

NINTH DAY

St. Paul, Minnesota, Thursday, January 26, 2017

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Pastor Steve Molin.

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

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

January 5, 2017

The Honorable Michelle L. Fischbach
President of the Senate

Dear Senator Fischbach:

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

MINNESOTA HOUSING FINANCE AGENCY

Joseph Johnson III, 131 W. Superior St., Duluth, in the county of Saint Louis, effective January 9, 2017, for a term expiring on January 4, 2021.

(Referred to the Committee on Agriculture, Rural Development, and Housing Policy.)

Sincerely,
Mark Dayton, Governor

REPORTS OF COMMITTEES

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

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

S.F. No. 151: A bill for an act relating to public safety; modifying vehicle forfeiture provisions to include more than one owner of a vehicle; amending Minnesota Statutes 2016, section 169A.63, subdivision 7.

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

SECOND READING OF SENATE BILLS

S.F. No. 151 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Tomassoni, Simonson, and Bakk introduced--

S.F. No. 328: A bill for an act relating to higher education; requiring the Board of Trustees of the Minnesota State Colleges and Universities to grant certain easements to the Housing and Redevelopment Authority in and for the city of Virginia.

Referred to the Committee on Higher Education Finance and Policy.

Senator Eken introduced--

S.F. No. 329: A bill for an act relating to capital investment; appropriating money for flood hazard mitigation grants; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Eken introduced--

S.F. No. 330: A bill for an act relating to Clay County; allowing the county to impose a local sales and use tax to fund a correctional facility and law enforcement center.

Referred to the Committee on Taxes.

Senator Fischbach introduced--

S.F. No. 331: A bill for an act relating to human services; modifying supplemental nutrition assistance program asset limitations; instructing the revisor to update terminology; amending Minnesota Statutes 2016, section 256D.0515.

Referred to the Committee on Human Services Reform Finance and Policy.

Senator Fischbach introduced--

S.F. No. 332: A bill for an act relating to capital investment; appropriating money for water infrastructure in the city of Cold Spring; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Wiger introduced--

S.F. No. 333: A bill for an act relating to education; requiring a nationally normed college entrance exam for high school graduation; amending Minnesota Statutes 2016, sections 120B.02, subdivision 2; 120B.30, subdivision 1.

Referred to the Committee on E-12 Policy.

Senators Tomassoni, Bakk, Simonson, and Senjem introduced--

S.F. No. 334: A bill for an act relating to capital investment; appropriating money for a water supply system for northeast Minnesota communities; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Tomassoni, Bakk, Senjem, and Eichorn introduced--

S.F. No. 335: A bill for an act relating to capital investment; appropriating money for utility relocation related to relocation of Highway 53.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

Senators Tomassoni and Bakk introduced--

S.F. No. 336: A bill for an act relating to capital investment; appropriating money for the Mesabi Trail; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Frentz introduced--

S.F. No. 337: A bill for an act relating to capital investment; appropriating money for phase 2 of improvements to facilities for the Minnesota sex offender program on the lower campus of St. Peter Regional Treatment Center; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Schoen introduced--

S.F. No. 338: A bill for an act relating to public safety; prohibiting the use of certain traffic stop-related information as criteria for peace officer job performance; amending Minnesota Statutes 2016, sections 169.985; 299D.08.

Referred to the Committee on Transportation Finance and Policy.

Senators Newton, Hoffman, and Abeler introduced--

S.F. No. 339: A bill for an act relating to education finance; authorizing a grant for a fabrication lab for the Anoka-Hennepin school district's Secondary Technical Education Program; appropriating money.

Referred to the Committee on E-12 Finance.

Senators Tomassoni and Bakk introduced--

S.F. No. 340: A bill for an act relating to capital investment; appropriating money for local road improvements in the city of Mountain Iron related to the reconstruction of marked U.S. Highway 169; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Ingebrigtsen, Lourey, Lang, Hayden, and Dahms introduced--

S.F. No. 341: A bill for an act relating to health; authorizing a governmental entity to invest funds of a hospital owned or operated by the governmental entity; amending Minnesota Statutes 2016, section 144.581, subdivision 1.

Referred to the Committee on Health and Human Services Finance and Policy.

Senators Tomassoni and Bakk introduced--

S.F. No. 342: A bill for an act relating to taxation; minerals; adding six unorganized territories to certain distributions of the production tax on taconite; amending Minnesota Statutes 2016, section 298.28, subdivision 3.

Referred to the Committee on Taxes.

Senator Utke introduced--

S.F. No. 343: A bill for an act relating to state and local government; limiting amount a public agency may pay to acquire real property or an interest in real property; proposing coding for new law in Minnesota Statutes, chapter 15; repealing Minnesota Statutes 2016, section 16B.297.

Referred to the Committee on State Government Finance and Policy and Elections.

Senator Utke introduced--

S.F. No. 344: A bill for an act relating to taxation; property; requiring property tax credits for overvalued property; proposing coding for new law in Minnesota Statutes, chapter 274.

Referred to the Committee on Taxes.

Senators Ingebrigtsen and Senjem introduced--

S.F. No. 345: A bill for an act relating to capital investment; modifying an appropriation for the Fergus Falls Regional Treatment Center; amending Laws 2002, chapter 393, section 22, subdivision 6, as amended.

Referred to the Committee on Capital Investment.

Senators Ingebrigtsen and Senjem introduced--

S.F. No. 346: A bill for an act relating to capital investment; appropriating money for a grant to the city of Parkers Prairie for swimming pool renovations; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Latz, Dibble, Limmer, and Hall introduced--

S.F. No. 347: A bill for an act relating to public safety; amending ignition interlock performance standards; prohibiting use of devices enabled with location tracking capabilities; amending rulemaking authority; amending Minnesota Statutes 2016, section 171.306, subdivisions 1, 2, 8.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senators Dahms, Tomassoni, Ingebrigtsen, Weber, and Sparks introduced--

S.F. No. 348: A bill for an act relating to natural resources; appropriating money for floodplain management.

Referred to the Committee on Environment and Natural Resources Finance.

Senator Dahms introduced--

S.F. No. 349: A bill for an act relating to the city of Canby; allowing creation of a special tax increment financing district.

Referred to the Committee on Taxes.

Senators Hoffman, Abeler, Utke, Dzedzic, and Hayden introduced--

S.F. No. 350: A bill for an act relating to health; amending the Lead Poisoning Prevention Act; amending landlord requirements for renting residential property; creating the Dustin Luke Shields Act; amending radon and lead disclosure requirements; providing a property tax benefit for lead hazard reductions; providing a civil cause of action; appropriating money for lead and healthy homes grants; amending Minnesota Statutes 2016, sections 144.9501, subdivision 2; 504B.001, subdivision 14; 504B.161, subdivision 1; 513.57; 513.61; proposing coding for new law in Minnesota Statutes, chapters 144; 290.

Referred to the Committee on Health and Human Services Finance and Policy.

Senator Eken introduced--

S.F. No. 351: A bill for an act relating to taxation; property; establishing the school building bond agricultural credit; appropriating money; amending Minnesota Statutes 2016, sections 127A.45, subdivisions 10, 13; 273.1392; 273.1393; 275.065, subdivision 3; 275.07, subdivision 2; 275.08, subdivision 1b; 276.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 273.

Referred to the Committee on E-12 Finance.

Senators Latz and Limmer introduced--

S.F. No. 352: A bill for an act relating to public safety; appropriating funds to the commissioner of public safety to process controlled substance evidence submitted to the state's crime laboratories for chemical testing in a timely manner.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senators Dzedzic, Pappas, Sparks, Senjem, and Champion introduced--

S.F. No. 353: A bill for an act relating to capital improvements; authorizing the sale and issuance of state bonds; appropriating money for the Cedar Cultural Center in Minneapolis.

Referred to the Committee on Capital Investment.

Senators Miller, Dahms, Eken, Bakk, and Chamberlain introduced--

S.F. No. 354: A bill for an act relating to taxation; estate tax; conforming to the federal exclusion amount; amending Minnesota Statutes 2016, sections 289A.10, subdivision 1; 291.016, subdivision 3; 291.03, subdivision 1; repealing Minnesota Statutes 2016, sections 289A.10, subdivision 1a; 289A.12, subdivision 18; 289A.18, subdivision 3a; 289A.20, subdivision 3a; 291.03, subdivisions 8, 9, 10, 11.

Referred to the Committee on Taxes.

Senators Osmek, Jasinski, and Anderson, B. introduced--

S.F. No. 355: A bill for an act relating to highways; requiring a highway construction costs study and report; appropriating money.

Referred to the Committee on Transportation Finance and Policy.

Senator Frentz introduced--

S.F. No. 356: A bill for an act relating to game and fish; modifying resident licensing requirements; amending Minnesota Statutes 2016, section 97A.405, subdivision 5.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senator Frentz introduced--

S.F. No. 357: A bill for an act relating to agriculture; eliminating the cost-share requirement for schools that receive a tractor rollover protection grant; amending Minnesota Statutes 2016, section 17.119, subdivision 1.

Referred to the Committee on Agriculture, Rural Development, and Housing Finance.

Senators Schoen, Rest, Dzedzic, Dibble, and Frentz introduced--

S.F. No. 358: A bill for an act relating to elections; requiring presidential candidates to disclose five years of tax returns prior to being placed on the ballot; proposing coding for new law in Minnesota Statutes, chapter 204B.

Referred to the Committee on State Government Finance and Policy and Elections.

Senators Utke, Klein, Eken, Relph, and Abeler introduced--

S.F. No. 359: A bill for an act relating to human services; adding individualized home supports to home and community-based services; modifying home and community-based services setting requirements and licensing requirements; modifying planning and case management requirements under certain home and community-based services waivers; modifying child foster care background studies; amending Minnesota Statutes 2016, sections 245C.03, subdivision 1; 245C.04, subdivision

1; 245C.05, subdivision 2a; 245C.10, subdivision 9; 245C.17, subdivisions 5, 6; 245C.21, subdivision 1a; 245C.23, subdivision 2; 245D.02, subdivision 36, by adding a subdivision; 245D.03, subdivision 1; 245D.04, subdivision 3; 245D.071, subdivision 3; 245D.09, subdivisions 4, 5a; 245D.11, subdivision 4; 245D.24, subdivision 3; 256B.0911, subdivision 3a; 256B.092, subdivision 1a; 256B.49, subdivision 13; 256B.4913, by adding a subdivision; 256B.4914, subdivisions 3, 5, 8, 16.

Referred to the Committee on Human Services Reform Finance and Policy.

Senator Lourey introduced--

S.F. No. 360: A bill for an act relating to the legislature; modifying the definition of legislative day; amending Minnesota Statutes 2016, section 3.012.

Referred to the Committee on Rules and Administration.

Senator Lourey introduced--

S.F. No. 361: A bill for an act relating to capital investment; appropriating money for public infrastructure for the Big Lake Area Sanitary District; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Tomassoni introduced--

S.F. No. 362: A bill for an act relating to capital investment; appropriating money to renovate historic Hibbing High School auditorium; authorizing the issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Tomassoni introduced--

S.F. No. 363: A bill for an act relating to human services; adding a supplemental rate for a group residential housing provider; amending Minnesota Statutes 2016, section 256I.05, by adding a subdivision.

Referred to the Committee on Human Services Reform Finance and Policy.

Senators Wiger and Tomassoni introduced--

S.F. No. 364: A bill for an act relating to game and fish; modifying age to take deer of either sex; amending Minnesota Statutes 2016, section 97B.301, subdivision 9.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senators Klein and Marty introduced--

S.F. No. 365: A bill for an act relating to health insurance; seeking federal waiver to allow individual consumers the opportunity to obtain coverage through the state employees group insurance plan (SEGIP).

Referred to the Committee on State Government Finance and Policy and Elections.

Senators Housley and Klein introduced--

S.F. No. 366: A bill for an act relating to real estate appraisers; changing requirements relating to investigations, background checks, and disciplinary actions; amending Minnesota Statutes 2016, sections 13.411, by adding a subdivision; 82B.07; 82B.08, subdivision 2a; 82B.20, by adding a subdivision; 82B.24, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 82B.

Referred to the Committee on Commerce and Consumer Protection Finance and Policy.

Senator Anderson, B. introduced--

S.F. No. 367: A bill for an act relating to human services; directing the legislative auditor to conduct financial audits of spending related to refugee resettlement costs; transferring money.

Referred to the Committee on Human Services Reform Finance and Policy.

Senators Limmer and Ingebrigtsen introduced--

S.F. No. 368: A bill for an act relating to sentencing; requiring legislative approval for sentencing guidelines modifications; amending Minnesota Statutes 2016, section 244.09, subdivision 11.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senators Housley, Sparks, Dahms, Koran, and Gazelka introduced--

S.F. No. 369: A bill for an act relating to construction codes; modifying water conditioning installation requirements; amending Minnesota Statutes 2016, sections 326B.50, subdivisions 3, 4, by adding subdivisions; 326B.55; proposing coding for new law in Minnesota Statutes, chapter 326B.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

Senator Isaacson introduced--

S.F. No. 370: A bill for an act relating to redistricting; establishing districting principles for legislative and congressional plans; providing for appointment of a commission to recommend the boundaries of legislative and congressional districts; amending Minnesota Statutes 2016, section 2.021; proposing coding for new law in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 2016, section 2.031, subdivision 1.

Referred to the Committee on State Government Finance and Policy and Elections.

Senators Ingebrigtsen, Senjem, Tomassoni, Ruud, and Carlson introduced--

S.F. No. 371: A bill for an act relating to natural resources; appropriating money for wetland replacement credits for local government roads; authorizing the sale of general obligation bonds.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senator Utke introduced--

S.F. No. 372: A bill for an act relating to natural resources; allowing counties to file no net gain policies; requiring land sales; amending Minnesota Statutes 2016, section 97A.056, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senators Housley, Kent, Chamberlain, and Schoen introduced--

S.F. No. 373: A bill for an act relating to counties; allowing a county board to temporarily fill a county commissioner vacancy by appointment in certain circumstances; amending Minnesota Statutes 2016, section 375.101, subdivision 1.

Referred to the Committee on Local Government.

Senators Newton and Anderson, B. introduced--

S.F. No. 374: A bill for an act relating to disabled veterans; providing certain exemptions from taxes and fees on motor vehicles and watercraft for eligible veterans with a disability, including certain registration taxes, license plates and licensing fees, title fees, driver's license and identification card fees, and general sales taxes and motor vehicle sales taxes; amending Minnesota Statutes 2016, sections 86B.415, by adding a subdivision; 86B.870, by adding a subdivision; 163.051, subdivision 1; 168.012, by adding a subdivision; 168A.29, by adding a subdivision; 171.01, by adding a subdivision; 171.06, by adding a subdivision; 297A.67, by adding a subdivision; 297B.03.

Referred to the Committee on Veterans and Military Affairs Finance and Policy.

Senators Ruud, Ingebrigtsen, Senjem, Simonson, and Lang introduced--

S.F. No. 375: A bill for an act relating to natural resources; appropriating money from parks and trails fund for greater Minnesota parks and trails.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senator Hall introduced--

S.F. No. 376: A bill for an act relating to natural resources; requiring permission to enter all privately owned land for outdoor recreation purposes; amending Minnesota Statutes 2016, section 97B.001, subdivision 2.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senators Latz, Hayden, Dibble, Hawj, and Torres Ray introduced--

S.F. No. 377: A bill for an act relating to public safety; creating enhanced penalties for crimes motivated by bias; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senator Eichorn introduced--

S.F. No. 378: 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 Relph and Eichorn introduced--

S.F. No. 379: A bill for an act relating to taxation; sales and use and excise; repealing June accelerated payments; amending Minnesota Statutes 2016, sections 289A.18, subdivision 4; 289A.20, subdivision 4; 289A.60, subdivision 21; 297F.09, subdivisions 1, 2; 297F.25, subdivision 2; repealing Minnesota Statutes 2016, sections 289A.60, subdivision 15; 297F.09, subdivision 10; 297G.09, subdivision 9.

Referred to the Committee on Taxes.

Senators Relph and Housley introduced--

S.F. No. 380: A bill for an act relating to taxation; sales and use; providing an exemption for bullion and bullion coin; amending Minnesota Statutes 2016, section 297A.67, by adding a subdivision.

Referred to the Committee on Taxes.

Senator Relph introduced--

S.F. No. 381: A bill for an act relating to human services; modifying child care assistance subsidy restrictions; amending Minnesota Statutes 2016, section 119B.13, subdivision 1.

Referred to the Committee on Human Services Reform Finance and Policy.

Senators Tomassoni, Bakk, and Senjem introduced--

S.F. No. 382: A bill for an act relating to capital investment; appropriating money for the Northeast Regional Corrections Center; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Mathews introduced--

S.F. No. 383: A bill for an act relating to capital investment; appropriating money for the Malone Island Bridge in the city of Isle; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Mathews introduced--

S.F. No. 384: A bill for an act relating to capital investment; appropriating money for sewer and water infrastructure for the city of Pease; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Eken introduced--

S.F. No. 385: A bill for an act relating to capital investment; appropriating money for flood hazard mitigation grants; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Relph, Eken, Fischbach, and Nelson introduced--

S.F. No. 386: A bill for an act relating to health; modifying the types of health professionals who may be employed by supplemental nursing services agencies overseen by the commissioner of health; amending Minnesota Statutes 2016, section 144A.70, subdivision 6, by adding a subdivision.

Referred to the Committee on Health and Human Services Finance and Policy.

Senator Westrom introduced--

S.F. No. 387: A bill for an act relating to taxation; providing a sales tax exemption for certain construction materials; appropriating money; amending Minnesota Statutes 2016, sections 297A.71, by adding a subdivision; 297A.75, subdivisions 1, 2, 3.

Referred to the Committee on Taxes.

Senator Ruud introduced--

S.F. No. 388: A bill for an act relating to taxation; authorizing the Garrison, Kathio, West Mille Laes Lake Sanitary District to impose a local sales and use tax.

Referred to the Committee on Taxes.

Senators Nelson, Torres Ray, and Abeler introduced--

S.F. No. 389: A bill for an act relating to education; modifying the administration of the early learning scholarship program; prohibiting the commissioner from designating scholarships for use

in predetermined qualifying programs; amending Minnesota Statutes 2016, section 124D.165, subdivision 3.

Referred to the Committee on E-12 Policy.

Senator Newton introduced--

S.F. No. 390: A bill for an act relating to capital investment; appropriating money for an underpass on marked Trunk Highway 65; authorizing the sale and issuance of trunk highway bonds.

Referred to the Committee on Capital Investment.

Senators Jasinski, Tomassoni, Ingebrigtsen, Johnson, and Lang introduced--

S.F. No. 391: A bill for an act relating to capital investment; appropriating money for the greater Minnesota business development public infrastructure grant program; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Dahms, Frentz, Jasinski, and Draheim introduced--

S.F. No. 392: A bill for an act relating to capital investment; 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 Relph, Lourey, Utke, Hoffman, and Abeler introduced--

S.F. No. 393: A bill for an act relating to human services; modifying the personal care assistance program; amending Minnesota Statutes 2016, section 256B.0659, subdivisions 1, 2, 11, 21.

Referred to the Committee on Human Services Reform Finance and Policy.

Senators Chamberlain, Newton, Ruud, Lang, and Anderson, B. introduced--

S.F. No. 394: A bill for an act relating to military veterans; appropriating money for a grant to the veterans defense project.

Referred to the Committee on Veterans and Military Affairs Finance and Policy.

Senator Eken introduced--

S.F. No. 395: A bill for an act relating to human services; modifying the operating payment rate for certain nonprofit nursing facilities in border cities; amending Minnesota Statutes 2016, section 256R.53, subdivision 2.

Referred to the Committee on Aging and Long-term Care Policy.

Senators Senjem and Miller introduced--

S.F. No. 396: A bill for an act relating to capital investment; exempting the Lanesboro dam project from a nonstate contribution; amending Laws 2012, chapter 293, section 7, subdivision 3.

Referred to the Committee on Capital Investment.

Senators Hawj, Senjem, Pappas, Ingebrigtsen, and Cohen introduced--

S.F. No. 397: A bill for an act relating to capital investment; appropriating money for the East Side Freedom Library; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Johnson introduced--

S.F. No. 398: A bill for an act relating to capital investment; appropriating money for flood hazard mitigation grants; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Johnson, Westrom, Eken, Ingebrigtsen, and Utke introduced--

S.F. No. 399: A bill for an act relating to waters; appropriating money for River Watch program.

Referred to the Committee on Environment and Natural Resources Finance.

Senator Gazelka introduced--

S.F. No. 400: A bill for an act relating to capital investment; appropriating money for rehabilitation of the Soo Line Trail bridge in Morrison County; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Senjem introduced--

S.F. No. 401: A bill for an act relating to taxation; individual income; allowing a phased-in subtraction for Social Security benefits; amending Minnesota Statutes 2016, sections 290.0132, by adding a subdivision; 290.091, subdivision 2.

Referred to the Committee on Taxes.

Senator Senjem introduced--

S.F. No. 402: A bill for an act relating to taxation; providing an equity and opportunity in education tax credit; amending Minnesota Statutes 2016, sections 290.0131, by adding a subdivision; 290.0133, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes.

Senator Senjem introduced--

S.F. No. 403: A bill for an act relating to taxation; individual income; allowing a phased-in subtraction for Social Security benefits; amending Minnesota Statutes 2016, sections 290.0132, by adding a subdivision; 290.091, subdivision 2.

Referred to the Committee on Taxes.

Senator Senjem introduced--

S.F. No. 404: A bill for an act relating to capital investment; appropriating money for higher education asset preservation and replacement (HEAPR) at the University of Minnesota and Minnesota State Colleges and Universities; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Draheim and Weber introduced--

S.F. No. 405: A bill for an act relating to agriculture; requiring notification of adjacent landowners when the presence of certain noxious weeds is confirmed; proposing coding for new law in Minnesota Statutes, chapter 18.

Referred to the Committee on Agriculture, Rural Development, and Housing Policy.

Senators Senjem, Ingebrigtsen, and Pappas introduced--

S.F. No. 406: A bill for an act relating to capital investment; appropriating money for improvements at Historic Fort Snelling; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Ingebrigtsen introduced--

S.F. No. 407: A bill for an act relating to taxation; sales and use; authorizing the city of Fergus Falls to impose a local sales and use tax.

Referred to the Committee on Taxes.

Senators Johnson, Eken, and Senjem introduced--

S.F. No. 408: A bill for an act relating to capital investment; appropriating money for a food bank in Polk County; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Pappas introduced--

S.F. No. 409: A bill for an act relating to health; requiring health plans and public health care programs to cover a 12-month supply of prescription contraceptives; providing religious exemptions; requiring health plans to cover contraceptive methods, sterilization, and related medical services, patient education, and counseling; amending Minnesota Statutes 2016, section 256B.0625, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Referred to the Committee on Health and Human Services Finance and Policy.

Senators Kiffmeyer, Gazelka, Rest, Dahms, and Housley introduced--

S.F. No. 410: A bill for an act relating to taxation; sales and use; providing an exemption for bullion coin; amending Minnesota Statutes 2016, section 297A.67, by adding a subdivision.

Referred to the Committee on Taxes.

Senators Weber, Senjem, Dahms, Sparks, and Eken introduced--

S.F. No. 411: A bill for an act relating to taxation; property; modifying the wind energy production tax; amending Minnesota Statutes 2016, section 272.029, subdivision 2.

Referred to the Committee on Taxes.

Senator Westrom introduced--

S.F. No. 412: A bill for an act relating to drainage; modifying drainage system repair procedures; amending Minnesota Statutes 2016, section 103E.715, subdivision 4.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senators Latz, Newman, Hall, Ingebrigtsen, and Schoen introduced--

S.F. No. 413: A bill for an act relating to public safety; prohibiting the application of the DWI Forfeiture Law to motor vehicles operated by persons who enter the ignition interlock program; amending Minnesota Statutes 2016, section 169A.63, by adding a subdivision.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senators Bakk and Tomassoni introduced--

S.F. No. 414: A bill for an act relating to natural resources; appropriating money for the Voyageur all-terrain vehicle trail system.

Referred to the Committee on Environment and Natural Resources Finance.

Senators Clausen, Frentz, Hoffman, and Kent introduced--

S.F. No. 415: A bill for an act relating to higher education; providing for a Principals' Leadership Institute at Minnesota State University Mankato; appropriating money; amending Minnesota Statutes 2016, section 122A.74, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 136F.

Referred to the Committee on Higher Education Finance and Policy.

Senators Nelson, Chamberlain, and Dzedzic introduced--

S.F. No. 416: A bill for an act relating to taxation; individual income; modifying the K-12 education expense credit; increasing the credit amount and increasing the income phaseout for the credit; adjusting the credit phaseout threshold for inflation; amending Minnesota Statutes 2016, section 290.0674, subdivision 2, by adding a subdivision.

Referred to the Committee on Taxes.

Senators Nelson, Rest, and Chamberlain introduced--

S.F. No. 417: A bill for an act relating to taxation; income and corporate franchise; providing for limited refundability of the research credit; amending Minnesota Statutes 2016, section 290.068, subdivisions 2, 3, 6a.

Referred to the Committee on Taxes.

Senators Nelson, Rest, and Chamberlain introduced--

S.F. No. 418: A bill for an act relating to taxation; estate tax; conforming to the federal exclusion amount; amending Minnesota Statutes 2016, sections 289A.10, subdivision 1; 291.016, subdivision 3; 291.03, subdivision 1; repealing Minnesota Statutes 2016, sections 289A.10, subdivision 1a; 289A.12, subdivision 18; 289A.18, subdivision 3a; 289A.20, subdivision 3a; 291.03, subdivisions 8, 9, 10, 11.

Referred to the Committee on Taxes.

Senator Nelson introduced--

S.F. No. 419: A bill for an act relating to taxation; lawful gambling taxes; modifying the calculation of the combined net receipts tax; amending Minnesota Statutes 2016, section 297E.02, subdivision 6.

Referred to the Committee on Taxes.

Senators Nelson and Miller introduced--

S.F. No. 420: A bill for an act relating to economic development; appropriating money for a study of the economic growth in southeast Minnesota.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

Senator Newton introduced--

S.F. No. 421: A bill for an act relating to counties; authorizing the appointment of specified county offices; amending Minnesota Statutes 2016, sections 375.08; 375A.10, subdivision 5; 375A.12, subdivision 2; 382.01; 382.02; proposing coding for new law in Minnesota Statutes, chapter 375A.

Referred to the Committee on Local Government.

Senators Tomassoni, Bakk, and Senjem introduced--

S.F. No. 422: A bill for an act relating to capital investment; appropriating money for an economic development center and a mental health facility; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Hall and Draheim introduced--

S.F. No. 423: A bill for an act relating to housing finance; establishing a grant program for landlord risk mitigation; appropriating money; amending Minnesota Statutes 2016, section 462A.07, by adding a subdivision.

Referred to the Committee on Agriculture, Rural Development, and Housing Finance.

MOTIONS AND RESOLUTIONS

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

Senator Bakk moved that the name of Senator Gazelka be added as a co-author to S.F. No. 87. The motion prevailed.

Senator Hoffman moved that the name of Senator Limmer be added as a co-author to S.F. No. 137. The motion prevailed.

Senator Newton moved that the name of Senator Abeler be added as a co-author to S.F. No. 162. The motion prevailed.

Senator Clausen moved that the name of Senator Frenz be added as a co-author to S.F. No. 164. The motion prevailed.

Senator Osmek moved that the name of Senator Koran be added as a co-author to S.F. No. 183. The motion prevailed.

Senator Simonson moved that the name of Senator Dziejic be added as a co-author to S.F. No. 200. The motion prevailed.

Senator Dibble moved that the name of Senator Dziejczak be added as a co-author to S.F. No. 207. The motion prevailed.

Senator Lourey moved that the name of Senator Marty be added as a co-author to S.F. No. 216. The motion prevailed.

Senator Hoffman moved that the name of Senator Klein be added as a co-author to S.F. No. 222. The motion prevailed.

Senator Cohen moved that the name of Senator Franzen be added as a co-author to S.F. No. 224. The motion prevailed.

Senator Housley moved that the name of Senator Wiger be added as a co-author to S.F. No. 252. The motion prevailed.

Senator Hayden moved that the name of Senator Klein be added as a co-author to S.F. No. 255. The motion prevailed.

Senator Sparks moved that his name be stricken as a co-author to S.F. No. 256. The motion prevailed.

Senator Rest moved that the names of Senators Dziejczak and Koran be added as co-authors to S.F. No. 258. The motion prevailed.

Senator Housley moved that the name of Senator Wiger be added as a co-author to S.F. No. 286. The motion prevailed.

Senator Kent moved that the name of Senator Wiger be added as a co-author to S.F. No. 287. The motion prevailed.

Senator Jensen moved that the name of Senator Rest be added as a co-author to S.F. No. 288. The motion prevailed.

Senators Latz and Westrom introduced --

Senate Resolution No. 28: A Senate resolution recognizing Sgt. Jesse Grabow of the Minnesota State Patrol for his extraordinary service.

Referred to the Committee on Rules and Administration.

Senator Anderson, B. introduced --

Senate Resolution No. 29: A Senate resolution honoring John T. Peterson.

Referred to the Committee on Rules and Administration.

S.F. No. 1 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. No. 1

A bill for an act relating to health care coverage; providing a temporary program to help pay for health insurance premiums; modifying requirements for health maintenance organizations; modifying provisions governing health insurance; requiring reports; establishing a state reinsurance program through the Minnesota Comprehensive Health Association; authorizing agricultural cooperative health plans; appropriating money; amending Minnesota Statutes 2016, sections 60A.08, subdivision 15; 60A.235, subdivision 3; 60A.236; 62D.02, subdivision 4; 62D.03, subdivision 1; 62D.05, subdivision 1; 62D.06, subdivision 1; 62D.19; 62E.02, subdivision 3; 62L.12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 62E; 62H; repealing Minnesota Statutes 2016, section 62D.12, subdivision 9; Laws 2007, chapter 147, article 12, section 14, as amended.

January 25, 2017

The Honorable Michelle L. Fischbach
President of the Senate

The Honorable Kurt L. Daudt
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PREMIUM SUBSIDY PROGRAM

Section 1. **DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of sections 1 to 6, the following terms have the meanings given.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of Minnesota Management and Budget.

Subd. 3. **Eligible individual.** "Eligible individual" means a Minnesota resident who:

(1) is not receiving a premium tax credit under Code of Federal Regulations, title 26, section 1.36B-2, as of the date their coverage is effectuated;

(2) is not enrolled in public program coverage under Minnesota Statutes, section 256B.055, or 256L.04; and

(3) purchased an individual health plan from a health carrier in the individual market.

Subd. 4. **Gross premium.** "Gross premium" means the amount billed for a health plan purchased by an eligible individual prior to a premium subsidy in a calendar year.

Subd. 5. **Health carrier.** "Health carrier" has the meaning given in Minnesota Statutes, section 62A.011, subdivision 2.

Subd. 6. **Individual health plan.** "Individual health plan" has the meaning given in Minnesota Statutes, section 62A.011, subdivision 4.

Subd. 7. **Individual market.** "Individual market" has the meaning given in Minnesota Statutes, section 62A.011, subdivision 5.

Subd. 8. **Net premium.** "Net premium" means the gross premium less the premium subsidy.

Subd. 9. **Premium subsidy.** "Premium subsidy":

(1) is a payment made on behalf of eligible individuals for the promotion of general welfare, and is not compensation for any services;

(2) is equal to 25 percent of the monthly gross premium otherwise paid by or on behalf of the eligible individual for coverage purchased in the individual market, that covers the eligible individual and the eligible individual's spouse and dependents, or the percentage established by the commissioner under section 2, subdivision 3, paragraph (c); and

(3) is excluded from any calculation used to determine eligibility within any of the Department of Human Services programs.

Sec. 2. **PAYMENT TO HEALTH CARRIERS ON BEHALF OF ELIGIBLE INDIVIDUALS.**

Subdivision 1. **Program established.** The commissioner of Minnesota Management and Budget, in consultation with the commissioner of commerce and the commissioner of human services, shall establish and administer the premium subsidy program authorized by this act, to help eligible individuals pay for coverage in the individual market in 2017.

Subd. 2. **Premium subsidy provided.** As soon as practicable, but no later than April 30, 2017, health carriers shall begin paying a premium subsidy to each eligible individual who purchases a health plan in the individual market, for all the months for which the net premium is paid. An eligible individual shall pay the net premium amount to the health carrier.

Subd. 3. **Payments to health carriers.** (a) The commissioner shall make payments to health carriers on behalf of eligible individuals effectuating coverage for calendar year 2017, for the months in that year for which the individual has paid the net premium amount to the health carrier. Payments to health carriers shall be based on the premium subsidy available to eligible individuals in the individual market, regardless of the cost of coverage purchased. The commissioner shall not withhold payments because a health carrier cannot prove an enrollee is an eligible individual.

(b) Health carriers seeking reimbursement from the commissioner must submit an invoice and supporting information to the commissioner, using a form developed by the commissioner, in order to be eligible for payment. The commissioner shall finalize the form by March 1, 2017.

(c) Total state payments to health carriers must be made within the limits of the available appropriation. The commissioner shall reimburse health carriers at the full requested amount up to the level of the appropriation. The commissioner, by July 15, 2017, shall determine whether the available appropriation will be sufficient to provide premium subsidies equal to 25 percent of the gross premium for the period September 1, 2017, through December 31, 2017. If the commissioner determines that the available appropriation is not sufficient, the commissioner shall reduce the premium subsidy percentage, beginning September 1, 2017, through the remainder of the calendar year, by an amount sufficient to ensure that the total amount of premium subsidies provided for the calendar year does not exceed the available appropriation. The commissioner shall notify health carriers of any reduced premium subsidy percentage within five days of making a determination. Health carriers shall provide enrollees with at least 30 days' notice of any reduction in the premium subsidy percentage.

(d) The commissioner shall consider health carriers as vendors under Minnesota Statutes, section 16A.124, subdivision 3, and each monthly invoice shall represent the completed delivery of the service.

Subd. 4. **Data practices.** (a) The definitions in Minnesota Statutes, section 13.02, apply to this subdivision.

(b) Government data on an enrollee or health carrier under this section are private data on individuals or nonpublic data, except that the total reimbursement requested by a health carrier and the total state payment to the health carrier are public data.

(c) Notwithstanding Minnesota Statutes, section 138.17, government data on an enrollee or health carrier under this section must be destroyed by June 30, 2018, or upon completion by the legislative auditor of the audits required by section 3, whichever is later.

Sec. 3. **AUDITS.**

(a) The legislative auditor shall conduct audits of the health carriers' supporting data, as prescribed by the commissioner, to determine whether payments align with criteria established in sections 1 and 2. The commissioner of human services shall provide data as necessary to the legislative auditor to complete the audit. The commissioner shall withhold or charge back payments to the health carriers to the extent they do not align with the criteria established in sections 1 and 2, as determined by the audit.

(b) The legislative auditor shall audit the extent to which health carriers provided premium subsidies to persons meeting the residency and other eligibility requirements specified in section 1, subdivision 3. The legislative auditor shall report to the commissioner the amount of premium subsidies provided by each health carrier to persons not eligible for a premium subsidy. The commissioner, in consultation with the commissioners of commerce and health, shall develop and implement a process to recover from health carriers the amount of premium subsidies received for enrollees determined to be ineligible for premium subsidies by the legislative auditor. The legislative auditor, when conducting the required audit, and the commissioner, when determining the amount of premium subsidy to be recovered, may take into account the extent to which a health carrier makes use of the Minnesota eligibility system, as defined in Minnesota Statutes, section 62V.055, subdivision 1.

Sec. 4. **APPLICABILITY OF GROSS PREMIUM.**

Notwithstanding premium subsidies provided under section 2, the premium base for calculating the amount of any applicable premium taxes under Minnesota Statutes, chapter 297I, shall be the gross premium for health plans purchased by eligible individuals in the individual market.

Sec. 5. **SUNSET.**

This article sunsets June 30, 2018.

Sec. 6. **TRANSFER.**

\$326,945,000 in fiscal year 2017 is transferred from the budget reserve account in Minnesota Statutes, section 16A.152, subdivision 1a, to the general fund.

Sec. 7. **APPROPRIATIONS.**

(a) \$311,788,000 in fiscal year 2017 is appropriated from the general fund to the commissioner of management and budget for premium assistance under section 2. This appropriation is onetime and is available through June 30, 2018.

(b) \$157,000 in fiscal year 2017 is appropriated from the general fund to the legislative auditor for purposes of section 3. This appropriation is onetime.

(c) Any unexpended amount from the appropriation in paragraph (a) after June 30, 2018, shall be transferred on July 1, 2018, from the general fund to the budget reserve account under Minnesota Statutes, section 16A.152, subdivision 1a.

Sec. 8. **EFFECTIVE DATE.**

Sections 1 to 7 are effective the day following final enactment.

ARTICLE 2

INSURANCE MARKET REFORMS

Section 1. Minnesota Statutes 2016, section 60A.08, subdivision 15, is amended to read:

Subd. 15. **Classification of insurance filings data.** (a) All forms, rates, and related information filed with the commissioner under section 61A.02 shall be nonpublic data until the filing becomes effective.

(b) All forms, rates, and related information filed with the commissioner under section 62A.02 shall be nonpublic data until the filing becomes effective.

(c) All forms, rates, and related information filed with the commissioner under section 62C.14, subdivision 10, shall be nonpublic data until the filing becomes effective.

(d) All forms, rates, and related information filed with the commissioner under section 70A.06 shall be nonpublic data until the filing becomes effective.

(e) All forms, rates, and related information filed with the commissioner under section 79.56 shall be nonpublic data until the filing becomes effective.

(f) Notwithstanding paragraphs (b) and (c), for all rate increases subject to review under section 2794 of the Public Health Services Act and any amendments to, or regulations, or guidance issued under the act that are filed with the commissioner on or after September 1, 2011, the commissioner:

(1) may acknowledge receipt of the information;

(2) may acknowledge that the corresponding rate filing is pending review;

(3) must provide public access from the Department of Commerce's Web site to parts I and II of the Preliminary Justifications of the rate increases subject to review; and

(4) must provide notice to the public on the Department of Commerce's Web site of the review of the proposed rate, which must include a statement that the public has 30 calendar days to submit written comments to the commissioner on the rate filing subject to review.

(g) Notwithstanding paragraphs (b) and (c), for all proposed premium rates filed with the commissioner for individual health plans, as defined in section 62A.011, subdivision 4, and small group health plans, as defined in section 62K.03, subdivision 12, the commissioner must provide public access on the Department of Commerce's Web site to compiled data of the proposed changes to rates, separated by health plan and geographic rating area, within ten business days after the deadline by which health carriers, as defined in section 62A.011, subdivision 2, must submit proposed rates to the commissioner for approval.

EFFECTIVE DATE. This section is effective 30 days following final enactment.

Sec. 2. Minnesota Statutes 2016, section 60A.235, subdivision 3, is amended to read:

Subd. 3. **Health plan policies issued as stop loss coverage.** (a) An insurance company or health carrier issuing or renewing an insurance policy or other evidence of coverage, that provides coverage to an employer for health care expenses incurred under an employer-sponsored plan provided to the employer's employees, retired employees, or their dependents, shall issue the policy or evidence of coverage as a health plan if the policy or evidence of coverage:

(1) has a specific attachment point for claims incurred per individual that is lower than \$20,000;
or

~~(2) has an aggregate attachment point, for groups of 50 or fewer, that is lower than the greater of:~~

~~(i) \$4,000 times the number of group members;~~

~~(ii) 120 percent of expected claims; or~~

~~(iii) \$20,000; or~~

~~(3) (2) has an aggregate attachment point for groups of 51 or more that is lower than 110 percent of expected claims.~~

(b) An insurer shall determine the number of persons in a group, for the purposes of this section, on a consistent basis, at least annually. Where the insurance policy or evidence of coverage applies to a contract period of more than one year, the dollar amounts set forth in paragraph (a), ~~clauses clause (1) and (2)~~, must be multiplied by the length of the contract period expressed in years.

~~(e) The commissioner may adjust the constant dollar amounts provided in paragraph (a), clauses (1), (2), and (3), on January 1 of any year, based upon changes in the medical component of the Consumer Price Index (CPI). Adjustments must be in increments of \$100 and must not be made unless at least that amount of adjustment is required. The commissioner shall publish any change in these dollar amounts at least six months before their effective date.~~

~~(d)~~ (c) A policy or evidence of coverage issued by an insurance company or health carrier that provides direct coverage of health care expenses of an individual including a policy or evidence of coverage administered on a group basis is a health plan regardless of whether the policy or evidence of coverage is denominated as stop loss coverage.

EFFECTIVE DATE. This section is effective June 1, 2017, and applies to policies or evidence of coverage offered, issued, or renewed to an employer on or after that date.

Sec. 3. Minnesota Statutes 2016, section 60A.236, is amended to read:

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

A contract providing stop loss coverage, issued or renewed to a small employer, as defined in section 62L.02, subdivision 26, or to a plan sponsored by a small employer, must include a claim settlement period no less favorable to the small employer or plan than ~~coverage of all~~ the following:

- (1) claims incurred during the contract period ~~regardless of when the claims are;~~ and
- (2) paid by the plan during the contract period or within three months after expiration of the contract period.

EFFECTIVE DATE. This section is effective June 1, 2017, and applies to policies or evidence of coverage offered, issued, or renewed to an employer on or after that date.

Sec. 4. Minnesota Statutes 2016, section 62D.02, subdivision 4, is amended to read:

Subd. 4. **Health maintenance organization.** ~~(a)~~ "Health maintenance organization" means a ~~nonprofit foreign or domestic corporation organized under chapter 317A,~~ or a local governmental unit as defined in subdivision 11, controlled and operated as provided in sections 62D.01 to 62D.30, which provides, either directly or through arrangements with providers or other persons, comprehensive health maintenance services, or arranges for the provision of these services, to enrollees on the basis of a fixed prepaid sum without regard to the frequency or extent of services furnished to any particular enrollee.

~~(b) [Expired]~~

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

Sec. 5. Minnesota Statutes 2016, section 62D.03, subdivision 1, is amended to read:

Subdivision 1. **Certificate of authority required.** Notwithstanding any law of this state to the contrary, any ~~nonprofit~~ foreign or domestic corporation organized to do so or a local governmental unit may apply to the commissioner of health for a certificate of authority to establish and operate a health maintenance organization in compliance with sections 62D.01 to 62D.30. No person shall establish or operate a health maintenance organization in this state, nor sell or offer to sell, or solicit offers to purchase or receive advance or periodic consideration in conjunction with a health maintenance organization or health maintenance contract unless the organization has a certificate of authority under sections 62D.01 to 62D.30.

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

Sec. 6. Minnesota Statutes 2016, section 62D.05, subdivision 1, is amended to read:

Subdivision 1. **Authority granted.** Any ~~nonprofit~~ corporation or local governmental unit may, upon obtaining a certificate of authority as required in sections 62D.01 to 62D.30, operate as a health maintenance organization.

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

Sec. 7. Minnesota Statutes 2016, section 62D.06, subdivision 1, is amended to read:

Subdivision 1. **Governing body composition; enrollee advisory body.** The governing body of any health maintenance organization which is a ~~nonprofit~~ corporation may include enrollees, providers, or other individuals; provided, however, that after a health maintenance organization which is a ~~nonprofit~~ corporation has been authorized under sections 62D.01 to 62D.30 for one year, at least 40 percent of the governing body shall be composed of enrollees and members elected by the enrollees and members from among the enrollees and members. For purposes of this section, "member" means a consumer who receives health care services through a self-insured contract that is administered by the health maintenance organization or its related third-party administrator. The number of members elected to the governing body shall not exceed the number of enrollees elected to the governing body. An enrollee or member elected to the governing board may not be a person:

(1) whose occupation involves, or before retirement involved, the administration of health activities or the provision of health services;

(2) who is or was employed by a health care facility as a licensed health professional; or

(3) who has or had a direct substantial financial or managerial interest in the rendering of a health service, other than the payment of a reasonable expense reimbursement or compensation as a member of the board of a health maintenance organization.

After a health maintenance organization which is a local governmental unit has been authorized under sections 62D.01 to 62D.30 for one year, an enrollee advisory body shall be established. The enrollees who make up this advisory body shall be elected by the enrollees from among the enrollees.

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

Sec. 8. Minnesota Statutes 2016, section 62D.19, is amended to read:

62D.19 UNREASONABLE EXPENSES.

No health maintenance organization shall incur or pay for any expense of any nature which is unreasonably high in relation to the value of the service or goods provided. The commissioner of health shall implement and enforce this section by rules adopted under this section.

In an effort to achieve the stated purposes of sections 62D.01 to 62D.30; ~~in order to safeguard the underlying nonprofit status of health maintenance organizations;~~ and to ensure that the payment of health maintenance organization money to major participating entities results in a corresponding benefit to the health maintenance organization and its enrollees, when determining whether an organization has incurred an unreasonable expense in relation to a major participating entity, due consideration shall be given to, in addition to any other appropriate factors, whether the officers and trustees of the health maintenance organization have acted with good faith and in the best interests of the health maintenance organization in entering into, and performing under, a contract under which the health maintenance organization has incurred an expense. The commissioner has standing to sue, on behalf of a health maintenance organization, officers or trustees of the health maintenance organization who have breached their fiduciary duty in entering into and performing such contracts.

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

Sec. 9. Minnesota Statutes 2016, section 62E.02, subdivision 3, is amended to read:

Subd. 3. **Health maintenance organization.** "Health maintenance organization" means a ~~nonprofit~~ corporation licensed and operated as provided in chapter 62D.

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

Sec. 10. **[62H.18] AGRICULTURAL COOPERATIVE HEALTH PLAN.**

Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this section.

(b) "Agricultural cooperative" means a cooperative organized under chapter 308A or 308B that meets the requirements of subdivision 2.

(c) "Broker" means an insurance agent engaged in brokerage business according to section 60K.49.

(d) "Employee Retirement Income Security Act" means the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001, et seq.

(e) "Enrollee" means a natural person covered by a joint self-insurance plan operating under this section.

(f) "Insurance agent" has the meaning given to insurance agent in section 60A.02, subdivision 7.

(g) "Joint self-insurance plan" or "plan" means a plan or any other arrangement established for the benefit of two or more entities authorized to transact business in the state, in order to jointly self-insure through a single employee welfare benefit plan funded through a trust, to provide health, dental, or other benefits as permitted under the Employee Retirement Income Security Act.

(h) "Service plan administrator" means a vendor of risk management services licensed under section 60A.23.

(i) "Trust" means a trust established to accept and hold assets of the joint self-insurance plan in trust and use and disperse funds in accordance with the terms of the written trust document and joint self-insurance plan for the sole purposes of providing benefits and defraying reasonable administrative costs of providing the benefits.

Subd. 2. **Exemption.** A joint self-insurance plan, its service plan administrator, stop loss carrier, and any broker assisting the agricultural cooperative are exempt from sections 62H.01 to 62H.17, and are governed by the requirements of this section, if the joint self-insurance plan is administrated through a trust established by an agricultural cooperative that:

(1) has members who (i) actively work in production agriculture in Minnesota and file either Form 1065 or Schedule F with the member's income tax return; or (ii) provide direct services to production agriculture in Minnesota;

(2) specifies criteria for membership in the agricultural cooperative in their articles of organization or bylaws, however criteria cannot be based on health status factors of the individuals to be covered through the joint self-insurance plan; and

(3) grants at least 51 percent of the aggregate voting power on matters for which all members may vote to members who satisfy clause (1) and any additional criteria in the agricultural cooperative's articles of organization and bylaws.

Subd. 3. **Plan requirements.** A joint self-insurance plan operating under this section must:

(1) offer health coverage to members of the agricultural cooperative that establishes the plan and their dependents, to employees of members of the agricultural cooperative that establishes the plan and their dependents, or to employees of the agricultural cooperative that establishes the plan and their dependents. Health coverage may be offered only to those individuals who meet certain criteria described in the joint self-insurance plan governing documents, however the criteria cannot be based on health status factors of the individuals to be covered through the joint self-insurance plan;

(2) include stop-loss coverage with an individual attachment point not lower than \$20,000 and an aggregate attachment point not lower than 110 percent of expected claims, issued by an insurance company licensed in Minnesota;

(3) establish a reserve fund, certified by an actuary to be sufficient to cover unpaid claim liability for incurred but not reported liabilities in the event of plan termination. Certification from the actuary must include all maximum funding requirements for plan fixed cost requirements and current claims liability requirements, and must include a calculation of the reserve levels needed to fund all incurred but not reported liabilities in the event of member or plan termination. These reserve funds must be held in a trust;

(4) be governed by a board elected by agricultural cooperative members that participate in the plan;

(5) contract for services with a service plan administrator; and

(6) satisfy the requirements of the Employee Retirement Income Security Act that apply to employee welfare benefit plans.

Subd. 4. **Submission of documents to commissioner of commerce.** A joint self-insurance plan operating under this section must submit to the commissioner of commerce copies of all filings and reports that are submitted to the United States Department of Labor according to the Employee Retirement Income Security Act. Members participating in the joint self-insurance plan may designate an agricultural cooperative that establishes the plan as the entity responsible for satisfying the reporting requirements of the Employee Retirement Income Security Act and for providing copies of these filings and reports to the commissioner of commerce.

Subd. 5. **Participation; termination of participation.** If a member chooses to participate in a joint self-insurance plan under this section, the member must participate in the plan for at least three consecutive years. If a member terminates participation in the plan before the end of the three-year period, a financial penalty may be assessed under the plan, not to exceed the amount contributed by the member to the plan reserves.

Subd. 6. **Single risk pool.** The enrollees of a joint self-insurance plan operating under this section shall be members of a single risk pool. The plan shall provide benefits as a single, self-insured plan with the size of the plan based on the total enrollees in the risk pool.

Subd. 7. **Promotion, marketing, sale of coverage.** (a) Coverage in a joint self-insurance plan operating under this section may be promoted, marketed, and sold by insurance agents and brokers to members of the agricultural cooperative sponsoring the plan and their dependents, employees of members of the agricultural cooperative sponsoring the plan and their dependents, and employees of the agricultural cooperative sponsoring the plan and their dependents.

(b) Coverage in a joint self-insurance plan operating under this section may be promoted and marketed by a cooperative organized under chapter 308A or 308B to persons who may be eligible to participate in the joint self-insurance plan.

Subd. 8. **Taxation.** Joint self-insurance plans are exempt from the taxation imposed under section 297I.05, subdivision 12.

Subd. 9. **Compliance with other laws.** A joint self-insurance plan operating under this section:

(1) is exempt from providing the mandated health benefits in chapters 62A and 62Q, if the plan otherwise provides the benefits required under the Employee Retirement Income Security Act;

(2) is exempt from the continuation requirements in sections 62A.146, 62A.16, 62A.17, 62A.20, and 62A.21, if the plan complies with the continuation requirements under the Employee Retirement Income Security Act; and

(3) must comply with all requirements of the Affordable Care Act, as defined in section 62A.011, subdivision 1a, to the extent that they apply to such plans.

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

Sec. 11. Minnesota Statutes 2016, section 62K.10, is amended by adding a subdivision to read:

Subd. 5a. **Appeal of waiver of network adequacy requirements.** (a) If a health carrier receives a waiver under subdivision 5 applicable to a health plan's provider network, a provider who is in the service area served by the health plan and who is aggrieved by the issuance of the waiver may appeal the commissioner's decision using the contested case procedures in sections 14.57 to 14.62. A contested case proceeding must be initiated within 60 days after the date on which the commissioner grants a waiver, except that a proceeding regarding a waiver in effect as of January 1, 2017, must be initiated within 60 days after the effective date of this subdivision. The commissioner must provide timely notice of an appeal under this subdivision to the health carrier that received the waiver that is subject to the appeal. After considering the appeal, the administrative law judge must either uphold or nullify the waiver of network adequacy requirements. The prevailing party in the contested case proceeding may seek an award of expenses and fees from the nonprevailing party by applying to the administrative law judge using the procedure in section 15.472, paragraph (b). The administrative law judge shall award fees and expenses to the prevailing party if the administrative law judge finds that the position of the nonprevailing party was not substantially justified. For purposes of this paragraph, "substantially justified" has the meaning given in section 15.471, subdivision 8.

(b) The decision of the administrative law judge constitutes the final decision regarding the waiver. A party aggrieved by the administrative law judge's decision may seek judicial review of the decision as provided in chapter 14. If the waiver is nullified and no judicial review is sought, the health carrier must comply with the network adequacy requirements in subdivisions 2, 3, and 4, within 30 days after the deadline for seeking judicial review in section 14.63.

(c) This subdivision expires December 31, 2018.

EFFECTIVE DATE. This section is effective the day following final enactment, and applies to network adequacy waivers in effect on or after January 1, 2017.

Sec. 12. Minnesota Statutes 2016, section 62L.12, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) A health carrier may renew individual conversion policies to eligible employees otherwise eligible for conversion coverage under section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) A health carrier may renew individual conversion policies to eligible employees otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) A health carrier may renew conversion policies to eligible employees.

(d) A health carrier may sell, issue, or renew individual continuation policies to eligible employees as required.

(e) A health carrier may sell, issue, or renew individual health plans if the coverage is appropriate due to an unexpired preexisting condition limitation or exclusion applicable to the person under the employer's group health plan or due to the person's need for health care services not covered under the employer's group health plan.

(f) A health carrier may sell, issue, or renew an individual health plan, if the individual has elected to buy the individual health plan not as part of a general plan to substitute individual health plans for a group health plan nor as a result of any violation of subdivision 3 or 4.

(g) A health carrier may sell, issue, or renew an individual health plan if coverage provided by the employer is determined to be unaffordable under the provisions of the Affordable Care Act as defined in section 62A.011, subdivision 1a.

(h) Nothing in this subdivision relieves a health carrier of any obligation to provide continuation or conversion coverage otherwise required under federal or state law.

(i) Nothing in this chapter restricts the offer, sale, issuance, or renewal of coverage issued as a supplement to Medicare under sections 62A.3099 to 62A.44, or policies or contracts that supplement Medicare issued by health maintenance organizations, or those contracts governed by sections 1833, 1851 to 1859, 1860D, or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et seq., as amended.

(j) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans necessary to comply with a court order.

(k) A health carrier may offer, issue, sell, or renew an individual health plan to persons eligible for an employer group health plan, if the individual health plan is a high deductible health plan for use in connection with an existing health savings account, in compliance with the Internal Revenue Code, section 223. In that situation, the same or a different health carrier may offer, issue, sell, or renew a group health plan to cover the other eligible employees in the group.

(l) A health carrier may offer, sell, issue, or renew an individual health plan to one or more employees of a small employer if the individual health plan is marketed directly to all employees of the small employer and the small employer does not contribute directly or indirectly to the premiums or facilitate the administration of the individual health plan. The requirement to market an individual health plan to all employees does not require the health carrier to offer or issue an individual health plan to any employee. For purposes of this paragraph, an employer is not contributing to the premiums or facilitating the administration of the individual health plan if the employer does not contribute to the premium and merely collects the premiums from an employee's wages or salary through payroll deductions and submits payment for the premiums of one or more employees in a lump sum to the health carrier. Except for coverage under section 62A.65, subdivision 5, paragraph (b), at the request of an employee, the health carrier may bill the employer for the premiums payable by the employee, provided that the employer is not liable for payment except from payroll deductions for that purpose. If an employer is submitting payments under this paragraph, the health carrier shall provide a cancellation notice directly to the primary insured at least ten days prior to termination of coverage for nonpayment of premium. Individual coverage under this paragraph may be offered only if the small employer has not provided coverage under section 62L.03 to the employees within the past 12 months.

(m) A health carrier may offer, sell, issue, or renew an individual health plan to one or more employees of a small employer if the small employer, eligible employee, and individual health plan are in compliance with the 21st Century Cures Act, Public Law 114-255, section 18001.

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

Sec. 13. 62Q.556] UNAUTHORIZED PROVIDER SERVICES.

Subdivision 1. Unauthorized provider services. (a) Except as provided in paragraph (c), unauthorized provider services occur when an enrollee receives services:

(1) from a nonparticipating provider at a participating hospital or ambulatory surgical center, when the services are rendered:

(i) due to the unavailability of a participating provider;

(ii) by a nonparticipating provider without the enrollee's knowledge; or

(iii) due to the need for unforeseen services arising at the time the services are being rendered;

or

(2) from a participating provider that sends a specimen taken from the enrollee in the participating provider's practice setting to a nonparticipating laboratory, pathologist, or other medical testing facility.

(b) Unauthorized provider services do not include emergency services as defined in section 62Q.55, subdivision 3.

(c) The services described in paragraph (a), clause (2), are not unauthorized provider services if the enrollee gives advance written consent to the provider acknowledging that the use of a provider, or the services to be rendered, may result in costs not covered by the health plan.

Subd. 2. Prohibition. (a) An enrollee's financial responsibility for the unauthorized provider services shall be the same cost-sharing requirements, including co-payments, deductibles, coinsurance, coverage restrictions, and coverage limitations, as those applicable to services received by the enrollee from a participating provider. A health plan company must apply any enrollee cost sharing requirements, including co-payments, deductibles, and coinsurance, for unauthorized provider services to the enrollee's annual out-of-pocket limit to the same extent payments to a participating provider would be applied.

(b) A health plan company must attempt to negotiate the reimbursement, less any applicable enrollee cost sharing under paragraph (a), for the unauthorized provider services with the nonparticipating provider. If a health plan company's and nonparticipating provider's attempts to negotiate reimbursement for the health care services do not result in a resolution, the health plan company or provider may elect to refer the matter for binding arbitration, chosen in accordance with paragraph (c). A nondisclosure agreement must be executed by both parties prior to engaging an arbitrator in accordance with this section. The cost of arbitration must be shared equally between the parties.

(c) The commissioner of health, in consultation with the commissioner of the Bureau of Mediation Services, must develop a list of professionals qualified in arbitration, for the purpose of resolving disputes between a health plan company and nonparticipating provider arising from the payment for unauthorized provider services. The commissioner of health shall publish the list on the department of health's Web Site, and update the list as appropriate.

(d) The arbitrator must consider relevant information, including the health plan company's payments to other nonparticipating providers for the same services, the circumstances and complexity of the particular case, and the usual and customary rate for the service based on information available in a database in a national, independent, not-for-profit corporation, and similar fees received by the provider for the same services from other health plans in which the provider is nonparticipating, in reaching a decision.

EFFECTIVE DATE. This section is effective 90 days following final enactment and applies to provider services provided on or after that date.

Sec. 14. Minnesota Statutes 2016, section 297I.05, subdivision 12, is amended to read:

Subd. 12. **Other entities.** (a) A tax is imposed equal to two percent of:

(1) gross premiums less return premiums written for risks resident or located in Minnesota by a risk retention group;

(2) gross premiums less return premiums received by an attorney in fact acting in accordance with chapter 71A;

(3) gross premiums less return premiums received pursuant to assigned risk policies and contracts of coverage under chapter 79; and

(4) the direct funded premium received by the reinsurance association under section 79.34 from self-insurers approved under section 176.181 and political subdivisions that self-insure.

(b) A tax is imposed on a joint self-insurance plan operating under chapter 60F. The rate of tax is equal to two percent of the total amount of claims paid during the fund year, with no deduction for claims wholly or partially reimbursed through stop-loss insurance.

(c) A tax is imposed on a joint self-insurance plan operating under chapter 62H, except as provided in section 62H.18, subdivision 8. The rate of tax is equal to two percent of the total amount of claims paid during the fund's fiscal year, with no deduction for claims wholly or partially reimbursed through stop-loss insurance.

(d) A tax is imposed equal to the tax imposed under section 297I.05, subdivision 5, on the gross premiums less return premiums on all coverages received by an accountable provider network or agents of an accountable provider network in Minnesota, in cash or otherwise, during the year.

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

Sec. 15. **TRANSITION OF CARE COVERAGE FOR CALENDAR YEAR 2017; INVOLUNTARY TERMINATION OF COVERAGE.**

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

(b) "Enrollee" has the meaning given in Minnesota Statutes, section 62Q.01, subdivision 2b.

(c) "Health plan" has the meaning given in Minnesota Statutes, section 62Q.01, subdivision 3.

(d) "Health plan company" has the meaning given in Minnesota Statutes, section 62Q.01, subdivision 4.

(e) "Individual market" has the meaning given in Minnesota Statutes, section 62A.011, subdivision 5.

(f) "Involuntary termination of coverage" means the termination of a health plan due to a health plan company's refusal to renew the health plan in the individual market because the health plan company elects to cease offering individual market health plans in all or some geographic rating areas of the state.

Subd. 2. **Application.** This section applies to an enrollee who is subject to a change in health plans in the individual market due to an involuntary termination of coverage from a health plan in the individual market after October 31, 2016, and before January 1, 2017, and who enrolls in a new health plan in the individual market for all or a portion of calendar year 2017 that goes into effect after December 31, 2016, and before March 2, 2017.

Subd. 3. **Change in health plans; transition of care coverage.** (a) If an enrollee satisfies the criteria in subdivision 2, the enrollee's new health plan company must provide, upon request of the enrollee or the enrollee's health care provider, authorization to receive services that are otherwise covered under the terms of the enrollee's calendar year 2017 health plan from a provider who provided care on an in-network basis to the enrollee during calendar year 2016 but who is out of network in the enrollee's calendar year 2017 health plan:

(1) for up to 120 days if the enrollee has, within 45 days before an involuntary termination of coverage, received a diagnosis of, or is engaged in a current course of treatment for, one or more of the following conditions:

(i) an acute condition;

(ii) a life-threatening mental or physical illness;

(iii) pregnancy beyond the first trimester of pregnancy;

(iv) a physical or mental disability defined as an inability to engage in one or more major life activities, provided the disability has lasted or can be expected to last for at least one year or can be expected to result in death; or

(v) a disabling or chronic condition that is in an acute phase; or

(2) for the rest of the enrollee's life if a physician certifies that the enrollee has an expected lifetime of 180 days or less.

(b) For all requests for authorization under this subdivision, the health plan company must grant the request for authorization unless the enrollee does not meet the criteria in paragraph (a) or subdivision 2.

Subd. 4. **Limitations.** (a) Subdivision 3 applies only if the enrollee's health care provider agrees to:

(1) accept as payment in full the lesser of:

(i) the health plan company's reimbursement rate for in-network providers for the same or similar service; or

(ii) the provider's regular fee for that service;

(2) request authorization for services in the form and manner specified by the enrollee's new health plan company; and

(3) provide the enrollee's new health plan company with all necessary medical information related to the care provided to the enrollee.

(b) Nothing in this section requires a health plan company to provide coverage for a health care service or treatment that is not covered under the enrollee's health plan.

Subd. 5. **Request for authorization.** The enrollee's health plan company may require medical records and other supporting documentation to be submitted with a request for authorization under subdivision 3 to the extent that the records and other documentation are relevant to a determination regarding the existence of a condition under subdivision 3, paragraph (a). If authorization is denied, the health plan company must explain the criteria used to make its decision on the request for authorization and must explain the enrollee's right to appeal the decision. If an enrollee chooses to appeal a denial, the enrollee must appeal the denial within five business days of the date on which the enrollee receives the denial. If authorization is granted, the health plan company must provide the enrollee, within five business days of granting the authorization, with an explanation of how transition of care will be provided.

Subd. 6. **Reimbursement.** (a) The commissioner of management and budget must reimburse the enrollee's new health plan company for the cost of claims that the health plan company certifies as eligible for reimbursement under this subdivision. The cost eligible for reimbursement under this subdivision is the difference between the in-network level of benefits under the enrollee's health plan and the out-of-network level of benefits under the enrollee's health plan. The health plan company must seek reimbursement for the cost of claims from the commissioner in a form and manner mutually agreed upon by the commissioner and the affected health plan companies. Total state reimbursements to health plan companies under this subdivision are subject to the limits of the available appropriation and the commissioner may prorate equally across all claims paid as necessary. In the event that funding for reimbursements to health plan companies is not sufficient to fully reimburse health plan companies for the costs of claims for reimbursement for services authorized under this section, health plan companies must continue to cover services authorized under this section.

(b) For any service provided under this section, the enrollee shall not owe the provider more than the cost-sharing amount the enrollee would be required to pay if the services were performed by an in-network provider under the enrollee's new health plan.

EFFECTIVE DATE. This section is effective for health plans issued after December 31, 2016, and before March 2, 2017, and that are in effect for all or a portion of calendar year 2017. This section expires June 30, 2018.

Sec. 16. **COSTS RELATED TO IMPLEMENTATION OF THIS ACT.**

A state agency that incurs administrative costs to implement any provision in this act and does not receive an appropriation for administrative costs in this act, must implement the act within the limits of existing appropriations.

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

Sec. 17. **INSURANCE MARKET OPTIONS.**

The commissioner of commerce shall report by March 1, 2017, to the standing committees of the legislature having jurisdiction over insurance and health on the past and future use of Minnesota Statutes 2005, section 62L.056, and Minnesota Statutes, section 62Q.188, including:

- (1) rate and form filings received, approved, or withdrawn;
- (2) barriers to current utilization, including federal and state laws; and
- (3) recommendations for allowing or increasing the offering of health plans compliant with Minnesota Statutes, section 62Q.188.

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

Sec. 18. **APPROPRIATION.**

\$15,000,000 in fiscal year 2017 is appropriated from the general fund to the commissioner of management and budget to reimburse health plan companies for costs of claims eligible for reimbursement for coverage of transition of care services. Of this amount, \$272,400 is available to the commissioner for purposes of administering reimbursement for coverage of transition of care services and administering the premium subsidy program in article 1. This is a onetime appropriation and is available until June 30, 2018. Any funds remaining from this appropriation after June 30, 2018, shall be transferred on July 1, 2018, from the general fund to the budget reserve account in Minnesota Statutes, section 16A.152, subdivision 1a.

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

Sec. 19. **REPEALER.**

(a) Minnesota Statutes 2016, section 62D.12, subdivision 9, is repealed effective the day following final enactment.

(b) Laws 2007, chapter 147, article 12, section 14, as amended by Laws 2010, chapter 344, section 4, Laws 2010, chapter 384, section 99, Laws 2013, chapter 135, article 1, section 9; Laws 2010, chapter 384, section 99; and Laws 2013, chapter 135, article 1, section 9, are repealed effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health care coverage; providing a temporary program to help pay for health insurance premiums; requiring audits by the legislative auditor; modifying requirements

for health maintenance organizations; modifying provisions governing health insurance; authorizing agricultural cooperative health plans; modifying a tax provision; authorizing transition of care coverage for 2017; requiring reports; transferring funds; appropriating money; amending Minnesota Statutes 2016, sections 60A.08, subdivision 15; 60A.235, subdivision 3; 60A.236; 62D.02, subdivision 4; 62D.03, subdivision 1; 62D.05, subdivision 1; 62D.06, subdivision 1; 62D.19; 62E.02, subdivision 3; 62K.10, by adding a subdivision; 62L.12, subdivision 2; 297I.05, subdivision 12; proposing coding for new law in Minnesota Statutes, chapters 62H; 62Q; repealing Minnesota Statutes 2016, section 62D.12, subdivision 9; Laws 2007, chapter 147, article 12, section 14, as amended; Laws 2010, chapter 384, section 99; Laws 2013, chapter 135, article 1, section 9."

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

Senate Conferees: Michelle R. Benson, Jim Abeler, Gary H. Dahms, Scott M. Jensen, Melisa Franzen

House Conferees: Joe Hoppe, Greg Davids, Matt Dean, Dan Fabian, Laurie Halverson

Senator Benson moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Senator Marty moved that the recommendations and Conference Committee Report on S.F. No. 1 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

CALL OF THE SENATE

Senator Limmer imposed a call of the Senate for the balance of the proceedings on the Marty motion to S.F. No. 1. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Marty motion.

The roll was called, and there were yeas 30 and nays 36, as follows:

Those who voted in the affirmative were:

Bakk	Dibble	Hayden	Lourey	Simonson
Carlson	Dziedzic	Hoffman	Marty	Sparks
Champion	Eaton	Isaacson	Newton	Tomassoni
Clausen	Eken	Kent	Pappas	Torres Ray
Cohen	Frentz	Laine	Rest	Wiger
Cwodzinski	Hawj	Latz	Schoen	Wicklund

Those who voted in the negative were:

Abeler	Fischbach	Jensen	Mathews	Senjem
Anderson, B.	Franzen	Johnson	Miller	Utke
Anderson, P.	Gazelka	Kiffmeyer	Nelson	Weber
Benson	Goggin	Klein	Newman	Westrom
Chamberlain	Hall	Koran	Osmek	
Dahms	Housley	Lang	Pratt	
Draheim	Ingebrigtsen	Limmer	Relph	
Eichorn	Jasinski	Little	Ruud	

The motion did not prevail.

The question recurred on the adoption of the Benson motion.

CALL OF THE SENATE

Senator Limmer imposed a call of the Senate for the balance of the proceedings on S.F. No.1. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Benson motion.

The roll was called, and there were yeas 46 and nays 20, as follows:

Those who voted in the affirmative were:

Abeler	Eken	Isaacson	Mathews	Sparks
Anderson, B.	Fischbach	Jasinski	Miller	Tomassoni
Anderson, P.	Franzen	Jensen	Nelson	Utke
Benson	Frentz	Johnson	Newman	Weber
Chamberlain	Gazelka	Kiffmeyer	Newton	Westrom
Clausen	Goggin	Klein	Osmek	Wiger
Cwodzinski	Hall	Koran	Pratt	
Dahms	Hoffman	Lang	Relph	
Draheim	Housley	Limmer	Ruud	
Eichorn	Ingebrigtsen	Little	Senjem	

Those who voted in the negative were:

Bakk	Dibble	Hayden	Lourey	Schoen
Carlson	Dziedzic	Kent	Marty	Simonson
Champion	Eaton	Laine	Pappas	Torres Ray
Cohen	Hawj	Latz	Rest	Wiklund

The motion prevailed. So the recommendations and Conference Committee report were adopted.

S.F. No. 1 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 47 and nays 19, as follows:

Those who voted in the affirmative were:

Abeler	Eichorn	Ingebrigtsen	Little	Senjem
Anderson, B.	Eken	Isaacson	Mathews	Sparks
Anderson, P.	Fischbach	Jasinski	Miller	Tomassoni
Benson	Franzen	Jensen	Nelson	Utke
Carlson	Frentz	Johnson	Newman	Weber
Chamberlain	Gazelka	Kiffmeyer	Newton	Westrom
Clausen	Goggin	Klein	Osmek	Wiger
Cwodzinski	Hall	Koran	Pratt	
Dahms	Hoffman	Lang	Relph	
Draheim	Housley	Limmer	Ruud	

Those who voted in the negative were:

Bakk	Dziedzic	Kent	Marty	Simonson
Champion	Eaton	Laine	Pappas	Torres Ray
Cohen	Hawj	Latz	Rest	Wiklund
Dibble	Hayden	Lourey	Schoen	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Dibble moved that S.F. No. 207 be withdrawn from the Committee on Environment and Natural Resources Finance and re-referred to the Committee on Capital Investment. The motion prevailed.

RECESS

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

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

MEMBERS EXCUSED

Senator Rosen was excused from the Session of today.

ADJOURNMENT

Senator Gazelka moved that the Senate do now adjourn until 11:00 a.m., Monday, January 30, 2017. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate

