTICE PUBLISHED.

Subdivision 1. Location of qualified newspaper. For purposes of this chapter, publication of the notice of sale is sufficient if it occurs:

(1) in a qualified newspaper having its known office of issue located in the county where the mortgaged premises, or some part of the mortgaged premises are located; or

(2) in a qualified newspaper having its known office of issue located in an adjoining county, if the publisher of the newspaper states, in the sworn affidavit of publication required by section 331A.07, that a substantial portion of the newspaper's circulation is in the county where the mortgaged premises, or some part of the mortgaged premises are located.

In all cases, the affidavit of publication must state the city and county where the newspaper's known office of issue is located and that the newspaper complies with the conditions described in clause (1) or (2).

Subd. 2. Definitions. As used in this section, "known office of issue" is defined as provided in section 331A.01, subdivision 2, and "qualified newspaper" is defined as provided in section 331A.01, subdivision 8."

Page 5, line 27, delete everything after "effective" and insert "July 1, 2015."

Page 5, delete lines 28 and 29

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. 610:** A bill for an act relating to public safety; providing a necessity defense in implied consent proceedings; amending Minnesota Statutes 2014, section 169A.53, subdivision 3.

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

Page 2, line 34, delete "based on a"

Page 2, line 35, delete "threat to physical safety"

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. 1299:** A bill for an act relating to public safety; regulating the use of unmanned aerial vehicles by law enforcement agencies; 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. **[626.19] USE OF UNMANNED AERIAL VEHICLES.**

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

(b) "Adverse result" means:

(1) endangering the life or physical safety of an individual;

(2) flight from prosecution;

(3) destruction of or tampering with evidence;

(4) intimidation of potential witnesses; or

(5) otherwise seriously jeopardizing an investigation or unduly delaying a trial.

(c) "Law enforcement agency" has the meaning given in section 626.84, subdivision 1.

(d) "Unmanned aerial vehicle" or "UAV" means an aircraft that is operated without the possibility of direct human intervention from within or on the aircraft.

Subd. 2. **Use of unmanned aerial vehicles limited.** Except as provided in subdivision 3, a law enforcement agency may not operate a UAV without a search warrant issued under this chapter.

Subd. 3. **Exceptions.** (a) A law enforcement agency may operate a UAV and disclose information collected from the operation in an emergency situation that involves a reasonably likely threat to the life or safety of a person. A law enforcement agency that deploys a UAV under this paragraph must document the factual basis for the emergency on a form created for that purpose by the Bureau of Criminal Apprehension and submit a sworn statement with the district court setting forth the grounds for the emergency use not later than 48 hours after operation of the UAV commenced.

(b) A law enforcement agency may operate a UAV to collect information from a public area if a court, upon motion, determines that there are specific and articulable facts demonstrating reasonable suspicion of criminal activity, that the operation of the UAV will uncover this activity, and that alternative methods of data collection are either cost prohibitive or present a significant risk to any person's bodily safety. An order shall not be issued for a period greater than 48 hours. Extensions of an order may be granted but shall be no longer than the authorizing judge deems necessary to achieve the purposes for which it was granted and in no event for longer than 30 days.

(c) A law enforcement agency may operate a UAV to counter a high risk of a terrorist attack by a specific individual or organization if the agency determines that credible intelligence indicates this risk. A law enforcement agency that deploys a UAV under this paragraph must document the factual basis for the use on a form created for that purpose by the Bureau of Criminal Apprehension and submit a sworn statement with the district court setting forth the grounds for the use not later than 48 hours after operation of the UAV commenced. The law enforcement agency may request that the form and statement be sealed. An order must be issued granting the request in whole or in part if the court finds reasonable grounds exist to believe that refusing the request may cause the search or a related search to be unsuccessful, create a substantial risk of injury to an innocent person, or severely hamper an ongoing investigation.

(d) A law enforcement agency may operate a UAV to prevent the loss of life and property in natural or man-made disasters and to facilitate the operational planning, rescue, and recovery operations in the aftermath of these disasters. A law enforcement agency that deploys a UAV under this paragraph must document the factual basis for the use on a form created for that purpose by the Bureau of Criminal Apprehension and submit a sworn statement with the district court setting forth the grounds for the use not later than 48 hours after operation of the UAV commenced.

Subd. 4. **Limitations on use.** (a) A law enforcement agency operating a UAV must fully comply with all Federal Aviation Administration requirements and guidelines.

(b) Acquisition of UAVs must be approved by the governmental entity overseeing the law enforcement agency.

(c) Unless specifically authorized in the warrant or order, a UAV shall be operated in a manner to collect data only on a clearly and narrowly defined target and to avoid data collection on individuals, homes, or areas other than the defined target.

(d) A law enforcement agency may not deploy facial recognition or other biometric-matching technology via a UAV unless expressly authorized to do so through a court order or warrant.

(e) UAVs may not be equipped with weapons.

Subd. 5. **Consensual disclosure of information.** A law enforcement agency may disclose or receive information about any person acquired through the operation of a UAV if the person has given written consent to the disclosure.

Subd. 6. **Data retention and classification.** (a) No data collected on an individual, home, or area other than the subject identified in the warrant or order may be used, copied, or disclosed for any purpose except as provided in subdivision 5. Notwithstanding section 138.17, the data must be deleted as soon as possible, and in no event later than 24 hours after collection.

(b) Data collected pursuant to this section is criminal investigative data under section 13.82, subdivision 7.

Subd. 7. **Evidence.** Information obtained or collected by a law enforcement agency in violation of this section is not admissible as evidence in a criminal prosecution in any court of law in this state.

Subd. 8. **Notice.** (a) Within a reasonable time but not later than 90 days after the court unseals a warrant under this subdivision, the issuing or denying judge shall cause to be served on the persons named in the warrant and the application an inventory that shall include notice of:

(1) the fact of the issuance of the warrant or the application;

(2) the date of the issuance and the period of authorized, approved, or disapproved collection of information, or the denial of the application; and

(3) the fact that during the period information was or was not collected.

(b) A warrant authorizing collection of information must direct that:

(1) the warrant be sealed for a period of 90 days or until the objective of the warrant has been accomplished, whichever is shorter; and

(2) the warrant be filed with the court administrator within ten days of the expiration of the warrant.

(c) The prosecutor may request that the warrant, supporting affidavits, and any order granting the request not be filed. An order must be issued granting the request in whole or in part if, from affidavits, sworn testimony, or other evidence, the court finds reasonable grounds exist to believe that filing the warrant may cause the search or a related search to be unsuccessful, create a substantial risk of injury to an innocent person, or severely hamper an ongoing investigation.

(d) The warrant must direct that following the commencement of any criminal proceeding utilizing evidence obtained in or as a result of the search, the supporting application or affidavit must be filed either immediately or at any other time as the court directs. Until such filing, the documents and materials ordered withheld from filing must be retained by the judge or the judge's designee.

Subd. 9. **Remedies for violation.** An aggrieved party may initiate a civil action against a law enforcement agency to obtain all appropriate relief to prevent or remedy a violation of this section.

Subd. 10. **Reporting.** (a) By January 15 of each year, each law enforcement agency that uses UAVs shall report to the commissioner of public safety the following information for the preceding calendar year:

(1) the number of times a UAV was used, organized by the types of incidents and the types of justification for deployment;

(2) the number of criminal investigations aided by the use of UAVs;

(3) the number of uses of UAVs for reasons other than criminal investigations; and

(4) the total cost of the agency's UAV program.

(b) By June 15 of each year, the commissioner of public safety shall compile a full and complete report summarizing the information submitted to the commissioner under paragraph (a), and submit the report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over criminal justice and public safety issues and make the report public on the department's Web site.

(c) By January 15 of each year, any judge who has issued a warrant or order under this section that expired during the preceding year, or who has denied approval during that year, shall report to the state court administrator:

(1) the fact that a warrant, order, or extension was applied for;

(2) the kind of warrant, order, or extension applied for;

(3) the fact that the warrant, order, or extension was granted as applied for, was modified, or was denied;

(4) the period of UAV use authorized by the warrant or order, and the number and duration of any extensions of the warrant or order;

(5) the offense specified in the warrant, order, or application, or extension of a warrant or order; and

(6) the identity of the law enforcement agency making the application and the person authorizing the application.

(d) By June 15 of each year, the state court administrator shall transmit to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over criminal justice and public safety issues and post on the Supreme Court's Web site a full and complete report concerning the number of applications for warrants or orders authorizing or approving operation of UAVs or disclosure of information from the operation of UAVs under this section and the number of warrants, orders, and extensions granted or denied under this section during the preceding calendar year. The report must include a summary and analysis of the data required to be filed with the state court administrator by paragraph (c)."

Amend the title numbers accordingly

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

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

**S.F. No. 1192:** A bill for an act relating to taxation; tobacco; providing penalties; appropriating money; amending Minnesota Statutes 2014, sections 289A.63, subdivisions 1, 2; 297F.01, subdivision 14; 297F.03, subdivisions 5, 6; 297F.04, subdivisions 1, 2; 297F.13, subdivision 4; 297F.19, by adding a subdivision; 297F.20, by adding subdivisions; 609.035, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 297F.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 270C.722, subdivision 1, is amended to read:

Subdivision 1. **Notice of revocation; hearings.** (a) If: ~~(1) a person fails to comply with chapter 297A or the sales and use tax provisions of chapter 289A or the rules related to sales tax, or (2) any retailer purchases for resale from an unlicensed seller more than 20,000 cigarettes or \$500 or more worth of tobacco products, without reasonable cause;~~ the commissioner may give the person 30 days' notice in writing, specifying the violations, and stating that based on the violations the commissioner intends to revoke the person's permit issued under section 297A.84. The notice must also advise the person of the right to contest the revocation under this subdivision. It must also explain the general procedures for a contested case hearing under chapter 14. The notice may be served personally or by mail in the manner prescribed for service of an order of assessment.

(b) If the person does not request a hearing within 30 days after the date of the notice of intent, the commissioner may serve a notice of revocation of permit upon the person, and the permit is revoked. If a hearing is timely requested, and held, the permit is revoked after the commissioner serves an order of revocation of permit under section 14.62, subdivision 1.

**EFFECTIVE DATE.** This section is effective August 1, 2015.

Sec. 2. Minnesota Statutes 2014, section 270C.728, is amended by adding a subdivision to read:

Subd. 8. **Publication of revoked retail cigarette licenses.** (a) Notwithstanding any other law, the commissioner may publish a list of persons who have had their retail licenses to sell cigarettes or tobacco products revoked under section 297F.186. In the case of a license holder that is a business entity, the commissioner may also publish the name of responsible persons of the licenses holder, as defined in section 297F.186, subdivision 1.

(b) At least 30 days before publishing the name of a license holder or responsible person, the commissioner shall mail a written notice to the license holder and to responsible persons of the license holder of the commissioner's intent to publish. This notice may be included as part of the notice of intent to revoke a license as required under section 297F.186, subdivision 3.

(c) The list may be published by any medium or method. The list must contain the name and address of the license holder and name of the responsible person and the date the license was revoked.

(d) The commissioner shall remove the name of a license holder or responsible person from the list five years from the date of the license revocation or upon the license holder or responsible person receiving a license clearance under section 297F.186.

**EFFECTIVE DATE.** This section is effective August 1, 2015.

Sec. 3. Minnesota Statutes 2014, section 297F.01, subdivision 14, is amended to read:

Subd. 14. **Retailer.** "Retailer" means a person ~~required to be licensed under chapter 461~~ located in this state engaged in this state in the business of selling, or offering to sell, cigarettes or tobacco products to consumers.

**EFFECTIVE DATE.** This section is effective August 1, 2015.

Sec. 4. Minnesota Statutes 2014, section 297F.03, subdivision 5, is amended to read:

Subd. 5. **License fees; cigarettes.** Each application for a cigarette distributor's license must be accompanied by a fee of ~~\$300~~ \$500. Each application for a cigarette subjobber's license must be

accompanied by a fee of ~~\$24~~ \$100. A distributor or subjobber applying for a license during the second year of a two-year licensing period is required to pay only one-half of the license fee.

**EFFECTIVE DATE.** This section is effective for license periods beginning after December 31, 2015.

Sec. 5. Minnesota Statutes 2014, section 297F.03, subdivision 6, is amended to read:

Subd. 6. **License fees; tobacco products.** Each application for a tobacco products distributor's license must be accompanied by a fee of ~~\$75~~ \$500. Each application for a tobacco products subjobber's license must be accompanied by a fee of ~~\$20~~ \$100. A distributor or subjobber applying for a license during the second year of a two-year licensing period is required to pay only one-half of the license fee.

**EFFECTIVE DATE.** This section is effective for license periods beginning after December 31, 2015.

Sec. 6. Minnesota Statutes 2014, section 297F.04, subdivision 1, is amended to read:

Subdivision 1. **Powers of commissioner.** The commissioner may revoke ~~or~~ suspend, or refuse to renew the license or licenses of any distributor or subjobber, or refuse to issue a license to an applicant for a distributor or subjobber license, for violation of this chapter, any other act applicable to the sale of cigarettes or tobacco products, or any rule promulgated by the commissioner, in furtherance of this chapter.

**EFFECTIVE DATE.** This section is effective August 1, 2015.

Sec. 7. Minnesota Statutes 2014, section 297F.13, subdivision 4, is amended to read:

Subd. 4. **Retailer and subjobber to preserve purchase invoices.** Every retailer and subjobber shall procure itemized invoices of all cigarettes or tobacco products purchased.

The retailer and subjobber shall preserve a legible copy of each invoice for one year from the date of the invoice or as long as the cigarette or tobacco product listed on the invoice is available for sale or in their possession, whichever period is longer. The retailer and subjobber shall preserve copies of the invoices at each retail location or at a central location provided that the invoice must be produced and made available at a retail location within one hour when requested by the commissioner or duly authorized agents and employees. Copies should be numbered and kept in chronological order.

To determine whether the business is in compliance with the provisions of this chapter, at any time during usual business hours, the commissioner, or duly authorized agents and employees, may enter any place of business of a retailer or subjobber without a search warrant and inspect the premises, the records required to be kept under this chapter, and the packages of cigarettes, tobacco products, and vending devices contained on the premises.

**EFFECTIVE DATE.** This section is effective for sales and purchases by subjobbers and retailers made on or after August 1, 2015.

Sec. 8. [297F.186] REVOCATION OF CIGARETTE AND TOBACCO RETAIL LICENSE.

Subdivision 1. **Cigarette and tobacco retail revocation.** (a) A licensing authority must not issue, transfer, or renew, and must revoke, a license if the commissioner notifies the licensing

authority that the license holder has been in possession of contraband cigarettes or tobacco products under section 297F.21 at the location covered by the license.

(b) Within ten days after receipt of the notification from the commissioner under paragraph (a), the licensing authority must notify the license holder by mail of the revocation of the license. The notice must include a copy of the commissioner's notice to the licensing authority and information, in the form specified by the commissioner, on the licensee's option for receiving a license clearance from the commissioner. The licensing authority must revoke the license within 30 days after receiving the notice from the commissioner, unless it receives a license clearance from the commissioner as provided in subdivision 2, paragraph (b).

(c) For purposes of this section, the following terms have the meanings given.

(1) "License holder" means an individual or legal entity who has a license to sell cigarettes or tobacco products issued under chapter 461.

(2) "License" means a license to sell cigarettes or tobacco products under chapter 461.

(3) "Licensing authority" means a town board, county board, governing body of a home rule charter or statutory city, or state agricultural society authorized to issue licenses under chapter 461.

(4) "Applicant" is any individual, corporation, partnership, or any other legal entity that is a holder of a license or that has filed an application to obtain a license.

(5) "Responsible person" means any individual who, either singly or jointly with others, has the control of, supervision of, or responsibility for filing tax returns or reports, paying taxes, or collecting or withholding and remitting taxes to the commissioner for a license holder, or who has authority to purchase cigarettes or tobacco products, or supervises a person who has authority to purchase cigarettes or tobacco products for the license holder.

Subd. 2. **New licenses after revocation.** (a) An applicant who has had a license revoked under this section, or an applicant with a responsible person who was a responsible person for another entity for which a license was revoked under this section, may not apply for a license or seek the reinstatement of a revoked license unless the applicant presents to the licensing authority a license clearance issued by the commissioner. A licensing authority must not issue a new license to an applicant with such a responsible person or to an applicant who has had a license revoked under this section or reinstate a revoked license unless the applicant presents to the authority a license clearance issued by the commissioner.

(b) Except as provided in paragraph (f), the commissioner may issue a license clearance if the applicant and all responsible persons of the applicant:

(1) sign an agreement that acknowledges that the applicant and the responsible person will follow all laws related to the taxation of cigarettes and tobacco products, including the requirements to:

(i) purchase all cigarettes and tobacco products from distributors and subjobbers licensed by the commissioner;

(ii) maintain invoices of all cigarettes or tobacco products purchased as required under section 297F.13, subdivision 4, and produce those invoices within one hour when requested by the commissioner or duly authorized agents and employees; and



(iii) timely file and pay to the commissioner all returns and all sales taxes related to the sale of tobacco products; and

(2) deposit with the commissioner security or a surety bond in an amount equal to ten times the amount of tax on the contraband cigarettes or tobacco products. The commissioner must hold the security deposit for two years.

(c) The commissioner must pay interest on any money deposited as security. The interest is calculated from the date of deposit to the date of refund, or date of application to any outstanding tax liability, at a rate specified in section 270C.405. The commissioner must refund the security deposit to the applicant at the end of the two-year period unless the applicant has any unpaid tax liabilities payable to the commissioner. The commissioner may apply the security deposit to any unpaid tax liabilities of the applicant owed to the commissioner as well as the tax on any contraband cigarettes or tobacco products owned, possessed, sold, or offered for sale by the applicant after the license clearance has been issued.

(d) The commissioner may refund the security deposit before the end of the two-year holding period if the license holder no longer has a license to sell cigarettes or tobacco products issued by any licensing authority in the state.

(e) If the commissioner determines that a licensing authority has issued a new license or reinstated a revoked license without the applicant submitting a license clearance, the commissioner may notify the licensing authority to revoke the license. Revocations under this subdivision are controlled by the provisions of subdivision 1, paragraph (b), and subdivision 3. Notice of intent to require revocation from the commissioner must be sent to the license holder and to the responsible person of the license holder.

(f) If an applicant has had, or if a person has been a responsible person to, a cumulative number of two licenses revoked under this subdivision in a five-year period by all licensing authorities within the state, the commissioner may refuse to issue a license clearance until 24 months have elapsed after the last revocation and the applicant has satisfied the conditions for reinstatement of a revoked license or issuance of a new license imposed by this subdivision.

Subd. 3. **Notice and hearing.** (a) Prior to notifying a licensing authority pursuant to subdivision 1 to revoke a license, the commissioner must send a notice to the license holder and to any known responsible person of the license holder of the commissioner's intent to require revocation of the license and of the license holder's or responsible person's right to a hearing. If the license holder or responsible person requests a hearing in writing within 30 days of the date of the notice, a contested case hearing must be held. The hearing must be held within 45 days of the date the commissioner refers the case to the Office of Administrative Hearings. Notwithstanding any law to the contrary, the license holder or responsible person must be served within 20 days' notice in writing specifying the time and place of the hearing and the allegations against the license holder or responsible person. The notice may be served personally or by mail. A license is subject to revocation when 30 days have passed following the date of the notice in this paragraph without the license holder requesting a hearing, or, if a hearing is timely requested, upon final determination of the hearing under section 14.62, subdivision 1.

(b) The commissioner may notify a licensing authority under subdivision 1 only after the requirements of paragraph (a) have been satisfied.

(c) A hearing under this subdivision is in lieu of any other hearing or proceeding provided by law arising from any action taken under subdivision 1.

**EFFECTIVE DATE.** This section is effective August 1, 2015.

Sec. 9. Minnesota Statutes 2014, section 297F.19, is amended by adding a subdivision to read:

**Subd. 10. Penalty for retailers who fail to comply.** (a) A retailer who fails to produce an itemized invoice from a licensed seller within one hour of being requested by the commissioner to do so as required under section 297F.13, subdivision 4, or who offers for sale or holds in inventory cigarettes or tobacco products without a license required under chapter 461 is subject to a penalty of \$1,000 for the first violation, \$2,000 for the second violation, and \$5,000 for the third and each subsequent violation occurring during any 36-month period.

(b) A retailer who offers for sale or holds in inventory untaxed cigarettes or tobacco products is subject to a penalty equal to the greater of \$2,000, or 150 percent of the tax due on the cigarettes or tobacco products.

**EFFECTIVE DATE.** This section is effective for violations occurring on or after August 1, 2015.

Sec. 10. Minnesota Statutes 2014, section 297F.20, is amended by adding a subdivision to read:

**Subd. 2a. Penalties for willful failure to file or pay.** (a) A person or consumer required to file a return, report, or other document with the commissioner who willfully attempts in any manner to evade or defeat a tax by failing to do so when required is guilty of a felony.

(b) A person or consumer required to pay or to collect and remit a tax under this chapter, who willfully attempts to evade or defeat a tax by failing to do so when required, is guilty of a felony.

**EFFECTIVE DATE.** This section is effective for offenses committed on or after August 1, 2015.

Sec. 11. Minnesota Statutes 2014, section 297F.20, is amended by adding a subdivision to read:

**Subd. 13. Aggregation and consolidation of venue.** In any prosecution under this section, the number of unstamped cigarettes or the value of the untaxed tobacco products possessed, received, transported, sold, offered to be sold, or purchased in violation of this section within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this section. When two or more offenses are committed by the same individual in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed.

**EFFECTIVE DATE.** This section is effective for offenses committed on or after August 1, 2015.

Sec. 12. Minnesota Statutes 2014, section 297F.21, subdivision 1, is amended to read:

Subdivision 1. **Contraband defined.** The following are declared to be contraband and therefore subject to civil and criminal penalties under this chapter:

(a) Cigarette packages which do not have stamps affixed to them as provided in this chapter, including but not limited to (i) packages with illegible stamps and packages with stamps that are not complete or whole even if the stamps are legible, and (ii) all devices for the vending of cigarettes in which packages as defined in item (i) are found, including all contents contained within the devices.

(b) A device for the vending of cigarettes and all packages of cigarettes, where the device does not afford at least partial visibility of contents. Where any package exposed to view does not carry the stamp required by this chapter, it shall be presumed that all packages contained in the device are unstamped and contraband.

(c) A device for the vending of cigarettes to which the commissioner or authorized agents have been denied access for the inspection of contents. In lieu of seizure, the commissioner or an agent may seal the device to prevent its use until inspection of contents is permitted.

(d) A device for the vending of cigarettes which does not carry the name and address of the owner, plainly marked and visible from the front of the machine.

(e) A device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used with the knowledge of the owner or of a person operating with the consent of the owner for the storage or transportation of more than 5,000 cigarettes which are contraband under this subdivision. When cigarettes are being transported in the course of interstate commerce, or are in movement from either a public warehouse to a distributor upon orders from a manufacturer or distributor, or from one distributor to another, the cigarettes are not contraband, notwithstanding the provisions of clause (a).

(f) A device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used with the knowledge of the owner, or of a person operating with the consent of the owner, for the storage or transportation of untaxed tobacco products intended for sale in Minnesota other than those in the possession of a licensed distributor on or before the due date for payment of the tax under section 297F.09, subdivision 2.

(g) Cigarette packages or tobacco products obtained from an unlicensed seller.

(h) Cigarette packages offered for sale or held as inventory in violation of section 297F.20, subdivision 7.

(i) Tobacco products on which the tax has not been paid by a licensed distributor.

(j) Any cigarette packages or tobacco products offered for sale or held as inventory for which there is not an invoice from a licensed seller the retailer or subjobber does not produce an itemized invoice from a licensed seller within one hour after being requested by the commissioner to do so as required under section 297F.13, subdivision 4.

(k) Cigarette packages which have been imported into the United States in violation of United States Code, title 26, section 5754. All cigarettes held in violation of that section shall be presumed to have entered the United States after December 31, 1999, in the absence of proof to the contrary.

(l) Cigarettes subject to forfeiture under section 299F.854, subdivision 5, and cigarette packaging and markings, including the cigarettes contained therein, which do not meet the requirements under section 299F.853, paragraph (a).

(m) All cigarettes and tobacco products, including those for which the tax has been paid, offered for sale or held as inventory by a retailer operating without a license required under chapter 461.

**EFFECTIVE DATE.** This section is effective August 1, 2015.

Sec. 13. Minnesota Statutes 2014, section 461.12, subdivision 8, is amended to read:

Subd. 8. **Notice to commissioner.** The licensing authority under this section shall, within 30 days of the issuance or renewal of a license, ~~inform~~ provide the commissioner of revenue ~~of~~, on a form prescribed by the commissioner and completed by the applicant, the licensee's name, address, trade name, Minnesota business identification number, the name of the individual or individuals who will be responsible for purchasing cigarettes or tobacco products for the licensee, and the effective and expiration dates of the license. The commissioner of revenue must also be informed of a license ~~renewal~~; transfer, cancellation, suspension, or revocation during the license period.

**EFFECTIVE DATE.** This section is effective for licenses issued, renewed, transferred, canceled, suspended, or revoked after December 31, 2015.

Sec. 14. **APPROPRIATIONS.**

\$1,421,000 in fiscal year 2016, \$1,036,000 in fiscal year 2017, \$1,036,000 in fiscal year 2018, and \$1,036,000 in fiscal year 2019 are appropriated from the general fund to the commissioner of revenue to carry out the provisions of this act. This is an ongoing appropriation and shall be added to the base.

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

Sec. 15. **REPEALER.**

Minnesota Statutes 2014, section 297F.185, is repealed.

**EFFECTIVE DATE.** This section is effective August 1, 2015."

Delete the title and insert:

"A bill for an act relating to taxation; tobacco; providing penalties; appropriating money; amending Minnesota Statutes 2014, sections 270C.722, subdivision 1; 270C.728, by adding a subdivision; 297F.01, subdivision 14; 297F.03, subdivisions 5, 6; 297F.04, subdivision 1; 297F.13, subdivision 4; 297F.19, by adding a subdivision; 297F.20, by adding subdivisions; 297F.21, subdivision 1; 461.12, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 297F; repealing Minnesota Statutes 2014, section 297F.185."

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

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

**S.F. No. 1603:** A bill for an act relating to taxation; sales and use; providing criminal and civil penalties for use of automated sales suppression devices; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 609.5316, subdivision 3, is amended to read:

Subd. 3. **Weapons, telephone cloning paraphernalia, automated sales suppression devices, and bullet-resistant vests.** Weapons used are contraband and must be summarily forfeited to the appropriate agency upon conviction of the weapon's owner or possessor for a controlled substance crime; for any offense of this chapter or chapter 624, or for a violation of an order for protection

under section 518B.01, subdivision 14. Bullet-resistant vests, as defined in section 609.486, worn or possessed during the commission or attempted commission of a crime are contraband and must be summarily forfeited to the appropriate agency upon conviction of the owner or possessor for a controlled substance crime or for any offense of this chapter. Telephone cloning paraphernalia used in a violation of section 609.894, and automated sales suppression devices, phantom-ware, and other devices containing an automated sales suppression or phantom-ware device or software used in violation of section 609.858, are contraband and must be summarily forfeited to the appropriate agency upon a conviction.

Sec. 2. **[609.858] USE OF AUTOMATED SALES SUPPRESSION DEVICES.**

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

(b) "Automated sales suppression device" means a software program, carried on any tangible medium, or accessed through any other means, that falsifies the electronic records of electronic cash registers and other point-of-sale systems including, but not limited to, transaction data and transaction reports.

(c) "Electronic cash register" means a device that keeps a register or supporting documents through the means of an electronic device or computer system designed to record transaction data for the purpose of computing, compiling, or processing retail sales transaction data in whatever manner.

(d) "Phantom-ware" means hidden preinstalled, or later-installed programming option embedded in the operating system of an electronic cash register or hardwired into the electronic cash register that can be used to create a virtual second electronic cash register or may eliminate or manipulate transaction records that may or may not be preserved in digital formats to represent the true or manipulated record of transactions in the electronic cash register.

(e) "Transaction data" includes items purchased by a customer, the price of each item, the taxability determination for each item, a segregated tax amount for each of the taxed items, the date and time of the purchase, the name, address and identification number of the vendor, and the receipt or invoice number of the transaction.

(f) "Transaction report" means a report documenting, but not limited to, the sales, taxes collected, media totals, and discount voids at an electronic cash register that is printed on cash register tape at the end of a day or shift, or a report documenting every action at an electronic cash register that is stored electronically.

Subd. 2. Felony. A person who sells, purchases, installs, transfers, possesses, accesses, or uses an automated sales suppression device, phantom-ware, or similar device knowing that the device or phantom-ware is capable of being used to commit tax fraud or suppress sales is guilty of a felony and may be sentenced to imprisonment of not more than five years or a payment of a fine of not more than \$10,000, or both.

Subd. 3. Forfeiture. An automated sales suppression device, phantom-ware, and any other device containing an automated sales suppression, or phantom-ware device or software is contraband and subject to forfeiture under section 609.5316.

Subd. 4. **Civil liability.** A person convicted under subdivision 2 is liable for a civil penalty equal to all taxes and penalties due to the state as a result of the use of an automated sales suppression device, or phantom-ware. Penalties imposed by this section are in addition to any civil penalties under chapters 270C and 289A.

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

Amend the title numbers accordingly

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

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

**S.F. No. 1658:** A bill for an act relating to human rights; adding provisions to the certificate of compliance and equal pay certificate requirements; amending Minnesota Statutes 2014, sections 363A.36, subdivision 1; 363A.44, subdivision 1.

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

Page 2, delete lines 5 to 15 and insert:

"(a) No department or agency of the state or, when a Minnesota local unit of government receives grants funded with general appropriation bond proceeds, that unit of government for projects related to the grant, shall accept any bid, proposal, contract, or agreement for goods and services in excess of \$100,000 from any business having more than 40 full-time employees in this state or a state where the business has its primary place of business on a single working day during the previous 12 months unless the business has a certificate of compliance from the commissioner, has applied for a certificate of compliance from the commissioner, or has certified in writing that it is exempt under this provision. No department or agency of the state shall execute any such contract or agreement with a business unless the business has a certificate of compliance from the commissioner or the business has certified in writing that it is exempt to the commissioner. A certificate is valid for a period of four years. A municipality as defined in section 466.01, subdivision 1, that receives state money for any reason is encouraged to prepare and implement an affirmative action plan for the employment of minority persons, women, and the qualified disabled, and submit the plan to the commissioner."

Page 2, line 22, delete the new language

Page 2, line 23, delete the new language and insert "or, when a Minnesota local unit of government receives grants funded with general appropriation bond proceeds, that unit of government for projects related to the grant,"

Page 2, line 28, before the first period, insert "to the commissioner"

Page 3, delete lines 3 to 5

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

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

**S.F. No. 1456:** A bill for an act relating to historical societies; creating employment and contracting provisions for historic preservation corps; amending Minnesota Statutes 2014, sections

177.43, subdivision 2; 268.035, subdivision 20; 471.59, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 138.

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

Page 2, line 11, after "to" insert "an employee of"

Page 2, line 12, after "138.935" insert ", who is employed as a corps member to receive training for historic preservation"

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

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

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

**S.F. No. 590:** A bill for an act relating to health and human services; providing for long-term care workforce needs; providing for employee scholarships and loan forgiveness; modifying nursing facility rate provisions; appropriating money; amending Minnesota Statutes 2014, sections 144.1501, subdivision 3; 256B.431, subdivision 36; 256B.441, subdivisions 13, 53, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 144.

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. 1249:** A bill for an act relating to agriculture; modifying licensing exclusions for the direct sale of certain prepared food; amending Minnesota Statutes 2014, section 28A.15, subdivision 9.

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

Delete everything after the enacting clause and insert:

"Section 1. **[28A.152] COTTAGE FOODS EXEMPTION.**

Subdivision 1. **Licensing provisions applicability.** (a) The licensing provisions of sections 28A.01 to 28A.16 do not apply to the following:

(1) an individual who prepares and sells food that is not potentially hazardous food, as defined in Minnesota Rules, part 4626.0020, subpart 62, if the following requirements are met:

(i) the prepared food offered for sale under this clause is labeled to accurately reflect the name and address of the person preparing and selling the food, the date on which the food was prepared, and the ingredients and any possible allergens; and

(ii) the individual displays at the point of sale a clearly legible sign or placard stating: "These products are homemade and not subject to state inspection"; and

(2) an individual who prepares and sells home-processed and home-canned food products if the following requirements are met:

(i) the products are pickles, vegetables, or fruits having an equilibrium pH value of 4.6 or lower;  
(ii) the products are home-processed and home-canned in Minnesota;  
(iii) the individual displays at the point of sale a clearly legible sign or placard stating: "These canned goods are homemade and not subject to state inspection"; and

(iv) each container of the product sold or offered for sale under this clause is accurately labeled to provide the name and address of the person who processed and canned the goods, the date on which the goods were processed and canned, and ingredients and any possible allergens.

(b) An individual who qualifies for an exemption under paragraph (a), clause (2), is also exempt from the provisions of sections 31.31 and 31.392.

Subd. 2. **Direct sales to consumers.** (a) An individual qualifying for an exemption under subdivision 1 may sell the exempt food:

- (1) directly to the ultimate consumer;
- (2) at a community event or farmers' market; or
- (3) directly from the individual's home to the consumer, to the extent allowed by local ordinance.

(b) If an exempt food product will be delivered to the ultimate consumer upon sale of the food product, the individual who prepared the food product must be the person who delivers the food product to the ultimate consumer.

(c) Food products exempt under subdivision 1, paragraph (a), clause (2), may not be sold outside of Minnesota.

(d) Food products exempt under subdivision 1 may be sold over the Internet but must be delivered directly to the ultimate consumer by the individual who prepared the food product. The statement "These products are homemade and not subject to state inspection" must be displayed on the Web site that offers the exempt foods for purchase.

Subd. 3. **Limitation on sales.** An individual selling exempt foods under this section is limited to total sales with gross receipts of \$18,000 or less in a calendar year.

Subd. 4. **Registration.** An individual who prepares and sells exempt food under subdivision 1 must register annually with the commissioner. The annual registration fee is \$50.

Subd. 5. **Training.** An individual who prepares and sells exempt food under subdivision 1 must complete a safe food handling training course that is approved by the commissioner. The training shall not exceed eight hours and must be completed every three years while the individual is registered under subdivision 4.

Subd. 6. **Local ordinances.** This section does not preempt the application of any business licensing requirement or sanitation, public health, or zoning ordinance of a political subdivision.

Subd. 7. **Account established.** A cottage foods account is created as a separate account in the special revenue fund in the state treasury for depositing money received by the commissioner under this section. Money in the account, including interest, is appropriated to the commissioner for costs under this section.

Sec. 2. **REPEALER.**



Minnesota Statutes 2014, section 28A.15, subdivisions 9 and 10, are repealed."

Delete the title and insert:

"A bill for an act relating to agriculture; modifying license exclusions for the direct sale of certain prepared food; establishing fees; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 28A; repealing Minnesota Statutes 2014, section 28A.15, subdivisions 9, 10."

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. 762:** A bill for an act relating to economic development; destination medical center; modifying the definition of public infrastructure; clarifying the local matching contribution; amending Minnesota Statutes 2014, sections 469.40, subdivision 11, as amended; 469.45, subdivisions 1, 2; 469.47, subdivision 4, as amended.

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. 779:** A bill for an act relating to employment; providing for pregnancy, parenting, and caregiver insurance benefits; modifying leave; appropriating money; amending Minnesota Statutes 2014, sections 181.940; 181.941; 181.943; 181.9436; 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 181.

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

Delete everything after the enacting clause and insert:

**"Section 1. MECHANISMS AND COSTS: MINNESOTA PAID FAMILY AND MEDICAL LEAVE PROGRAM.**

The Department of Employment and Economic Development, in collaboration with the Departments of Labor and Industry and Health and Human Services, shall report on the most efficient and effective mechanisms and associated costs for the design and delivery of a statewide broad-based insurance program that would provide partial wage replacement for workers taking parental, family, or medical leave.

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

**Sec. 2. FAMILY LEAVE INSURANCE PROGRAM; ANALYSIS.**

(a) The Department of Employment and Economic Development, in consultation with the Departments of Labor and Industry, Health and Human Services, shall conduct an analysis of various options for the delivery of the family and medical leave insurance program and their associated costs and benefits. This analysis shall include:

(1) an evaluation of mechanisms for:

(i) the determination of eligibility;

- (ii) the collection of employer and employee contributions;
- (iii) the processing and payment of claims; and
- (iv) an effective enforcement of the program and the protection of employees who use or seek to use family or medical leaves pursuant to the program;
- (2) an estimated timeline for implementation of the various mechanisms and approaches evaluated under clause (1);
- (3) separate cost estimates for each of the following types of leave:
  - (i) parental leave;
  - (ii) leave to care for a family member with a serious health condition, family leave; and
  - (iii) medical leave; and
- (4) options and associated mechanisms for financing the program including, but not limited to, a premium assessed on employers and employees.
- (b) In conducting this analysis, the department shall:
  - (1) utilize the expertise of relevant state agencies to take advantage of existing systems, to minimize start-up costs, and to maximize use of existing agency systems and programs and avoid redundancy; and
  - (2) build on the experiences of other states and agencies with existing or proposed paid family and medical leave programs at the state and federal level.

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

Sec. 3. **REPORTS.**

By December 15, 2015, the commissioner of employment and economic development shall report to the legislative committees with jurisdiction over labor, jobs, and health and human services on the results of its analysis under section 2.

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

Sec. 4. **APPROPRIATION.**

\$...... in fiscal year 2016 is appropriated from the general fund to the commissioner of employment and economic development for purposes of implementing sections 1 to 3. This appropriation is available until January 30, 2016."

Delete the title and insert:

"A bill for an act relating to employment; requiring an analysis and report on a Minnesota paid family and medical leave program; appropriating money."

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

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

**S.F. No. 1852:** A bill for an act relating to transportation; modifying right-of-way mowing restrictions; providing criminal penalties; amending Minnesota Statutes 2014, section 160.232.

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

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

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

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

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

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

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

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

Page 3, line 8, delete "a deputy registrar" and insert "an agent"

Page 3, line 10, delete "deputy registrar" and insert "agent"

Page 3, line 14, delete "DEPUTY REGISTRAR"

Page 3, line 16, after "registrars" insert "and driver's license agents"

Page 3, line 18, delete "shall" and insert "must"

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

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

**S.F. No. 1136:** A bill for an act relating to accessibility; modifying traffic and parking signs, restroom signs, and digital media; removing the words "handicap" and "disability" from parking and traffic signs and state digital media; requiring modification of symbol indicating accessibility; appropriating money; amending Minnesota Statutes 2014, section 326B.106, subdivision 9.

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

Page 1, delete section 1

Page 3, line 17, delete ""handicap," "disabled," or "disability"" and insert ""handicap" or "disabled""

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, delete ", restroom signs,"

Page 1, line 4, delete "requiring modification of symbol indicating"

Page 1, line 5, delete "accessibility;"

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.

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

**S.F. No. 632:** A bill for an act relating to transportation; commerce; providing for proof of insurance in electronic format; amending Minnesota Statutes 2014, section 169.791, subdivision 1.

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

Page 2, after line 8, insert:

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

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

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

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

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

Amend the title numbers accordingly

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

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

**S.F. No. 1436:** A bill for an act relating to transportation; amending headlamp requirements for motorcycles; making technical changes; amending Minnesota Statutes 2014, section 169.49.

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

Page 1, line 12, delete "three" and insert "four"

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

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

**S.F. No. 1514:** A bill for an act relating to public safety; motor vehicles; clarifying filing fees charged by deputy registrars; amending Minnesota Statutes 2014, sections 168.33, subdivision 7; 168A.07, by adding a subdivision.

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 referred**

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

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

Page 1, after line 11, insert:

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

Page 1, line 12, delete "(b)" and insert "(c)" and before "and" insert "or (b)" and delete the comma

Page 1, line 13, delete the comma and after "another" insert a comma

Page 1, line 14, delete "(c)" and insert "(d)"

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

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

**H.F. No. 417:** A bill for an act relating to local government; authorizing three-year terms for members of the Houston County Economic Development Authority.

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

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

**S.F. No. 989:** A bill for an act relating to state government; reimbursing state agencies for the costs of providing reasonable accommodation; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16B.

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

Page 1, line 16, delete "executive branch"

Page 1, line 19, delete "7.5" and insert "15"

Page 2, after line 2, insert:

"Subd. 6. **Report.** By January 31 of each year, the commissioner of administration must report to the chairs and ranking minority members of the house of representatives and the senate committees with jurisdiction over state government finance on the use of the central accommodation account during the prior calendar year. The report must include:

- (1) the number and type of accommodations requested;
- (2) the cost of accommodations requested;
- (3) the state agencies from which the requests were made;
- (4) the number of requests made for employees and the number of requests for applicants for employment;
- (5) the number and type of accommodations that were not provided;
- (6) any remaining balance left in the account;
- (7) if the account was depleted, the date on which funds were exhausted and the number, type, and cost of accommodations that were not reimbursed to state agencies; and
- (8) a description of how the account was promoted to state agencies."

Amend the title accordingly

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

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

**S.F. No. 348:** A bill for an act relating to family law; establishing a legislative surrogacy commission; providing appointments; requiring a report.

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

Page 1, delete section 1 and insert:

"Section 1. **LEGISLATIVE SURROGACY COMMISSION.**

Subdivision 1. **Membership.** The Legislative Commission on Surrogacy shall consist of 15 members, appointed as follows:

- (1) three members of the senate appointed by the senate majority leader;
- (2) three members of the senate appointed by the senate minority leader;
- (3) three members of the house of representatives appointed by the speaker of the house of representatives;
- (4) three members of the house of representatives appointed by the house of representatives minority leader;
- (5) the commissioner of human services or the commissioner's designee;
- (6) the commissioner of health or the commissioner's designee; and
- (7) a family court referee appointed by the chief justice of the state Supreme Court.

Appointments must be made by June 1, 2015.

Subd. 2. **Chair.** The commission shall elect a chair from among its members.

Subd. 3. **First meeting.** The ranking majority member of the commission who is appointed by the senate majority leader shall convene the first meeting by July 1, 2015.

Subd. 4. **Compensation.** Members of the commission are compensated as provided in Minnesota Statutes, section 3.101.

Subd. 5. **Conflict of interest.** A commission member may not participate in or vote on a decision of the commission in which the member has either a direct or indirect personal financial interest. A witness at a public meeting of the commission must disclose any financial conflict of interest.

Subd. 6. **Duties.** The commission shall develop recommendations on public policy and laws regarding surrogacy. To develop the recommendations, the commission shall study surrogacy through public hearings, research, and deliberation. Topics for study include, but are not limited to:

- (1) potential health and psychological effects and benefits on women who serve as surrogates;
- (2) potential health and psychological effects and benefits on children born of surrogates;
- (3) the practice of reproductive medicine and the appropriate roles of attorneys, counselors, brokers, and clinics;
- (4) considerations related to different forms of surrogacy;
- (5) considerations related to the potential exploitation and legal protections of women in surrogacy arrangements;
- (6) contract law implications when a surrogacy contract is breached;

- (7) potential conflicts with statutes governing private adoption and termination of parental rights;
- (8) potential for legal conflicts related to third-party reproduction, including conflicts between or amongst the surrogate, the intended parents, the child, insurance companies, and medical professionals;
- (9) public policy determinations of other jurisdictions with regard to surrogacy; and
- (10) appropriate information to be provided to a child born of a surrogate about the child's biological parents and the surrogate.

Subd. 7. **Reporting.** The commission must submit a report including its recommendations and may draft legislation to implement its recommendations to the chairs and ranking minority members of the legislative committees with primary jurisdiction over health and judiciary in the house and senate by December 15, 2015. On topics where the commission fails to reach consensus, more than one report may be submitted.

Subd. 8. **Staffing.** The Legislative Coordinating Commission shall provide staffing and administrative support to the commission.

Subd. 9. **Expiration.** The commission expires the day after submitting the report required under subdivision 7.

**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 Judiciary. Amendments adopted. Report adopted.

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

**S.F. No. 1439:** A bill for an act relating to local government; adding to the definition of "energy conservation measure" in the Uniform Municipal Contracting Law; amending Minnesota Statutes 2014, section 471.345, subdivision 13.

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

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

**S.F. No. 1176:** A bill for an act relating to military officers; providing for reimbursement grants to local units of government for public safety personnel on authorized leave; amending Minnesota Statutes 2014, sections 190.16, by adding a subdivision; 192.26, by adding a subdivision.

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

Page 2, line 13, delete "grants" and insert "reimbursements for eligible costs for which local units of government have applied"

Page 2, delete lines 15 and 16 and insert:

"Sec. 3. **EFFECTIVE DATE.**



Sections 1 and 2 are effective the day following final enactment for reimbursement of eligible costs incurred by local units of government in calendar year 2016 and thereafter."

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. 1225:** A bill for an act relating to waters; appropriating money for feasibility study of section 404 permit program.

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

Page 2, delete lines 13 to 32 and insert:

"(b) The board and commissioner shall involve stakeholders in the development of the plan of study consistent with Minnesota Statutes, section 103B.101, subdivision 16."

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. 1446:** A bill for an act relating to veterans; changing "Hire a Veteran Month" from May to July; amending Minnesota Statutes 2014, section 10.565.

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

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

**S.F. No. 1455:** A bill for an act relating to veterans; repealing commissioner of veterans affairs guardianship program; repealing Minnesota Statutes 2014, section 196.051.

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

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

**S.F. No. 1430:** A bill for an act relating to natural resources; modifying invasive species provisions; providing for temporary water surface use controls in construction areas; modifying state park and trail provisions; regulating wake surfing; modifying life jacket requirements; modifying requirements for fire training; modifying auxiliary forest provisions; modifying forest bough account; modifying recreational vehicle transfer requirements; modifying authority to issue water use permits; providing civil penalties; requiring rulemaking; appropriating money; amending Minnesota Statutes 2014, sections 84.788, subdivision 5, by adding a subdivision; 84.84; 84.922, subdivision 4; 84D.01, subdivisions 13, 15, 17, 18; 84D.03, subdivision 3; 84D.06; 84D.10, subdivision 3; 84D.11, subdivision 1; 84D.12, subdivisions 1, 3; 84D.13, subdivisions 4, 5; 84D.15, subdivision 3; 85.015, subdivision 28, by adding a subdivision; 85.054, subdivision 12; 86B.201, by adding a subdivision; 86B.313, subdivisions 1, 4; 86B.315; 88.17, subdivision 3; 88.49, subdivisions 3, 4, 5, 6, 7, 8, 9, 11; 88.491, subdivision 2; 88.50; 88.51, subdivisions 1, 3; 88.52, subdivisions 2, 3, 4, 5, 6; 88.523; 88.53, subdivisions 1, 2; 88.6435, subdivision 4;

103G.271, subdivisions 5, 6a; 282.011, subdivision 3; repealing Minnesota Statutes 2014, sections 88.47; 88.48; 88.49, subdivisions 1, 2, 10; 88.491, subdivision 1; 88.51, subdivision 2; 282.013.

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

Page 8, after line 21, insert:

"Sec. 20. Minnesota Statutes 2014, section 85.053, subdivision 8, is amended to read:

Subd. 8. **Military personnel; exemption.** (a) ~~A one-day permit, shall 1~~ An annual permit under subdivision 4, shall 1 must be issued without a fee ~~for a motor vehicle being used by a person who is serving in active military service to active military personnel in any branch or unit of the United States armed forces and who is stationed outside Minnesota, during the period of active service and for 90 days immediately thereafter, or their dependents if the person presents the person's current military orders~~ a qualifying military identification or an annual pass for the United States military issued through the National Parks and Federal Lands Pass Program to the park attendant on duty or other designee of the commissioner.

(b) ~~For purposes of this section, "active service" has the meaning given under section 190.05, subdivision 5c, when performed outside Minnesota~~ the commissioner shall establish what constitutes a qualifying military identification by written order published in the State Register. The written order is exempt from the rulemaking provisions of chapter 14 and section 14.386 does not apply.

(c) ~~A permit is not required for a motor vehicle being used by military personnel or their dependents who have in their possession the annual pass for United States military and their dependents issued by the federal government for access to federal recreation sites. For vehicles permitted under paragraph (a), the permit or decal issued under this subdivision is valid only when displayed on a vehicle owned and occupied by the person to whom the permit is issued.~~

(d) The commissioner may issue a daily vehicle permit free of charge to an individual who qualifies under paragraph (a) and who does not own or operate a motor vehicle.

Sec. 21. Minnesota Statutes 2014, section 85.053, subdivision 10, is amended to read:

Subd. 10. **Free entrance; disabled veterans.** (a) ~~The commissioner shall issue an annual park permit for no charge to any veteran with a total and permanent service-connected disability, and a daily park permit to any resident veteran with any level of service-connected disability, as determined by the United States Department of Veterans Affairs, who presents each year a copy of the veteran's determination letter or other official form of validation issued by the United States Department of Veterans Affairs or the United States Department of Defense to a park attendant or commissioner's designee. For the purposes of this section, "veteran" has the meaning given in section 197.447.~~

(b) For vehicles permitted under paragraph (a), the permit or decal issued under this subdivision is valid only when displayed on a vehicle owned and occupied by the person to whom the permit is issued.

(c) The commissioner may issue a daily vehicle permit free of charge to an individual who qualifies under paragraph (a) and who does not own or operate a motor vehicle."

Page 8, line 29, after "commissioner" insert ", after consulting with the governmental units and contractors involved in a construction project,"

Page 8, line 30, after "controls" insert "for recreational uses"

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

**S.F. No. 1081:** A bill for an act relating to public safety; accounting for untested sexual assault test kits; requiring a report.

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

Delete everything after the enacting clause and insert:

"Section 1. **STATEWIDE ACCOUNTING OF UNTESTED RAPE KITS.**

(a) As used in this section, the following terms have the meanings provided:

(1) "bureau" means the Bureau of Criminal Apprehension;

(2) "forensic laboratory" has the meaning provided in Minnesota Statutes, section 299C.157, subdivision 1, clause (2);

(3) "rape kit" means a sexual assault examination kit;

(4) "superintendent" means the superintendent of the bureau;

(5) "untested rape kit" means a rape kit that has been used to collect evidence and: (i) has not been submitted to the bureau for DNA analysis but has been cleared for testing through the written consent of the victim; or (ii) has been submitted to the bureau for DNA analysis but the analysis has not been completed; and

(6) "victim" has the meaning provided in Minnesota Statutes, section 611A.01, paragraph (b).

(b) By August 1, 2015, the director of the bureau's forensic science division, each executive director of a publicly funded forensic laboratory that tests rape kits, and each sheriff and chief of police must prepare and submit a written report to the superintendent that identifies the number of untested rape kits in the possession of the official's agency or department. The report must be in a form prescribed by the superintendent. At a minimum, each untested rape kit must be identified in the report by the date the evidence was collected and reasons why each untested rape kit was not tested. This report applies only to untested rape kits collected prior to July 1, 2015.

(c) By December 1, 2015, the superintendent must submit a report to the majority leader of the senate, the speaker of the house, and the Office of the Attorney General identifying, by agency and date collected, each untested rape kit disclosed in the reports required by paragraph (b). The report must also provide a detailed plan to resolve any backlog of untested rape kits held by the bureau and other agencies or departments.

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

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. 1444:** A bill for an act relating to real property; mortgages; clarifying provisions relating to foreclosure sales; amending Minnesota Statutes 2014, sections 580.07, subdivision 2; 580.30, subdivision 1; 582.25.

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

Page 2, line 16, delete "must not be"

Page 2, line 17, delete "construed to" and insert "does not"

Page 3, line 4, after the period, insert "If the amount necessary to reinstate the mortgage was not mailed to the mortgagor within three days of receipt of the request, no liability accrues to the party foreclosing the mortgage or the party's attorney and the foreclosure is not invalidated if the mortgage reinstatement amount was mailed by first class mail to the mortgagor at least three days prior to the date of the completed sheriff's sale."

Page 3, line 6, delete "such" and insert "that"

Page 3, line 7, delete "shall be" and insert "is"

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. 1269:** A bill for an act relating to public safety; addressing needs of incarcerated women relating to pregnancy and childbirth; requiring a report on use of restraints; amending Minnesota Statutes 2014, sections 241.88, subdivision 1, by adding a subdivision; 241.89, subdivisions 1, 2.

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

Page 1, line 11, after "staff" insert ", other inmates"

Page 2, line 22, before "The" insert "(a)"

Page 3, after line 13, insert:

"(b) The commissioner of corrections, in consultation with the commissioner of health, shall award grants to nonprofit organizations to provide the educational materials and resources on pregnancy, childbirth, breastfeeding, and parenting in accordance with paragraph (a), clause (3), and to provide access to doula services by a certified doula in accordance with paragraph (a), clause (4)."

Page 3, before line 14, insert:

"Sec. 5. **APPROPRIATION.**

\$100,000 in fiscal year 2016 and \$100,000 in fiscal year 2017 are appropriated from the general fund to the commissioner of corrections for the grants described in Minnesota Statutes, section 241.89, subdivision 2, paragraph (b)."

Page 3, line 15, delete "4" and insert "5"

Renumber the sections in sequence

Amend the title accordingly

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

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

**S.F. No. 1580:** A bill for an act relating to health; requiring commissioner of health to develop a list of authorized entities; allowing certain individuals to obtain and administer epinephrine without a prescription; 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 2, line 11, delete "wholesalers pursuant to section 151.44" and insert "wholesale drug distributors pursuant to section 151.47" and delete "an authorized entity"

Page 2, line 12, delete "otherwise"

Page 2, line 13, delete "or manufacturer"

Page 2, line 22, delete "Any" and insert "An owner, manager," and after "employee" insert a comma

Page 2, line 36, delete "employee or agent of an authorized entity" and insert "individual"

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

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

**S.F. No. 383:** A bill for an act relating to health occupations; changing provisions for licensing of optometrists, doctors, and chiropractors; amending Minnesota Statutes 2014, sections 148.52; 148.54; 148.57; 148.574; 148.575; 148.577; 148.59; 148.603; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 2014, sections 148.571; 148.572; 148.573, subdivision 1; 148.576, subdivisions 1, 2.

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

Page 11, delete lines 12 to 14 and insert "delete identifying information on the patient before providing the record to the board."

Amend the title as follows:

Page 1, line 2, delete the comma

Page 1, line 3, delete "doctors, and chiropractors"

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

**S.F. No. 870:** A bill for an act relating to taxation; individual income; providing a tax credit for modification or improvements to homes of people with disabilities; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 290.

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

Delete everything after the enacting clause and insert:

"Section 1. **[462A.50] GRANTS FOR ACCESSIBILITY HOME MODIFICATIONS.**

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

(b) "Federal poverty guidelines" means the federal poverty guidelines published by the United States Department of Health and Human Services most recently before the day on which each grant is awarded under this section.

(c) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

(d) "Medical provider" means a physician, licensed under Minnesota Statutes, chapter 147, or a primary care provider as defined in Minnesota Statutes, section 148.171, subdivision 17a.

(e) "Qualified modifications or improvements" means modifications or improvements to accommodate a qualified person that are made to a homeowner's principal residence, as defined in section 121 of the Internal Revenue Code. The residence must be located in Minnesota. A qualified modification or improvement must:

(1) consist of one or more of the following:

(i) no-step exterior entrances;

(ii) exterior or interior ramps;

(iii) stairway lifts;

(iv) elevators;

(v) lifts;

(vi) handrails;

(vii) grab bars or reinforcement of grab bars;

(viii) door hardware;

(ix) widening exterior doors to more than 36 inches;

(x) widening interior doors to more than 32 inches;

(xi) widening hallways to more than 36 inches;

(xii) fire or smoke alarms;

(xiii) alerting devices;

(xiv) moving electrical service including, but not limited to, outlets and switches;

(xv) environmental controls including, but not limited to, heating and cooling equipment;

(xvi) bathroom modifications including, but not limited to, accessible toilets, bathtubs, showers, plumbing, and fixtures;

(xvii) kitchen modifications including, but not limited to, accessible countertops, cabinets, appliances, plumbing, and fixtures; and

(xviii) bedroom modifications including, but not limited to, relocation to an accessible space in the home;

(2) be certified by a medical provider as necessary to accommodate the qualified person's use of the residence;

(3) consist of improvements to real property following their installation; and

(4) not be the construction of a new residence or an addition to a residence that expands its living area beyond the items in clause (1).

(f) "Qualified person" means a homeowner, the homeowner's spouse, or the homeowner's dependent, as defined in section 152 of the Internal Revenue Code, who has attained the age of 65 before the close of the taxable year or who has a disability, as defined under section 363A.03, subdivision 12.

Subd. 2. **Grants; eligibility.** The commissioner of the Minnesota Housing Finance Agency shall provide grants to homeowners for qualified modifications and improvements to accommodate qualified persons. The grants shall be available to homeowners whose annual income is less than 450 percent of the federal poverty guidelines. The homeowner must provide documentation from a medical provider that modifications and improvements are necessary to accommodate the qualified person.

Sec. 2. **APPROPRIATION.**

\$2,000,000 in fiscal year 2016 and \$2,000,000 in fiscal year 2017 are appropriated from the general fund to the commissioner of the Minnesota Housing Finance Agency for grants to homeowners to accommodate qualified persons who need qualified modifications or improvements to their homes due to age or disability."

Delete the title and insert:

"A bill for an act relating to housing; establishing a grant program for modifications or improvements to homes of people with disabilities; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462A."

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

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

**S.F. No. 1765:** A bill for an act relating to health; modifying definitions; increasing the permitted ratio of pharmacy technicians to pharmacists; amending Minnesota Statutes 2014, sections 151.01, subdivisions 15a, 27; 151.02; 151.102; 151.58, subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 151.01, subdivision 15a, is amended to read:

Subd. 15a. **Pharmacy technician.** "Pharmacy technician" means a person not licensed as a pharmacist or registered as a pharmacist intern, who assists the pharmacist in the preparation and dispensing of medications by performing computer entry of prescription data and other manipulative tasks. A pharmacy technician shall not perform tasks specifically reserved to a licensed pharmacist or requiring has been trained in pharmacy tasks that do not require the professional judgment of a licensed pharmacist. A pharmacy technician may not perform tasks specifically reserved to a licensed pharmacist.

Sec. 2. Minnesota Statutes 2014, section 151.01, subdivision 27, is amended to read:

Subd. 27. **Practice of pharmacy.** "Practice of pharmacy" means:

- (1) interpretation and evaluation of prescription drug orders;
- (2) compounding, labeling, and dispensing drugs and devices (except labeling by a manufacturer or packager of nonprescription drugs or commercially packaged legend drugs and devices);
- (3) participation in clinical interpretations and monitoring of drug therapy for assurance of safe and effective use of drugs, including the performance of laboratory tests that are waived under the federal Clinical Laboratory Improvement Act of 1988, United States Code, title 42, section 263a et seq., provided that a pharmacist may interpret the results of laboratory tests but may modify drug therapy only pursuant to a protocol or collaborative practice agreement;
- (4) participation in drug and therapeutic device selection; drug administration for first dosage and medical emergencies; drug regimen reviews; and drug or drug-related research;
- (5) participation in administration of influenza vaccines to all eligible individuals ten-six years of age and older; a booster dose or the completion of a vaccine series to patients 13 years of age through 17 years of age that does not include the initial dose of a vaccine; and all other vaccines to patients 18 years of age and older by written protocol with a physician licensed under chapter 147, a physician assistant authorized to prescribe drugs under chapter 147A, or an advanced practice registered nurse authorized to prescribe drugs under section 148.235, provided that:

- (i) the protocol includes, at a minimum:
  - (A) the name, dose, and route of each vaccine that may be given;
  - (B) the patient population for whom the vaccine may be given;
  - (C) contraindications and precautions to the vaccine;
  - (D) the procedure for handling an adverse reaction;



(E) the name, signature, and address of the physician, physician assistant, or advanced practice registered nurse;

(F) a telephone number at which the physician, physician assistant, or advanced practice registered nurse can be contacted; and

(G) the date and time period for which the protocol is valid;

(ii) the pharmacist has successfully completed a program approved by the Accreditation Council for Pharmacy Education specifically for the administration of immunizations or a program approved by the board;

(iii) the pharmacist utilizes the Minnesota Immunization Information Connection to assess the immunization status of individuals prior to the administration of vaccines, except when administering influenza vaccines to individuals age nine and older;

~~(iv) the pharmacist reports the administration of the immunization to the patient's primary physician or clinic or to the Minnesota Immunization Information Connection; and~~

~~(iv)~~ (v) the pharmacist complies with guidelines for vaccines and immunizations established by the federal Advisory Committee on Immunization Practices, except that a pharmacist does not need to comply with those portions of the guidelines that establish immunization schedules when administering a vaccine pursuant to a valid, patient-specific order issued by a physician licensed under chapter 147, a physician assistant authorized to prescribe drugs under chapter 147A, or an advanced practice nurse authorized to prescribe drugs under section 148.235, provided that the order is consistent with the United States Food and Drug Administration approved labeling of the vaccine;

(6) participation in the initiation, management, modification, and discontinuation of drug therapy according to a written protocol or collaborative practice agreement between: (i) one or more pharmacists and one or more dentists, optometrists, physicians, podiatrists, or veterinarians; or (ii) one or more pharmacists and one or more physician assistants authorized to prescribe, dispense, and administer under chapter 147A, or advanced practice nurses authorized to prescribe, dispense, and administer under section 148.235. Any changes in drug therapy made pursuant to a protocol or collaborative practice agreement must be documented by the pharmacist in the patient's medical record or reported by the pharmacist to a practitioner responsible for the patient's care;

(7) participation in the storage of drugs and the maintenance of records;

(8) patient counseling on therapeutic values, content, hazards, and uses of drugs and devices; and

(9) offering or performing those acts, services, operations, or transactions necessary in the conduct, operation, management, and control of a pharmacy.

Sec. 3. Minnesota Statutes 2014, section 151.02, is amended to read:

#### **151.02 STATE BOARD OF PHARMACY.**

The Minnesota State Board of Pharmacy shall consist of ~~two~~ three public members as defined by section 214.02 and ~~five~~ six pharmacists actively engaged in the practice of pharmacy in this state. Each of said pharmacists shall have had at least five consecutive years of practical experience as a pharmacist immediately preceding appointment.

Sec. 4. Minnesota Statutes 2014, section 151.102, is amended to read:

**151.102 PHARMACY TECHNICIAN.**

Subdivision 1. **General.** A pharmacy technician may assist a pharmacist in the practice of pharmacy by performing ~~nonjudgmental~~ tasks ~~and that are not reserved to,~~ and do not require the professional judgment of, a licensed pharmacist. A pharmacy technician works under the personal and direct supervision of the pharmacist. A pharmacist may supervise ~~two~~ up to three technicians; ~~as long as the. A pharmacist assumes responsibility is responsible for all the functions work performed by the technicians who are under the supervision of the pharmacist.~~ A pharmacy may exceed the ratio of pharmacy technicians to pharmacists permitted in this subdivision or in rule by a total of one technician at any given time in the pharmacy, provided at least one technician in the pharmacy holds a valid certification from the Pharmacy Technician Certification Board or from another national certification body for pharmacy technicians that requires passage of a nationally recognized, psychometrically valid certification examination for certification as determined by the Board of Pharmacy. The Board of Pharmacy may, by rule, set ratios of technicians to pharmacists greater than ~~two~~ three to one for the functions specified in rule. ~~The delegation of any duties, tasks, or functions by a pharmacist to a pharmacy technician is subject to continuing review and becomes the professional and personal responsibility of the pharmacist who directed the pharmacy technician to perform the duty, task, or function.~~

Subd. 2. **Waivers by board permitted.** A pharmacist in charge in a pharmacy may petition the board for authorization to allow a pharmacist to supervise more than ~~two~~ three pharmacy technicians. The pharmacist's petition must include provisions addressing ~~the maintenance of how~~ patient care and safety will be maintained. A petition filed with the board under this subdivision shall be deemed approved 90 days after the board receives the petition, unless the board denies the petition within 90 days of receipt and notifies the petitioning pharmacist of the petition's denial and the board's reasons for denial.

Subd. 3. **Registration fee.** The board shall not register an individual as a pharmacy technician unless all applicable fees specified in section 151.065 have been paid."

Delete the title and insert:

"A bill for an act relating to health; modifying definitions; increasing the permitted ratio of pharmacy technicians to pharmacists; increasing the size of the Board of Pharmacy; amending Minnesota Statutes 2014, sections 151.01, subdivisions 15a, 27; 151.02; 151.102."

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. 1049:** A bill for an act relating to health; creating a Council on International Medical Graduates; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Delete everything after the enacting clause and insert:

"Section 1. [144.1911] INTERNATIONAL MEDICAL GRADUATES ASSISTANCE PROGRAM.

Subdivision 1. Establishment. The international medical graduates assistance program is established to address barriers to practice and facilitate pathways to assist immigrant international medical graduates to integrate into the Minnesota health care delivery system, with the goal of increasing access to primary care in rural and underserved areas of the state.

Subd. 2. Definitions. (a) For the purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of health.

(c) "Immigrant international medical graduate" means an international medical graduate who was born outside the United States, now resides permanently in the United States, and who did not enter the United States on a J1 or similar nonimmigrant visa following acceptance into a United States medical residency or fellowship program.

(d) "International medical graduate" means a physician who received a basic medical degree or qualification from a medical school located outside the United States and Canada.

(e) "Minnesota immigrant international medical graduate" means an immigrant international medical graduate who has lived in Minnesota for at least two years.

(f) "Rural community" means a city or township that is: (1) outside the seven-county metropolitan area as defined in section 473.121, subdivision 2; and (2) has a population under 15,000.

(g) "Underserved community" means a Minnesota area or population included in the list of designated primary medical care health professional shortage areas, medically underserved areas, or medically underserved populations (MUPs) maintained and updated by the United States Department of Health and Human Services.

Subd. 3. Program administration. (a) In administering the international medical graduates assistance program, the commissioner shall:

(1) provide overall coordination for the planning, development, and implementation of a comprehensive system for integrating qualified immigrant international medical graduates into the Minnesota health care delivery system, particularly those willing to serve in rural or underserved communities of the state;

(2) develop and maintain, in partnership with community organizations working with international medical graduates, a voluntary roster of immigrant international medical graduates interested in entering the Minnesota health workforce, to assist in planning and program administration, including making available summary reports that show the aggregate number and distribution, by geography and specialty, of immigrant international medical graduates in Minnesota;

(3) award grants to eligible nonprofit organizations to provide career guidance and support services to immigrant international medical graduates seeking to enter the Minnesota health workforce. No grant shall exceed \$500,000. Eligible activities under this program include the following:

(i) educational and career navigation, including information on training and licensing requirements for physician and nonphysician health care professions, and guidance in determining which pathway is best suited for an individual international medical graduate based on the graduate's skills, experience, resources, and interests;

(ii) support in becoming proficient in medical English;

(iii) support in becoming proficient in the use of information technology, including computer skills and use of electronic health record technology;

(iv) support for increasing knowledge of and familiarity with the United States health care system;

(v) support for other foundational skills identified by the commissioner;

(vi) support for immigrant international medical graduates in becoming certified by the Educational Commission on Foreign Medical Graduates, including help with preparation for required licensing examinations and financial assistance for fees; and

(vii) assistance to international medical graduates in registering with the program's Minnesota international medical graduate roster;

(4) award the initial round of grants under this program by December 2015;

(5) work with graduate clinical medical training programs to address barriers faced by immigrant international medical graduates in securing residency positions in Minnesota, including the requirement that applicants for residency positions be recent graduates of medical school. The annual report required in subdivision 6 shall include any progress in addressing these barriers;

(6) develop a standardized assessment of the clinical readiness of eligible immigrant international medical graduates to serve in a residency program. The commissioner may initially develop assessments for clinical readiness to practice one or more primary care specialties, adding additional assessments as resources are available. The commissioner may contract with an independent entity or another state agency to conduct the assessment. In order to be assessed for clinical readiness, eligible international medical graduates must have obtained certification from the Educational Commission on Foreign Medical Graduates;

(7) issue a Minnesota certificate of clinical readiness for residency to those who pass the assessment;

(8) develop a plan for the assessment and certification system by December 31, 2015, including proposed legislation, a proposed budget, and an implementation schedule that allows for assessment and certification of international medical graduates by July 1, 2017;

(9) award grants to support clinical preparation for Minnesota international medical graduates needing additional clinical preparation or experience to qualify for residency. A grant shall not exceed \$750,000. The grant program shall include:

(i) proposed training curricula;

(ii) associated policies and procedures for clinical training sites, which must be part of existing clinical medical education programs in Minnesota; and

(iii) monthly stipends for international medical graduate participants. Priority shall be given to primary care sites in rural or underserved areas of the state, and international medical graduate participants must commit to serving at least five years in a rural or underserved community of the state;

(10) develop policies and procedures for the clinical preparation program by December 2015, including an implementation schedule that allows for grants to clinical preparation programs beginning in June 2016;

(11) award grants to support primary care residency positions designated for Minnesota immigrant physicians who are willing to serve in rural or underserved areas of the state. A grant shall not exceed \$150,000 per residency position per year. The program shall include:

(i) a prerequisite that participating international medical graduates have lived in Minnesota for at least two years and are certified by the Educational Commission on Foreign Medical Graduates and hold a Minnesota certificate of clinical readiness for residency once such certificates become available;

(ii) a requirement that participants commit to providing primary care for at least five years in a rural or underserved area of Minnesota;

(iii) a requirement that participants commit to pay back a portion of program costs, with those costs being determined by the commissioner; and

(iv) the option that the program include sponsored primary care residency positions, if private funding is made available;

(12) explore and facilitate more streamlined pathways for immigrant international medical graduates to serve in nonphysician professions in the Minnesota workforce; and

(13) study, in consultation with the Board of Medical Practice and other stakeholders, changes necessary in health professional licensure and regulation to ensure full utilization of immigrant international medical graduates in the Minnesota health care delivery system. The commissioner shall include recommendations in the annual report required under subdivision 6 due January 1, 2017.

Subd. 4. **Consultation with stakeholders.** The commissioner shall administer the international medical graduates assistance program, in consultation with the following sectors:

(1) state agencies:

(i) Board of Medical Practice;

(ii) Office of Higher Education; and

(iii) Department of Employment and Economic Development;

(2) health care industry:

(i) a health care employer in a rural or underserved area of Minnesota;

(ii) a health insurer;

(iii) the Minnesota Medical Association;

- (iv) licensed physicians experienced in working with international medical graduates; and
- (v) the Minnesota Academy of Physician Assistants;
- (3) community-based organizations:
  - (i) organizations serving immigrant and refugee communities of Minnesota; and
  - (ii) organizations serving the international medical graduate community, such as the New Americans Alliance for Development and Women's Initiative for Self Empowerment;
- (4) higher education:
  - (i) University of Minnesota;
  - (ii) Mayo Clinic School of Health Professions;
  - (iii) graduate medical education programs not located at the University of Minnesota or Mayo Clinic School of Health Professions; and
  - (iv) Minnesota physician assistant education program; and
- (5) two international medical graduates.

Subd. 5. **Board of Medical Practice.** Nothing in this section alters the authority of the Board of Medical Practice to regulate the practice of medicine.

Subd. 6. **Report.** The commissioner shall submit an annual report to the chairs and ranking minority members of the legislative committees with jurisdiction over health care and higher education on the progress of the integration of international medical graduates into the Minnesota health care delivery system. The report shall be submitted by January 15 each year, beginning January 15, 2016.

Subd. 7. **Voluntary hospital programs.** A hospital may establish residency programs for foreign-trained physicians to become candidates for licensure to practice medicine in the state of Minnesota. A hospital may partner with organizations, such as the New Americans Alliance for Development to screen for and identify foreign-trained physicians eligible for a hospital's particular residency program.

**Sec. 2. APPROPRIATION.**

\$...... is appropriated in fiscal year 2016 and \$...... is appropriated in fiscal year 2017 from the general fund to the commissioner of health for the grant programs and operations described in Minnesota Statutes, section 144.1911. The commissioner shall develop recommendations for any additional funding required for initiatives needed to achieve the objectives of Minnesota Statutes, section 144.1911. The commissioner shall report the funding recommendations to the legislature by January 15, 2016."

Delete the title and insert:

"A bill for an act relating to health; addressing barriers to integrating international medical graduates into the Minnesota health care delivery system; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144."

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

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

**S.F. No. 176:** A bill for an act relating to health; creating a certification for community medical response emergency medical technicians; amending Minnesota Statutes 2014, sections 144E.001, by adding a subdivision; 144E.275, subdivision 1, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 144E.001, is amended by adding a subdivision to read:

Subd. 5h. **Community medical response emergency medical technician.** "Community medical response emergency medical technician" or "CEMT" means a person who is certified as an emergency medical technician, who is a member of a registered medical response unit under section 144E.275, and who meets the requirements for additional certification as a CEMT as specified in section 144E.275, subdivision 7.

Sec. 2. Minnesota Statutes 2014, section 144E.275, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For purposes of this section, the following definitions apply:

(a) "Medical response unit" means an organized service recognized by a local political subdivision whose primary responsibility is to respond to medical emergencies to provide initial medical care before the arrival of a licensed ambulance service. Medical response units may also provide CEMT services as permitted under subdivision 7.

(b) "Specialized medical response unit" means an organized service recognized by a board-approved authority other than a local political subdivision that responds to medical emergencies as needed or as required by local procedure or protocol.

Sec. 3. Minnesota Statutes 2014, section 144E.275, is amended by adding a subdivision to read:

Subd. 7. **Community medical response emergency medical technician.** (a) To be eligible for certification by the board as a CEMT, an individual shall:

(1) be currently certified as an EMT or AEMT;

(2) have two years of service as an EMT or AEMT;

(3) be a member of a registered medical response unit as defined under section 144E.275;

(4) successfully complete a CEMT training program from a college or university that has been approved by the board or accredited by a board-approved national accrediting organization. The training must include clinical experience under the supervision of the medical response unit medical director, an advanced practice registered nurse, a physician assistant, or a public health nurse operating under the direct authority of a local unit of government; and

(5) complete a board-approved application form.

(b) A CEMT must practice in accordance with protocols and supervisory standards established by the medical response unit medical director in accordance with section 144E.265.

(c) A CEMT may provide services within the CMT skill set as approved by the medical response unit medical director.

(d) A CEMT may provide episodic individual patient education and prevention education but only as directed by a patient care plan developed by the patient's primary physician, an advanced practice registered nurse, or a physician assistant, in conjunction with the medical response unit medical director and relevant local health care providers. The patient care plan must ensure that the services provided by the CEMT are consistent with services offered by the patient's health care home, if one exists, that the patient receives the necessary services, and that there is no duplication of services to the patient.

(e) A CEMT is subject to all certification, disciplinary, complaint, and other regulatory requirements that apply to EMTs under this chapter.

(f) A CEMT may not provide services as defined in section 144A.471, subdivisions 6 and 7, except a CEMT may provide verbal or visual reminders to the patient to:

(1) take a regularly scheduled medication, but not to provide or bring the patient medication; and

(2) follow regularly scheduled treatment or exercise plans.

**Sec. 4. COMMUNITY MEDICAL RESPONSE EMERGENCY MEDICAL TECHNICIAN SERVICES COVERED UNDER THE MEDICAL ASSISTANCE PROGRAM.**

(a) The commissioner of human services, in consultation with representatives of emergency medical service providers, public health nurses, community health workers, the Minnesota State Fire Chiefs Association, the Minnesota Professional Firefighters Association, the Minnesota State Firefighters Department Association, Minnesota Academy of Family Physicians, Minnesota Licensed Practical Nurses Association, Minnesota Nurses Association, and local public health agencies, shall determine specified services and payment rates for these services to be performed by community medical response emergency medical technicians certified under Minnesota Statutes, section 144E.275, subdivision 7, and covered by medical assistance under Minnesota Statutes, section 256B.0625. Services must be in the CMT skill set and may include interventions intended to prevent avoidable ambulance transportation or hospital emergency department use, care coordination, and diagnosis-related patient education.

(b) In order to be eligible for payment, services provided by a community medical response emergency medical technician must be:

(1) ordered by a medical response unit medical director;

(2) part of a patient care plan that has been developed in coordination with the patient's primary physician, advanced practice registered nurse, and relevant local health care providers; and

(3) billed by an eligible medical assistance enrolled provider that employs or contracts with the community medical response emergency medical technician.



In determining the community medical response emergency medical technician services to include under medical assistance coverage, the commissioner of human services shall consider the potential of hospital admittance and emergency room utilization reductions as well as increased access to quality care in rural communities.

(c) The commissioner of human services shall submit the list of services to be covered by medical assistance to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and spending by February 15, 2016. These services shall not be covered by medical assistance until legislation providing coverage for the services is enacted in law.

**Sec. 5. EVALUATION OF COMMUNITY MEDICAL RESPONSE EMERGENCY MEDICAL TECHNICIAN SERVICES.**

If legislation is enacted to cover community medical response emergency medical technician services with medical assistance, the commissioner of human services shall evaluate the effect of medical assistance and MinnesotaCare coverage for those services on the cost and quality of care under those programs and the coordination of those services with the health care home services. The commissioner shall present findings to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and spending by December 1, 2017. The commissioner shall require medical assistance and MinnesotaCare enrolled providers that employ or contract with community medical response emergency medical technicians to provide to the commissioner, in the form and manner specified by the commissioner, the utilization, cost, and quality data necessary to conduct this evaluation."

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

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

**S.F. No. 311:** A bill for an act relating to housing; establishing a competitive grant program for rental subsidies for exploited women and children; appropriating money for a competitive grant program.

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

Page 1, line 9, delete "Asian" and delete "and others" and insert "from Asian and other emerging ethnic communities who are"

Page 2, line 4, delete "trauma-informed"

Page 2, line 17, delete "\$750,000" and insert "\$1,000,000" and delete "\$750,000" and insert "\$1,000,000"

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

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

**S.F. No. 948:** A bill for an act relating to human services; appropriating money for programs related to reducing fetal alcohol syndrome and related effects.

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. 454:** A bill for an act relating to health care; modifying provisions related to physician assistants; amending Minnesota Statutes 2014, sections 147A.01, subdivisions 17a, 23; 147A.20, subdivision 1; repealing Minnesota Statutes 2014, sections 147A.01, subdivision 5; 147A.20, subdivision 2.

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

Page 2, after line 35, insert:

"Sec. 4. Minnesota Statutes 2014, section 147A.20, subdivision 2, is amended to read:

Subd. 2. ~~Notification of intent to Practice location notification.~~ A licensed physician assistant shall submit a ~~notification of intent to practice location notification~~ to the board ~~prior to beginning within 30 business days of starting practice, changing practice location, or changing supervising physician.~~ The notification shall include the name, business address, and telephone number of the supervising physician and the physician assistant. Individuals who practice without submitting a ~~notification of intent to practice location notification~~ shall be subject to disciplinary action under section 147A.13 for practicing without a license, unless the care is provided in response to a disaster or emergency situation pursuant to section 147A.23."

Page 3, delete section 5 and insert:

"Sec. 6. **REPEALER.**

Minnesota Statutes 2014, section 147A.01, subdivision 5, is repealed."

Renumber the sections in sequence

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. 655:** A bill for an act relating to human services; modifying medical assistance payments to federally qualified health centers and rural health clinics; amending Minnesota Statutes 2014, section 256B.0625, subdivision 57.

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. 633:** A bill for an act relating to human services; increasing medical assistance rates for chemical dependency providers; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

Page 1, line 14, after "with" insert "members of the Minnesota State Substance Abuse Strategy and" and before "health" insert "counties, tribes,"

Page 1, line 15, after "companies" insert a comma

Page 1, line 19, delete "October 15, 2015" and insert "January 15, 2016"

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. 1008:** A bill for an act relating to natural resources; modifying interest rates applicable to timber permit extensions; amending Minnesota Statutes 2014, section 90.193.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 90.14, is amended to read:

**90.14 AUCTION SALE PROCEDURE.**

(a) All state timber shall be offered and sold by the same unit of measurement as it was appraised. No tract shall be sold to any person other than the purchaser in whose name the bid was made. The commissioner may refuse to approve any and all bids received and cancel a sale of state timber for good and sufficient reasons.

(b) The purchaser at any sale of timber shall, immediately upon the approval of the bid, or, if unsold at public auction, at the time of purchase at a subsequent sale under section 90.101, subdivision 1, pay to the commissioner a down payment of 15 percent of the appraised value. In case any purchaser fails to make such payment, the purchaser shall be liable therefor to the state in a civil action, and the commissioner may reoffer the timber for sale as though no bid or sale under section 90.101, subdivision 1, therefor had been made.

(c) In lieu of the scaling of state timber required by this chapter, a purchaser of state timber may, at the time of payment by the purchaser to the commissioner of 15 percent of the appraised value, elect in writing on a form prescribed by the attorney general to purchase a permit based solely on the appraiser's estimate of the volume of timber described in the permit, provided that the commissioner has expressly designated the availability of such option for that tract on the list of tracts available for sale as required under section 90.101. A purchaser who elects in writing on a form prescribed by the attorney general to purchase a permit based solely on the appraiser's estimate of the volume of timber described on the permit does not have recourse to the provisions of section 90.281.

(d) In the case of a public auction sale conducted by a sealed bid process, tracts shall be awarded to the high bidder, who shall pay to the commissioner a down payment of 15 percent of the appraised value that must be received or postmarked within 14 days of the date of the sealed bid opening. If a purchaser fails to make the down payment, the purchaser is liable for the down payment to the state and the commissioner may offer the timber for sale to the next highest bidder as though no higher bid had been made.

(e) Except as otherwise provided by law, at the time the purchaser signs a permit issued under section 90.151, the commissioner shall require the purchaser to make a bid guarantee payment to the commissioner in an amount equal to 15 percent of the total purchase price of the permit less the down payment amount required by paragraph (b) for any bid increase in excess of ~~\$5,000~~ \$10,000 of the appraised value. If a required bid guarantee payment is not submitted with the signed permit, no harvesting may occur, the permit cancels, and the down payment for timber forfeits to the state. The bid guarantee payment forfeits to the state if the purchaser and successors in interest fail to execute an effective permit.

Sec. 2. Minnesota Statutes 2014, section 90.193, is amended to read:

**90.193 EXTENSION OF TIMBER PERMITS.**

The commissioner may, in the case of an exceptional circumstance beyond the control of the timber permit holder which makes it unreasonable, impractical, and not feasible to complete cutting and removal under the permit within the time allowed, grant one regular extension for one year. A written request for the regular extension must be received by the commissioner before the permit expires. The request must state the reason the extension is necessary and be signed by the permit holder. An interest rate of ~~eight~~ five percent may be charged for the period of extension."

Amend the title accordingly

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

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

**S.F. No. 1460:** A bill for an act relating to state lands; exempting university land from the prohibition on selling lands bordering public waters; amending Minnesota Statutes 2014, section 92.45.

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

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

**S.F. No. 681:** A bill for an act relating to environment; modifying state permit requirements for certain campgrounds; amending Minnesota Statutes 2014, section 115.55, subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. **RULEMAKING; SSTS; EXISTING CAMPGROUNDS AND RESORTS.**

(a) The commissioner of the Pollution Control Agency shall adopt rules, using the expedited rulemaking process in Minnesota Statutes, section 14.389, to eliminate the need for existing campgrounds and resorts that are open for 180 days or less per year to estimate wastewater flow rates to subsurface sewage treatment systems as required by Minnesota Rules, part 7081.0040, subpart 1, item B. The rules shall establish flow monitoring and recording for subsurface sewage treatment systems at existing campgrounds and resorts that are open for 180 days or less per year as provided in paragraphs (b) to (f).

(b) The rules shall provide that existing campgrounds and resorts are allowed to use the following flow measurement methods:

- (1) sewage lift station pump with runtime meter and counter;
- (2) sewage flow meter;
- (3) flow meters on wells; and
- (4) water softener system with flow measurement when the measurement includes all flow to the subsurface soil treatment system, including backwash.

(c) The measured flow rate must include the total of all treatment systems that are located on the resort or campground. If fewer than 25 percent of the systems are not measured, an average of the metered systems can be used to determine the flow from the unmetered systems.

(d) A daily flow rate and daily campground occupancy rate must be recorded for a minimum of two weeks, centered on and including July 4. Weekly monitoring must also be done for an additional continuous two weeks prior and two weeks following July 4.

(e) If no flow data exists, the existing campground or resort owner or operator shall implement an acceptable flow measurement plan and start measuring and recording flow data within 120 days of notification.

(f) Flow measurement devices must be calibrated before start-up of monitoring and another calibration during the test to verify results.

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

**Sec. 2. RULEMAKING; SEPTIC SYSTEM PROFESSIONALS; ELIGIBILITY.**

The commissioner of the Pollution Control Agency shall adopt rules, using the expedited rulemaking process in Minnesota Statutes, section 14.389, to create a procedure for previously or currently certification-eligible septic system professionals to apply to re-establish or maintain certification eligibility. The conditional eligibility shall begin upon acceptance of an application by the Pollution Control Agency and end upon completion of recertification procedures, including completion of necessary continuing education and examinations. The length of the conditional eligibility shall be limited to one year.

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

Amend the title accordingly

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

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

**S.F. No. 877:** A bill for an act relating to utilities; establishing requirements relating to crossing railroad rights-of-way by utilities; proposing coding for new law in Minnesota Statutes, chapter 237.

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

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

**S.F. No. 1406:** A bill for an act relating to state lands; providing for public and private sales of certain state land.

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

Delete everything after the enacting clause and insert:

"Section 1. Laws 2012, chapter 236, section 28, subdivision 6, is amended to read:

Subd. 6. **Adding lands; zoning conformance.** Any lands to be sold under this section must be considered lots of record for zoning purposes. Whenever possible, St. Louis County may add land, including county fee land, to the lots offered for sale to permit conformance with zoning requirements or when it is determined at the sole discretion of the county board to be in the best interest of the county. The added lands must be included in the appraised value of the lot.

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

Sec. 2. Laws 2013, chapter 73, section 30, is amended to read:

**Sec. 30. PUBLIC OR PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; LAKE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Lake County may sell by public or private sale the tax-forfeited lands bordering public water that are described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy. If land described under paragraph (c) is sold by private sale, the land may be sold for less than the appraised value if the conveyance provides that the land reverts to the state if the land is not used as a data center or for another economic development purpose approved by the county. Prior to the sales, the commissioner of revenue shall grant permanent conservation easements according to Minnesota Statutes, section 282.37, for the lands described in paragraph (c). ~~The easements shall serve to provide riparian protection and access for anglers and for future restoration work.~~ The easement for the land described in paragraph (c), clause (1), shall be lying easterly of the centerline of the Little West Branch Knife River and lying 75 feet in width westerly of the centerline of the river to provide riparian protection and access for anglers and for management by the Department of Natural Resources, and a 66-foot strip across the easement is allowed for road access and utilities at a location agreed upon by the county and the state. The easements for the lands described in paragraph (c), clauses (2) and (3), shall be lying 75 feet in width on each side of the centerline of the unnamed creek to provide riparian protection and access for management by the Department of Natural Resources, and a ~~33-foot~~ 50-foot strip across the ~~easement easements~~ is allowed for road access and utilities at a location agreed upon by the county and the state.

(c) The lands to be sold are located in Lake County and are described as:

(1) the Northwest Quarter of the Northeast Quarter, Section 6, Township 52 North, Range 11 West;

(2) the Northeast Quarter of the Northwest Quarter, Section 6, Township 52 North, Range 11 West; and

(3) the Northwest Quarter of the Northwest Quarter, Section 6, Township 52 North, Range 11 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership for economic development.

**Sec. 3. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATERS; BELTRAMI COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Beltrami County may sell the tax-forfeited lands bordering public waters that are described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are in Beltrami County and are described as:

(1) the North 200 feet of Government Lot 6, Section 34, Township 147 North, Range 31 West (.6 acres) on Big Lake (PIN No. 43.00239.00);

(2) part of the Northwest Quarter of the Southeast Quarter, Section 16, Township 154 North, Range 30 West (2.38 acres) on the Tamarack River (PIN No. 49.00120.02);

(3) Riverside Addition Lot 001, Block 007, Section 1, Township 146 North, Range 33 West (3.23 acres) on the Mississippi River (PIN No. 80.03110.00); and

(4) all of that strip of land lying South of Mill Lot 1 of Lake Street in Lot 7, Section 1, Township 148 North, Range 32 West (0.3 acres) on Gull Lake (PIN No. 85.00053.00).

(d) The county has determined that the county's land management interests would be best served if the lands were returned to private ownership.

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

**Sec. 4. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; CARLTON COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Carlton County may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The land to be sold is located in Carlton County and is described as:

(1) the Northeast Quarter of the Southwest Quarter, Section 25, Township 46, Range 21 (PID number 75-010-4010);

(2) the Southeast Quarter of the Southwest Quarter, Section 25, Township 46, Range 21 (PID number 75-010-4040);

(3) the Northwest Quarter of the Southwest Quarter, Section 4, Township 47, Range 18 (PID number 60-026-0600);

(4) the Southwest Quarter of the Southwest Quarter, Section 4, Township 47, Range 18 (PID number 60-026-0610);

(5) the Southeast Quarter of the Northeast Quarter, Section 9, Township 47, Range 18 (PID number 60-026-1460);

(6) the Northeast Quarter of the Southeast Quarter, Section 9, Township 47, Range 18 (PID number 60-026-1770);

(7) the Northeast Quarter of the Southwest Quarter, Section 21, Township 47, Range 18 (PID number 60-052-3780);

(8) all that part of the Northwest Quarter of the Southeast Quarter which lies northwest of a line located 100 feet northwest of the following described line: Beginning at a point on the east line of Section 21, 641.74 feet South of the northeast corner; thence southwest 35 degrees, 28 minutes, 40 seconds, 5,000 feet and there terminating. Except a strip which lies southeast of the following described line: Beginning at a point 100 feet northwest from point on above described line, 2,289.56 feet southwest of point of beginning; thence northeast to a point 125 feet northwest from point on said above described line, 2,039.56 feet southwest of point of beginning; thence northeast and parallel with above described line 500 feet, and there terminating. Section 21, Township 47, Range 18 (PID number 60-052-3845);

(9) the Southwest Quarter of the Northeast Quarter, Section 29, Township 47, Range 18 (PID number 39-020-0730);

(10) the Southeast Quarter of the Northeast Quarter, except Interstate Highway 35, Section 29, Township 47, Range 18 (PID number 39-020-0740);

(11) the Southwest Quarter of the Northwest Quarter, Section 32, Township 48, Range 18 (PID number 33-010-8220);

(12) the Northeast Quarter of the Northeast Quarter, Section 35, Township 47, Range 21 (PID number 36-033-5580); and

(13) the Southwest Quarter of the Northwest Quarter, Section 2, Township 46, Range 21 (PID number 75-010-0230).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 5. PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; CASS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.



(c) The land that may be sold is located in Cass County and is described as: that part of Government Lot 3, Section 2, Township 141 North, Range 31 West, described as follows: COMMENCING at the intersection of the north line of said Government Lot 3 with the westerly right-of-way line of the former Northern Pacific Railroad and assuming said north line bears North 87 degrees 17 minutes 45 seconds West; thence South 38 degrees 42 minutes 33 seconds East along said westerly right-of-way line (also being the west line of Lot 8, Block 1, and Outlot G, LODGES OF BLUEWATER, Plat of record, said county) for a distance of 163.98 feet to the point of beginning of the tract to be herein described; thence continue South 38 degrees 42 minutes 33 seconds East, along said westerly right-of-way line 190.84 feet; thence southeasterly 116.26 feet, continuing along said westerly right-of-way line, along a tangential curve concave to the southwest, having a radius of 1,587.28 feet and a central angle of 4 degrees 11 minutes 47 seconds; thence South 51 degrees 17 minutes 27 seconds West 6 feet, more or less, to the ordinary low water line of Leech Lake; thence northwesterly along said ordinary low water line to the intersection with a line bearing South 51 degrees 17 minutes 27 seconds West from the point of beginning; thence North 51 degrees 17 minutes 27 seconds East 8 feet, more or less, to the point of beginning; containing 0.02 acres, more or less.

(d) The land borders Leech Lake. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was conveyed to an adjacent landowner who will in turn sell other shoreline to the Department of Natural Resources.

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

**Sec. 6. SALE OF TAX-FORFEITED LAND; CASS COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 282.01, or any other law to the contrary, Cass County shall convey the tax-forfeited parcels specified in paragraph (c) to the city of Pillager for less than their appraised value.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Cass County and is identified as:

Parcels 93-217-2403; 93-217-3101; 93-352-0010; 93-352-0105; 93-352-0110; 93-352-0115; 93-352-0120; 93-352-0205; 93-352-0210; 93-352-0225; 93-352-0230; 93-352-0235; 93-352-0305; 93-352-0310; 93-352-0315; 93-352-0320; 93-352-0325; 93-352-0340; 93-352-0345; 93-352-0440; 93-352-0445; 93-352-0450; 93-352-0455; 93-352-0460; 93-352-0505; 93-352-0510; 93-352-0515; 93-352-0520; 93-352-0525; 93-352-0610; 93-352-0740; and 93-352-0745.

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

**Sec. 7. PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; CROW WING COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Crow Wing County may sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The land to be sold is located in Crow Wing County and is described as:

(1) the Northwest Quarter of the Northeast Quarter, Section 27, Township 134, Range 29 (PIN 980271200000009);

(2) the Southwest Quarter of the Northeast Quarter, Section 27, Township 134, Range 29 (PIN 980271300000009);

(3) the Northwest Quarter of the Southeast Quarter, Section 27, Township 134, Range 29 (PIN 980274200000009); and

(4) Outlot 5, Oreland, Deerwood Township, Section 19, Township 46, Range 28 (PIN 591160009050009).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 8. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; CROW WING COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Crow Wing County may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The land to be sold is located in Crow Wing County and is described as:

(1) an undivided 3/32 interest in the Southeast Quarter of the Southeast Quarter, Little Pine Township, Section 15, Township 138, Range 25 (PIN 740154400000AC0); and

(2) an undivided 23/32 interest in the Southeast Quarter of the Southeast Quarter, Little Pine Township, Section 15, Township 138, Range 25 (PIN 740154400000AD0).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 9. CONVEYANCE OF TAX-FORFEITED LAND AND EXCHANGE FOR PUBLIC RIGHT-OF-WAY; DAKOTA COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 282.01, subdivision 1a, and the public sale provisions of Minnesota Statutes, chapter 282, the commissioner of revenue shall convey to Dakota County for no consideration the tax-forfeited land that is described in paragraph (c).

(b) The conveyance to Dakota County must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Dakota County and is described as Outlot A of Fairway Hills (PID No. 10-25600-00-010).

(d) Notwithstanding Minnesota Statutes, section 373.01, subdivision 1, paragraph (d), Dakota County may exchange the parcel of land described in paragraph (c) with Northern Natural Gas for another parcel necessary for a Dakota County highway right-of-way.

(e) The county has determined that the county's highway right-of-way and tax-forfeited land management interests would be best served if the land is acquired for the public purpose of completing a highway right-of-way exchange.

**Sec. 10. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; GOODHUE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Goodhue County may sell the tax-forfeited land bordering public water that is described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Goodhue County and is described as: part of Government Lots 5, 6, and 8, Section 19, Township 112 North, Range 17 West, city of Cannon Falls (PID No. 52.719.2400).

(d) The county has determined that the county's land management interests would be best served if the lands were returned to private ownership.

**Sec. 11. CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; HENNEPIN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Hennepin County may convey to the state of Minnesota for no consideration or sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Hennepin County and is described as: that part of the Southwest Half of the Southwest Half commencing at a point 66 feet South from the center point of the south end of the dam; thence East 150 feet; thence North to the Crow River; thence westerly along the river to a point 50 feet westerly from the center point of the south end of the dam; thence South to a point distant 50 feet West from the beginning; thence East to the beginning. Also a cartway as described in Doc. No. 3937489 (PID 36-120-24 33 0002).

(d) The county has determined that the county's land management interests would best be served by conveying the land to the state in order to return the land to private ownership.

**Sec. 12. PUBLIC OR PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; HENNEPIN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Hennepin County may sell by public or private sale the tax-forfeited land bordering public water that is described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy. Prior to the sale, the commissioner of revenue shall grant a permanent conservation easement according to Minnesota Statutes, section 282.37, for the land described in paragraph (c). The easement shall be 50 feet in width along the shoreline to provide riparian protection.

(c) The land to be sold is located in Hennepin County and is described as: that part of Government Lot 2 in Section 21, Township 120, Range 23, described as: commencing at the southwest corner thereof; thence South 89 degrees 48 minutes 24 seconds East on an assumed bearing along the south line of Government Lot 2 a distance of 438.00 feet to the point of beginning; thence North 00 degrees 13 minutes 06 seconds East parallel to the west line of Government Lot 2 a distance of 874.50 feet; thence South 89 degrees 48 minutes 24 seconds East a distance of 57.00 feet; thence North 00 degrees 13 minutes 06 seconds East a distance of 891.00 feet to the shore of Cowley Lake; thence northeasterly along the shoreline a distance of 1,043.00 feet to the east line of Government Lot 2; thence South 00 degrees 20 minutes 20 seconds West along said east line to a point 1,604.32 feet North of the southeast corner of Government Lot 2; thence North 89 degrees 39 minutes 40 seconds West a distance of 154.63 feet; thence South 22 degrees 32 minutes 57 seconds West a distance of 930.19 feet; thence South 00 degrees 13 minutes 06 seconds West a distance of 744.43 feet to the south line of Government Lot 2; thence North 89 degrees 48 minutes 24 seconds West along said south line a distance of 387.00 feet to the point of beginning (PID 21-120-23 13 0004).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership.

**Sec. 13. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; HUBBARD COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Hubbard County may sell the tax-forfeited land described in paragraph (c) by public sale, under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general for not less than the appraised value of the land. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be sold is located in Hubbard County and is described as: PID No. 02.04.00600.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 14. PUBLIC OR PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; LAKE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Lake County may sell by public or private sale the tax-forfeited lands bordering public water that are described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy. If land described under paragraph (c) is sold by private sale, the land may be sold for less than the appraised value if

the conveyance provides that the land reverts to the state if the land is not used as a data center or for another economic development purpose approved by the county. Prior to the sales, the commissioner of revenue shall grant permanent conservation easements according to Minnesota Statutes, section 282.37, for the lands described in paragraph (c). An easement for each of the lands described in paragraph (c), clauses (1), (4), and (5), shall be 75 feet in width on each side of the centerline of the Little West Branch Knife River to provide riparian protection and access for anglers and for management by the Department of Natural Resources, and a 66-foot strip across the easements is allowed for road access and utilities at a location agreed upon by the county and the state. An easement for each of the lands described in paragraph (c), clauses (2) and (3), shall be 75 feet in width on each side of the centerline of the unnamed tributary to Little West Branch Knife River to provide riparian protection and access for management by the Department of Natural Resources, and a 50-foot strip across the easements is allowed for road access and utilities at a location agreed upon by the county and the state. An easement for each of the lands described in paragraph (c), clauses (3), (5), (6), and (7), shall be 75 feet in width on each side of the centerline of the unnamed tributary to West Branch Knife River to provide riparian protection and access for management by the Department of Natural Resources.

(c) The lands to be sold are located in Lake County and are described as:

(1) the Southwest Quarter of the Northeast Quarter, Section 6, Township 52 North, Range 11 West;

(2) the Southeast Quarter of the Northwest Quarter, Section 6, Township 52 North, Range 11 West;

(3) the Southwest Quarter of the Northwest Quarter, Section 6, Township 52 North, Range 11 West;

(4) the Northeast Quarter of the Northeast Quarter, Section 6, Township 52 North, Range 11 West;

(5) the Southeast Quarter of the Northeast Quarter, Section 6, Township 52 North, Range 11 West;

(6) the West Half of the Northwest Quarter of the Northwest Quarter, Section 5, Township 52 North, Range 11 West; and

(7) the West Half of the Southwest Quarter of the Northwest Quarter, Section 5, Township 52 North, Range 11 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership for economic development.

**Sec. 15. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; LAKE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Lake County may sell the tax-forfeited land bordering public water that is described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Lake County and is described as:

(1) an undivided interest in the Northeast Quarter of the Northeast Quarter, Section 7, Township 63, Range 9 (parcel number 28-6309-07020);

(2) an undivided interest in the Southwest Quarter of the Northeast Quarter, Section 7, Township 63, Range 9 (parcel number 28-6309-07140);

(3) an undivided interest in the Northeast Quarter of the Northwest Quarter, Section 8, Township 63, Range 9 (parcel number 28-6309-08285);

(4) an undivided interest in the Northwest Quarter of the Northwest Quarter, Section 8, Township 63, Range 9 (parcel number 28-6309-08345);

(5) the Northwest Quarter of the Northeast Quarter, Section 1, Township 53, Range 10 (parcel number 29-5310-01070); and

(6) the Northeast Quarter of the Northwest Quarter, Section 1, Township 53, Range 10 (parcel number 29-5310-01250).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 16. PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; MARTIN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Martin County may sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Martin County and is described as property identification number 232300240.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 17. CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; PINE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Pine County may convey the tax-forfeited land described in paragraph (c) to the town of Wilma, under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if the town of Wilma stops using the land for the public purpose described in paragraph (d). The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Pine County and is described as: Southwest Quarter of Southeast Quarter, less South 660 feet, Section 8, Township 42, Range 17 (PIN No. 32.0065.001).

(d) The county has determined that the land is needed by the town of Wilma for a town hall and public park.

**Sec. 18. PUBLIC OR PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; PINE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by public or private sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may sell the land for less than the appraised value of the land. The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Pine County and is described as: the Southeast Quarter of Section 28, Township 42 North, Range 17 West of the Fourth Principal Meridian, lying North and East of the Lower Tamarack River; and the Southwest Quarter of the Northwest Quarter of the Southwest Quarter of Section 27, Township 42 North, Range 17 West. Together with a 66-foot road easement for ingress and egress over that part of the Northeast Quarter of Section 28, Township 42 North, Range 17 West, the center line of which is described as commencing at the northeast corner of said Section 28; thence South 89 degrees 29 minutes 23 seconds West bearing assumed along the north line of said Northeast Quarter, also being the center line of County Road No. 25; a distance of 1,314.86 feet to the point of beginning of the center line to be described; thence South 1 degree 13 minutes 12 seconds East along said center line 256.50 feet; thence along said center line on a tangential curve concave to the northeast, with a delta angle of 14 degrees 31 minutes 5.8 seconds and a radius of 1,607.75 feet, a distance of 407.80 feet; thence South 15 degrees 45 minutes 10 seconds East along said center line 529.02 feet; thence along said center line on a tangential curve concave to the West, with a delta angle of 15 degrees 15 minutes 30 seconds and a radius of 2,127.73 feet, a distance of 566.63 feet; thence South 0 degrees 29 minutes 40 seconds East along said center line 525.22 feet; thence along said center line on a tangential curve concave to the northwest, with a delta angle of 15 degrees 54 minutes 39 seconds and a radius of 1,330.09 feet, a distance of 369.36 feet to intersect the south line of said Northeast Quarter and there terminating. Containing 81.4 acres, more or less.

(d) The land borders the Lower Tamarack River. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private or public ownership.

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

**Sec. 19. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; PINE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Pine County may sell the tax-forfeited land described in paragraph (c) by public sale under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general for not less than the appraised value of the land. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The lands to be sold are located in Pine County and are described as:

(1) East Half of Northeast Quarter of Southeast Quarter, Section 26, Township 42, Range 16 (PIN No. 02.0243.001 split);

(2) Southwest Quarter of Southwest Quarter, Section 13, Township 44, Range 21 (PIN No. 05.0126.000);

(3) Government Lot 2, subject to a 4 rod easement on North side, Section 2, Township 44, Range 18 (PIN No. 07.0017.000);

(4) North Half of Northwest Quarter and Southeast Quarter of Northwest Quarter, Section 2, Township 44, Range 18 (PIN No. 07.0019.000);

(5) Southeast Quarter, subject to highway easement, Section 3, Township 44, Range 18 (PIN No. 07.0045.000);

(6) Northeast Quarter of Northeast Quarter, together with and subject to easements, Section 3, Township 42, Range 18 (PIN No. 11.0006.001);

(7) Northwest Quarter of Northeast Quarter, together with and subject to easements, Section 3, Township 42, Range 18 (PIN No. 11.0006.004);

(8) that part of the Southwest Quarter of Southwest Quarter described as follows: commencing at northwest corner; thence 660 feet South to point of beginning; thence East 1,320 feet; thence South 330 feet; thence West 1,320 feet; thence North 330 feet to point of beginning, Section 30, Township 42, Range 18 (PIN No. 11.0193.000);

(9) that part of the Northeast Quarter of Southeast Quarter bounded by the following four lines: on the East side by the Grindstone River; on the North by a line extended westerly from north line of Lot 12, Block 1, Foss' Riverside Lots; on the West by a line 615 feet West of and parallel to east line of section; and on the South by a line extended westerly from south line of Lot 15, Block 1 Foss' Riverside Lots, Section 20, Township 42, Range 21 (PIN No. 12.0300.000);

(10) that part of the Northeast Quarter of Southeast Quarter described as: commencing at the northeast corner of Northeast Quarter of Southeast Quarter; thence West along north line 615 feet to point of beginning; thence South at right angles to intersection with north line of Lot 12, Block 1, Foss' Riverside Lots extended; thence East along north line of Lot 12 extended to Grindstone River; thence along river to north line of Northeast Quarter of Southeast Quarter; thence westerly along north line to point of beginning, Section 20, Township 42, Range 21 (PIN No. 12.0302.000);

(11) Northeast Quarter of Northeast Quarter, Section 29, Township 43, Range 18 (PIN No. 14.0204.000);

(12) South Half of Southwest Quarter, Section 4, Township 45, Range 18 (PIN No. 16.0037.000);

(13) Northeast Quarter of Southeast Quarter and South Half of Southeast Quarter, Section 5, Township 45, Range 18 (PIN No. 16.0042.000);



(14) Northeast Quarter of Northeast Quarter, Section 8, Township 45, Range 18 (PIN No. 16.0058.000);

(15) Northwest Quarter of Northeast Quarter, Section 8, Township 45, Range 18, (PIN No. 16.0059.000);

(16) Government Lot 2 and Government Lot 3, Section 19, Township 45, Range 18 (PIN No. 16.0204.000);

(17) Southeast Quarter, Section 19, Township 45, Range 18 (PIN No. 16.0205.000);

(18) Northwest Quarter of Northeast Quarter, less West 20 rods, subject to right-of-way, Section 22, Township 45, Range 18 (PIN No. 16.0232.000);

(19) Southwest Quarter of Northwest Quarter, Section 25, Township 44, Range 20 (PIN No. 17.0323.000);

(20) Northeast Quarter of Southeast Quarter lying West of right-of-way of Highway 35, Section 26, Township 44, Range 20 (PIN No. 17.0330.000);

(21) Southeast Quarter of Northeast Quarter, Section 14, Township 40, Range 21 (PIN No. 18.0104.000);

(22) Government Lot 1, Section 4, Township 40, Range 20 (PIN No. 19.0024.000);

(23) East Half of Southwest Quarter West of Hay Creek, Section 34, Township 43, Range 16 (PIN No. 20.0270.000);

(24) Southeast Quarter of Northeast Quarter, Section 5, Township 45, Range 17 (PIN No. 21.0147.000);

(25) West Half of West Half, Section 9, Township 44, Range 17 (PIN No. 24.0053.000);

(26) South Half of Southwest Quarter, Section 30, Township 43, Range 21 (PIN No. 27.0456.000);

(27) Government Lot 2, Section 29, Township 39, Range 21 (PIN No. 28.0453.000);

(28) West Half of Northeast Quarter and West Half of Southeast Quarter, Section 22, Township 42, Range 19 (PIN No. 30.0207.000);

(29) Northwest Quarter of Northwest Quarter, Section 26, Township 42, Range 19 (PIN No. 30.0252.000);

(30) North Half of Northeast Quarter, Section 27, Township 42, Range 19 (PIN No. 30.0257.000);

(31) Northwest Quarter of Southwest Quarter, Section 17, Township 45, Range 20 (PIN No. 31.0117.000);

(32) Southwest Quarter of Southwest Quarter, Section 17, Township 45, Range 20 (PIN No. 31.0118.000);

(33) North Half of Southeast Quarter except railroad, Section 18, Township 45, Range 20 (PIN No. 31.0123.000);

(34) North Half of Northeast Quarter and East Half of Northwest Quarter, Section 9, Township 42, Range 17 (PIN No. 32.0070.000); and

(35) Southeast Quarter of Southeast Quarter, Section 18, Township 42, Range 17 (PIN No. 32.0165.000 split).

(d) The county has determined that the county's land management interests would be best served if the lands were returned to private ownership.

**Sec. 20. PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, St. Louis County may sell tax-forfeited land described in paragraph (c) to an adjoining landowner under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general for not less than the appraised value of the land. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The lands to be conveyed are located in St. Louis County and are described as:

(1) PID No. 010-4390-01120;

(2) PID No. 010-4390-01200;

(3) PID No. 010-4400-00070;

(4) PID No. 010-4400-00080;

(5) PID No. 010-4400-00090;

(6) PID No. 010-4400-00100;

(7) PID No. 010-4400-00110;

(8) PID No. 010-4400-00120;

(9) PID No. 010-4400-00130;

(10) PID No. 010-4400-00140;

(11) PID No. 010-4400-00150;

(12) PID No. 010-4400-00160;

(13) PID No. 010-4400-00170;

(14) PID No. 010-4400-00180;

(15) PID No. 010-4400-00190;

(16) PID No. 010-4400-00200;

(17) PID No. 010-4400-00210;

(18) PID No. 010-4400-00240;

(19) PID No. 010-4400-00440;

- (20) PID No. 010-4400-00450;
- (21) PID No. 010-4400-00460;
- (22) PID No. 010-4400-00470;
- (23) PID No. 010-4400-00480;
- (24) PID No. 010-4400-00490;
- (25) PID No. 010-4400-00500;
- (26) PID No. 010-4400-00510;
- (27) PID No. 010-4400-00520;
- (28) PID No. 010-4400-00530;
- (29) PID No. 010-4400-00540;
- (30) PID No. 010-4400-00550;
- (31) PID No. 010-4400-00560;
- (32) PID No. 010-4400-00570;
- (33) PID No. 010-4400-00580;
- (34) PID No. 010-4400-00590;
- (35) PID No. 010-4400-00600; and
- (36) PID No. 010-4400-00610.

(d) Except as provided in paragraph (e), the proceeds from the sale of land described in paragraph (c) may be deposited by the county into an environmental trust fund as provided in Laws 1998, chapter 389, article 16, section 31, subdivision 4, as amended.

(e) The costs of appraisals, abstracts, surveys, sale preparations, advertising, realtors, and closing services may be withheld by the county board and not deposited into an environmental trust fund.

(f) The county has determined that the county's land management interests would be best served if the lands were returned to private ownership.

**Sec. 21. PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

(1) Block 28, Bayview Addition to Duluth, Section 12, Range 15 West, Township 49 North;

(2) Lot 87, Block 75, Duluth Proper Third Division, Section 28, Range 14 West, Township 50 North;

(3) the North 13 feet for street, Lot 5, Block 5, Woodland Park 8th Division, 1st Rear Duluth, Section 2, Range 14 West, Township 50 North;

(4) Lot 15, Block 13, Andersons 3rd Addition to Virginia, Section 17, Range 17 West, Township 58 North;

(5) Lot 3, except the part platted and except the part beginning 247.12 feet East of the southwest corner; thence East 663.99 feet North 27 degrees 49 minutes East 222.33 feet to the south line of highway North 62 degrees 11 minutes West 772.37 feet southerly 605.57 feet to the point of beginning and except the West 146.81 feet and except the East 100.08 feet of the West 246.81 feet, Town of Beatty, Section 20, Range 18 West, Township 63 North;

(6) Lot 7, Gethesemane Acres Hermantown, Section 9, Range 15 West, Township 50 North; and

(7) that part of the Southwest Quarter of the Southwest Quarter lying West of the Keewatin Highway, except the southerly 14-55/100 feet, Hibbing, Section 15, Range 21 West, Township 57 North.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 22. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, St. Louis County may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

(1) the easterly 220 feet of Lot A and Lot A except the easterly 220 feet and except the westerly 50 feet, Block 37, Savanna Addition to Floodwood, Section 5, Range 20 West, Township 51 North;

(2) the West Half of the West Half of the Northwest Quarter of the Southwest Quarter, Section 5, Range 14 West, Township 50 North;

(3) Lot 3, Town of Biwabik, Section 23, Range 16 West, Township 58 North;

(4) the Northwest Quarter of the Southwest Quarter of the Northeast Quarter, Section 32, Range 17 West, Township 57 North;

(5) that part of the Southwest Quarter of the Northeast Quarter lying northwesterly of Little Fork River, except the North 150 feet and except the highway right-of-way, Section 18, Range 18 West, Township 62 North;

(6) the Southeast Quarter of the Northwest Quarter, Section 20, Range 14 West, Township 60 North;

(7) Lot 6, Unorganized 56-14, Section 6, Range 14, Township 56; and

(8) the Northeast Quarter of the Northwest Quarter, except the West Half and except the Southeast Quarter, Section 8, Range 16 West, Township 59 North.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 23. PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; TODD COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Todd County and is described as: that part of the Northeast Quarter of the Southwest Quarter of Section 22, Township 129 North, Range 35 West, described as follows:

From the southwest corner of said Northeast Quarter of the Southwest Quarter run North along the west line thereof for a distance of 603 feet to the point of beginning of tract to be described; thence South 70 degrees 00 minutes East 220 feet; thence South 20 degrees 00 minutes West 105 feet; thence North 60 degrees 00 minutes West 173 feet; thence North 18 degrees 40 minutes West 64 feet, more or less, to the west line of said Northeast Quarter of the Southwest Quarter; thence North along said west line for a distance of 27 feet, more or less, to the place of beginning; containing 0.36 acres, more or less. Including all riparian rights to the 0.36 acres, more or less, and subject to existing easements of record.

(d) The land borders the Long Prairie River. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was conveyed to an adjacent landowner.

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

**Sec. 24. CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; WASHINGTON COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Washington County may convey to the city of Cottage Grove for no consideration the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if the city of Cottage Grove stops using the land for the public purpose described in paragraph (d). The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Washington County and is described as: the Northeast Quarter of the Northwest Quarter, Section 30, Township 27, Range 21, except 2-1/2 acres to railroad except beginning at the southeast corner and going west at south line 645 feet to slough; thence northeast of slough 140 feet; thence East 635 feet, more or less, to the road; thence South 140

feet to the point of beginning and also except commencing at the southeast corner of aforesaid quarter-quarter section; thence North on east line of above quarter-quarter section 140 feet; thence West parallel with south line of said quarter-quarter section 32 feet to the point of beginning, said point being on west line of town highway as now established; thence North 23-1/2 degrees West 243.6 feet; thence North 45 degrees 40 minutes West 194 feet to iron stake on westerly line of town highway; thence South 71 degrees 48 minutes West 455 feet to shore of Grey Cloud Island Slough; thence South 6 degrees 2 minutes East 225 feet to fence as now established; thence East 637 feet to point of beginning (PID 30.027.21.21.0001).

(d) The county has determined that the land is needed by the city of Cottage Grove for a public park with minimal development.

**Sec. 25. CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; WINONA COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Winona County may convey for no consideration the tax-forfeited land described in paragraph (c) to the city of Stockton under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if the city of Stockton stops using the land for the public purpose described in paragraph (d). The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Winona County and is described as: PID No. 30.000.0760.

(d) The county has determined that the land is needed by the city of Stockton for a public park."

Amend the title as follows:

Page 1, line 2, after "sales" insert "and conveyance"

Amend the title numbers accordingly

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

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

**S.F. No. 1754:** A bill for an act relating to clean water; appropriating money from the clean water fund; modifying membership of the Clean Water Council; amending Minnesota Statutes 2014, section 114D.30, subdivision 2; Laws 2013, chapter 137, article 2, section 6.

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

Page 3, line 33, delete "\$500,000" and insert "\$1,250,000" and delete "\$500,000" and insert "\$1,250,000"

Page 18, delete section 10

Re-number the sections in sequence

Correct the section totals and the appropriation summary

Amend the title accordingly

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

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

**S.F. No. 1433:** A bill for an act relating to natural resources; providing for comprehensive watershed management; amending Minnesota Statutes 2014, sections 103A.206; 103B.101, by adding a subdivision; 103C.101, by adding a subdivision; 103C.401, subdivision 1; 103C.501, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 103B.

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

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

**S.F. No. 1534:** A bill for an act relating to natural resources; creating conservation easement stewardship accounts; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 84; 103B; repealing Minnesota Statutes 2014, section 84.68.

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

**SECOND READING OF SENATE BILLS**

S.F. Nos. 498, 1413, 1393, 1521, 1147, 610, 1299, 1603, 1658, 1436, 1446, 1455, 1430, 1081, 1444, 1765, 454, 877 and 1406 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. No. 417 was read the second time.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time.

**Senators Dahms, Sheran, Senjem, Jensen and Nelson introduced—**

**S.F. No. 1956:** A bill for an act relating to transportation; appropriating money for reconstruction of marked U.S. Highway 14 between the cities of New Ulm and Nicollet; authorizing the sale and issuance of trunk highway bonds.

Referred to the Committee on Capital Investment.

**Senators Reinert, Jensen, Rest, Senjem and Pederson, J. introduced—**

**S.F. No. 1957:** A bill for an act relating to transportation; appropriating money for a training program for responders to railroad and pipeline emergencies.

Referred to the Committee on Finance.

**Senator Skoe introduced—**

**S.F. No. 1958:** A bill for an act relating to economic development; Lewis and Clark Regional Water System Project; modifying debt service aid formula and reinstating local taxing authority; amending Minnesota Statutes 2014, sections 469.194, subdivision 1; 477A.20; Laws 2014, chapter 308, article 7, section 7.

Referred to the Committee on Taxes.

**Senators Johnson, Tomassoni and Hoffman introduced—**

**S.F. No. 1959:** A bill for an act relating to capital investment; appropriating money for reconstruction of a street in the city of Blaine; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senator Fischbach introduced—**

**S.F. No. 1960:** A bill for an act relating to insurance; prohibiting the enforcement of certain restrictive covenants against involuntarily terminated agents; proposing coding for new law in Minnesota Statutes, chapter 60A.

Referred to the Committee on Commerce.

**Senator Kiffmeyer introduced—**

**S.F. No. 1961:** A bill for an act relating to elections; establishing a procedure for provisional balloting; amending Minnesota Statutes 2014, sections 204C.10; 204C.12, subdivision 3; 204C.14, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 204C.

Referred to the Committee on Rules and Administration.

**Senator Kiffmeyer introduced—**

**S.F. No. 1962:** A bill for an act relating to education finance; creating a new source of state aid for school districts with below average revenue; amending Minnesota Statutes 2014, section 126C.13, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 126C.

Referred to the Committee on Finance.

**Senators Hayden, Bakk, Eken, Saxhaug and Metzen introduced—**

**S.F. No. 1963:** A bill for an act relating to capital investment; appropriating money for the Norway House in Minneapolis.

Referred to the Committee on Capital Investment.



**Senators Metzen, Stumpf, Tomassoni, Housley and Saxhaug introduced—**

**S.F. No. 1964:** A bill for an act relating to capital investment; appropriating money for Mighty Ducks grants; authorizing the sale and issuance of state bonds; amending Minnesota Statutes 2014, section 240A.09.

Referred to the Committee on Capital Investment.

**Senator Anderson introduced—**

**S.F. No. 1965:** A bill for an act relating to solid waste; appropriating money for demonstration project.

Referred to the Committee on Finance.

**Senators Hayden and Sheran introduced—**

**S.F. No. 1966:** A bill for an act relating to human services; modifying provisions governing psychiatric contract beds; amending Minnesota Statutes 2014, section 256.9693.

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

**Senators Tomassoni, Lourey, Saxhaug, Sparks and Skoe introduced—**

**S.F. No. 1967:** A bill for an act relating to water; appropriating money for subsurface sewage treatment system improvements.

Referred to the Committee on Finance.

**Senators Sparks, Skoe, Saxhaug and Weber introduced—**

**S.F. No. 1968:** A bill for an act relating to taxation; income and corporate franchise; establishing a workforce housing tax credit; requiring reports; appropriating money; amending Minnesota Statutes 2014, section 290.06, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Taxes.

**Senators Koenen and Fischbach introduced—**

**S.F. No. 1969:** A bill for an act relating to transportation; highways; making an appropriation for construction of segments of marked Trunk Highway 23 as a four-lane divided highway; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators Koenen and Fischbach introduced—**

**S.F. No. 1970:** A bill for an act relating to transportation; highways; making an appropriation for construction of a segment of marked Trunk Highway 23 as a four-lane divided highway; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators Koenen and Fischbach introduced—**

**S.F. No. 1971:** A bill for an act relating to transportation; highways; making an appropriation for construction of a segment of marked Trunk Highway 23 as a four-lane divided highway; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senator Lourey introduced—**

**S.F. No. 1972:** A bill for an act relating to retirement; general state employees retirement plan of the Minnesota State Retirement System; authorizing purchases of prior service credit for rule of 90 eligibility for certain Department of Corrections employees.

Referred to the Committee on State and Local Government.

**Senator Carlson introduced—**

**S.F. No. 1973:** A bill for an act relating to claims against the state; providing for settlement of certain claims; appropriating money.

Referred to the Committee on Finance.

**Senators Ortman, Benson and Goodwin introduced—**

**S.F. No. 1974:** A resolution memorializing the President and Congress to provide reimbursement under Medicaid for services provided at the Anoka-Metro Regional Treatment Center.

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

**Senators Pratt, Hann, Osmek and Housley introduced—**

**S.F. No. 1975:** A bill for an act relating to the Metropolitan Council; modifying the Metropolitan Land Planning Act to eliminate authority of the Metropolitan Council to require local comprehensive plan amendments in response to council policies, plans, and system statements; amending Minnesota Statutes 2014, sections 473.145; 473.175, subdivisions 1, 2; 473.851; 473.856; 473.858, subdivision 1; 473.859, subdivisions 3, 4; 473.864, subdivision 2; 473.865, subdivision 2; 473.87; repealing Minnesota Statutes 2014, sections 473.175, subdivision 3; 473.857; 473.864, subdivision 1; 473.866.

Referred to the Committee on State and Local Government.

**Senators Champion; Pederson, J.; Torres Ray; Wiklund and Hawj introduced—**

**S.F. No. 1976:** A bill for an act relating to education finance; appropriating money for the early learning scholarships program.

Referred to the Committee on Finance.

**Senator Saxhaug introduced—**

**S.F. No. 1977:** A bill for an act relating to capital investment; appropriating money for a bridge over the Popple River in Itasca County; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators Dzedzic and Hayden introduced—**

**S.F. No. 1978:** A bill for an act relating to workforce development; appropriating money to the UMMAH Project, Inc. for a workforce development, crime prevention, and leadership skill building pilot program for Somali youth.

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

**Senators Thompson and Benson introduced—**

**S.F. No. 1979:** A bill for an act relating to taxation; sales and use; modifying the base of the metropolitan area sales tax; amending Minnesota Statutes 2014, section 297A.992, by adding a subdivision.

Referred to the Committee on Taxes.

**Senator Metzen introduced—**

**S.F. No. 1980:** A bill for an act relating to insurance; modifying the workers' compensation self-insurance program; requiring reports; amending Minnesota Statutes 2014, sections 79A.01, by adding subdivisions; 79A.02, subdivisions 1, 2, 3; 79A.04, subdivisions 1, 3a; 79A.09, subdivisions 1, 4; 79A.12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 79A.

Referred to the Committee on Commerce.

**Senators Bonoff and Cohen introduced—**

**S.F. No. 1981:** A bill for an act relating to higher education; providing scholarship for student interns at the Washington Center's creditworthy internship program; appropriating money.

Referred to the Committee on Finance.

**MOTIONS AND RESOLUTIONS**

Senator Wiger moved that the name of Senator Wiklund be added as a co-author to S.F. No. 155. The motion prevailed.

Senator Champion moved that the name of Senator Hayden be added as a co-author to S.F. No. 224. The motion prevailed.

Senator Jensen moved that the name of Senator Wiklund be added as a co-author to S.F. No. 441. The motion prevailed.

Senator Pratt moved that his name be stricken as a co-author to S.F. No. 1024. The motion prevailed.

Senator Pappas moved that the name of Senator Reinert be added as a co-author to S.F. No. 1065. The motion prevailed.

Senator Nienow moved that the name of Senator Kiffmeyer be added as a co-author to S.F. No. 1093. The motion prevailed.

Senator Johnson moved that the name of Senator Wiger be added as a co-author to S.F. No. 1206. The motion prevailed.

Senator Dibble moved that the name of Senator Bonoff be added as a co-author to S.F. No. 1249. The motion prevailed.

Senator Sheran moved that the name of Senator Wiklund be added as a co-author to S.F. No. 1311. The motion prevailed.

Senator Scalze moved that the name of Senator Marty be added as a co-author to S.F. No. 1433. The motion prevailed.

Senator Eaton moved that the names of Senators Scalze and Hayden be added as co-authors to S.F. No. 1703. The motion prevailed.

Senator Kent moved that the name of Senator Bonoff be added as a co-author to S.F. No. 1804. The motion prevailed.

Senator Jensen moved that the names of Senators Nelson and Nienow be added as co-authors to S.F. No. 1864. The motion prevailed.

Senator Eaton moved that the name of Senator Goodwin be added as a co-author to S.F. No. 1880. The motion prevailed.

Senator Pederson, J. moved that the name of Senator Anderson be added as a co-author to S.F. No. 1920. The motion prevailed.

Senator Wiger moved that S.F. No. 1910 be withdrawn from the Committee on Environment and Energy and re-referred to the Committee on Finance. The motion prevailed.

Senator Ingebrigtsen moved that H.F. No. 12 be withdrawn from the Committee on Finance, given a second reading, and placed on General Orders. The motion prevailed.

H.F. No. 12 was read the second time.

Senator Hawj moved that S.F. No. 534 be withdrawn from the Committee on State and Local Government and re-referred to the Committee on Jobs, Agriculture and Rural Development. The motion prevailed.

Senator Petersen, B. moved that S.F. No. 755 be withdrawn from the Committee on Judiciary and returned to its author. The motion prevailed.

Senator Petersen, B. moved that S.F. No. 1811 be withdrawn from the Committee on Judiciary and returned to its author. The motion prevailed.

**Senator Nelson introduced –**

**Senate Resolution No. 125:** A Senate resolution congratulating the Dover-Eyota High School girls basketball team on winning the 2015 State High School Class AA girls basketball championship.

Referred to the Committee on Rules and Administration.

**Senator Anderson introduced –**

**Senate Resolution No. 126:** A Senate resolution honoring Brandt Companies, the 2015 Delano Area Business of the Year.

Referred to the Committee on Rules and Administration.

**SPECIAL ORDERS**

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

S.F. Nos. 619 and 1563.

**SPECIAL ORDER**

**S.F. No. 619:** A bill for an act relating to data practices; clarifying the protection of addresses in legal proceedings for certain victims of violence; amending Minnesota Statutes 2014, sections 5B.11; 13.03, subdivision 6.

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 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

**S.F. No. 1563:** A bill for an act relating to public safety; requiring the Bureau of Criminal Apprehension to do background checks at the request of Indian tribes; proposing coding for new law in Minnesota Statutes, chapter 299C.

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 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

#### **MEMBERS EXCUSED**

Senators Anderson, Bakk, Brown, Champion, Koenen, Ortman and Schmit were excused from the Session of today.

#### **ADJOURNMENT**

Senator Sieben moved that the Senate do now adjourn until 11:00 a.m., Thursday, March 26, 2015. The motion prevailed.

JoAnne M. Zoff, Secretary of the Senate