

THIRTY-SIXTH DAY

St. Paul, Minnesota, Wednesday, April 10, 2019

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Ashley Bair.

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1339.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned April 8, 2019

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 622, 637, 990, 1188, 1840, 1883, 1960, 1983, 2154, 2181, and 2225.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted April 8, 2019

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 622: A bill for an act relating to commerce; modifying advertising requirements related to real estate brokers and licensees; amending Minnesota Statutes 2018, section 82.69.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 768, now on General Orders.

H.F. No. 637: A bill for an act relating to health; modifying temporary license suspensions and background checks for certain health-related professions; amending Minnesota Statutes 2018, sections 214.075, subdivisions 1, 4, 5, 6; 214.077; 214.10, subdivision 8; repealing Minnesota Statutes 2018, section 214.075, subdivision 8.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 583, now on General Orders.

H.F. No. 990: A bill for an act relating to financial institutions; adding an exemption to licensing requirements for residential mortgage originators; providing for conformity with federal truth in lending requirements; amending Minnesota Statutes 2018, section 58.04, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 934, now on General Orders.

H.F. No. 1188: A bill for an act relating to transportation; requiring drivers to slow down when passing stopped service vehicles; authorizing recycling trucks to be equipped with and to use amber lights while collecting recycling; amending Minnesota Statutes 2018, sections 169.011, by adding subdivisions; 169.18, subdivision 11; 169.64, subdivision 9; repealing Minnesota Statutes 2018, section 169.18, subdivision 12.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1548, now on General Orders.

H.F. No. 1840: A bill for an act relating to commerce; removing references to "subprime" from Minnesota Statutes; amending Minnesota Statutes 2018, sections 58.13, subdivision 1; 58.137, subdivision 2; repealing Minnesota Statutes 2018, section 58.02, subdivision 27.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1673, now on General Orders.

H.F. No. 1883: A bill for an act relating to education; foster care; requiring a student in foster care to be enrolled in school; requiring a report on foster youth school enrollment; amending Minnesota Statutes 2018, section 257.0725; proposing coding for new law in Minnesota Statutes, chapter 120A.

Referred to the Committee on E-12 Finance and Policy.

H.F. No. 1960: A bill for an act relating to commerce; making technical changes to various provisions administered by the Department of Commerce; amending Minnesota Statutes 2018, sections 45A.01, subdivision 7; 58A.03, subdivision 2; 72B.03, subdivision 2; 80A.84; 82B.195, subdivision 2; 115C.11; 332.37; 332A.07, subdivision 1; 332B.04, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2310, now on General Orders.

H.F. No. 1983: A bill for an act relating to human services; modifying intervener services for persons who are deafblind; amending Minnesota Statutes 2018, sections 256C.23, by adding a subdivision; 256C.261.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2126, now on General Orders.

H.F. No. 2154: A bill for an act relating to lawful gambling; modifying regulatory provisions of the Gambling Control Board; making clarifying, conforming, and technical changes; amending Minnesota Statutes 2018, sections 349.12, subdivision 2; 349.17, subdivision 6; 349.181, subdivision 5; 349.19, subdivisions 1, 2.

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

H.F. No. 2181: A bill for an act relating to economic development; creating a Telecommuter Forward! certification; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2094, now on General Orders.

H.F. No. 2225: A bill for an act relating to Legislative Audit Commission and the legislative auditor; modifying certain duties and agency responsibilities to notify the legislative auditor of unlawful access to not public data; amending Minnesota Statutes 2018, sections 3.97, subdivision 3a; 3.971, subdivision 9; 3.972, subdivision 2a; repealing Minnesota Statutes 2018, section 3.9735.

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

REPORTS OF COMMITTEES

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

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

H.F. No. 554 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
554	342				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 679: A bill for an act relating to human services; amending the effective date for children's residential treatment payment provisions; appropriating money; amending Laws 2017, First Special Session chapter 6, article 8, sections 71; 72.

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

Senator Pratt from the Committee on Jobs and Economic Growth Finance and Policy, to which was referred

S.F. No. 2611: A bill for an act relating to jobs; appropriating money for the Departments of Employment and Economic Development, Labor and Industry, Human Services, and Commerce; the Bureau of Mediation Services; Public Employment Relations Board; Housing Finance Agency; Workers' Compensation Court of Appeals; and Public Utilities Commission; making policy and technical changes; modifying fees; providing criminal and civil penalties; requiring reports; amending Minnesota Statutes 2018, sections 16C.285, subdivision 3; 116J.8731, subdivision 5; 116J.8748, subdivision 4; 177.27, subdivisions 2, 4, 7, 8, by adding subdivisions; 177.30; 177.32, subdivision 1; 181.03, subdivision 1, by adding subdivisions; 181.032; 181.101; 182.659, subdivision 8; 182.666, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 326B.802, subdivision 15; 327C.095, subdivisions 1, 2, 3, 4, 12, 13; 341.30, subdivision 1; 341.32, subdivision 1; 341.321; 345.515; 345.53, subdivision 1, by adding a subdivision; 609.52, subdivisions 1, 2, 3; proposing coding for new law in Minnesota Statutes, chapters 177; 181; 216C; proposing coding for new law as Minnesota Statutes, chapter 345A; repealing Minnesota Statutes 2018, sections 177.27, subdivisions 1, 3; 345.53, subdivision 2.

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

Delete everything after the enacting clause and insert:

**"ARTICLE 1
APPROPRIATIONS**

Section 1. **JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2020" and "2021" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is fiscal years 2020 and 2021.

**APPROPRIATIONS
Available for the Year
Ending June 30
2020 2021**

Sec. 2. **DEPARTMENT OF EMPLOYMENT AND
ECONOMIC DEVELOPMENT**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>114,607,000</u>	<u>\$</u>	<u>114,607,000</u>
<u>Appropriations by Fund</u>				
		<u>2020</u>		<u>2021</u>
<u>General</u>		<u>82,810,000</u>		<u>82,810,000</u>
<u>Remediation</u>		<u>700,000</u>		<u>700,000</u>
<u>Workforce Development</u>		<u>31,097,000</u>		<u>31,097,000</u>

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

<u>Subd. 2. Business and Community Development</u>		<u>38,286,000</u>		<u>38,286,000</u>
<u>Appropriations by Fund</u>				
<u>General</u>		<u>36,111,000</u>		<u>36,111,000</u>
<u>Remediation</u>		<u>700,000</u>		<u>700,000</u>
<u>Workforce Development</u>		<u>1,475,000</u>		<u>1,475,000</u>

(a)(1) \$12,500,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, up to two percent is for administration and monitoring of the program. This

appropriation is available until spent. Notwithstanding Minnesota Statutes, section 116J.8731, funds appropriated to the commissioner for the Minnesota investment fund may be used for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner. Grants under this paragraph are not subject to the grant amount limitation under Minnesota Statutes, section 116J.8731;

(2) of the amount appropriated in fiscal year 2020, \$2,000,000 is for a loan to a paper mill in Duluth to support the operation and manufacture of packaging paper grades. The company that owns the paper mill must spend \$25,000,000 on expansion activities by December 31, 2020, in order to be eligible to receive funds in this appropriation. This appropriation is onetime and may be used for the mill's equipment, materials, supplies, and other operating expenses. The commissioner of employment and economic development shall forgive a portion of the loan each year after verification that the mill has retained 200 full-time jobs over a period of five years and has satisfied other performance goals and contractual obligations as required under Minnesota Statutes, section 116J.8731;

(3) of the amount appropriated in fiscal year 2020, \$1,000,000 is for the airport infrastructure renewal (AIR) grant program under Minnesota Statutes, section 116J.439; and

(4) of the amount appropriated in fiscal year 2020, \$100,000 is for a grant to FIRST in Upper Midwest to support competitive robotics teams. Funds must be used to make up to five awards of no more than \$20,000 each to Minnesota-based public entities or private nonprofit organizations for the creation of competitive robotics hubs. Awards may be used for tools, equipment, and physical space to be utilized by robotics

teams. At least 50 percent of grant funds must be used outside of the seven-county metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2. The grant recipient shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over jobs and economic growth by February 1, 2021, on the status of awards and include information on the number and amount of awards made, the number of customers served, and any outcomes resulting from the grant. The grant requires a 50 percent match from nonstate sources.

(b) \$8,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, up to two percent is for administration and monitoring of the program. This appropriation is available until spent.

(c) \$1,000,000 each year is for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Funds available under this paragraph are for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until spent.

(d) \$1,350,000 each year from the workforce development fund is for job training costs under Minnesota Statutes, section 116L.42.

(e) \$1,787,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until spent.

(f) \$139,000 each year is for the Center for Rural Policy and Development.

(g) \$1,772,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to

116J.558. This appropriation is available until spent.

(h) \$700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until spent.

(i) \$1,425,000 each year is for the business development competitive grant program. Of this amount, up to two percent is for administration and monitoring of the business development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(j) \$4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until spent.

(k) \$875,000 each year is from the general fund for the host community economic development program established in Minnesota Statutes, section 116J.548.

(l) \$25,000 each year is for the administration of state aid for the Destination Medical Center under Minnesota Statutes, sections 469.40 to 469.47.

(m) \$125,000 each year from the workforce development fund is for a grant to the White Earth Nation for the White Earth Nation Integrated Business Development System to provide business assistance with workforce development, outreach, technical assistance, infrastructure and operational support, financing, and other business development activities. This is a onetime appropriation.

(n) \$12,000 each year is from the general fund for a grant to the Upper Minnesota Film Office.

(o) \$163,000 each year is from the general fund for the Minnesota Film and TV Board. The appropriation in each year is available only upon receipt by the board of \$1 in matching contributions of money or in-kind contributions from nonstate sources for every \$3 provided by this appropriation, except that each year up to \$50,000 is available on July 1 even if the required matching contribution has not been received by that date.

(p) \$500,000 each year is from the general fund for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until spent.

Subd. 3. <u>Minnesota Trade Office</u>	<u>2,292,000</u>	<u>2,292,000</u>
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(a) \$300,000 each year is for the STEP grants in Minnesota Statutes, section 116J.979.

(b) \$180,000 each year is for the Invest Minnesota Marketing Initiative in Minnesota Statutes, section 116J.9781.

(c) \$270,000 each year is for the Minnesota Trade Offices under Minnesota Statutes, section 116J.978.

(d) \$50,000 each year is for the trade policy advisory group under Minnesota Statutes, section 116J.9661.

Subd. 4. <u>Workforce Development</u>	<u>26,242,000</u>	<u>26,242,000</u>
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<u>Appropriations by Fund</u>		
<u>General</u>	<u>4,450,000</u>	<u>4,450,000</u>
<u>Workforce</u>		
<u>Development</u>	<u>21,792,000</u>	<u>21,792,000</u>

(a) \$4,604,000 each year from the workforce development fund is for the pathways to prosperity competitive grant program. Of this

amount, up to two percent is for administration and monitoring of the program.

(b) \$4,065,000 each year is from the workforce development fund for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561.

(c) \$1,000,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366.

(d) \$750,000 each year is from the general fund and \$3,348,000 each year is from the workforce development fund for the youth at work competitive grant program under Minnesota Statutes, section 116L.562. Of this amount, up to two percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(e) \$500,000 each year from the general fund and \$500,000 each year from the workforce development fund are for rural career counseling coordinators in the workforce service areas and for the purposes specified under Minnesota Statutes, section 116L.667.

(f) \$250,000 each year is for the higher education career advising program.

(g) \$1,000,000 each year is for a competitive grant program for grants to organizations providing services to relieve economic disparities in the Southeast Asian community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to two percent is for administration and monitoring of the program.

(h) \$1,000,000 each year is for a competitive grant program to provide grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to fathers, financial literacy, academic and behavioral interventions for low-performing students, and youth intervention. Grants made under this section must focus on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color. Of this amount, up to two percent is for administration and monitoring of the program.

(i) \$750,000 each year is for the high-wage, high-demand, nontraditional jobs grant program under Minnesota Statutes, section 116L.99. Of this amount, up to two percent is for administration and monitoring of the program.

(j) \$500,000 each year is from the workforce development fund for the Opportunities Industrialization Center programs. This appropriation shall be divided equally among the eligible centers.

(k) \$250,000 each year is from the workforce development fund for a grant to YWCA St. Paul to provide job training services and workforce development programs and services, including job skills training and counseling. This is a onetime appropriation.

(l) \$750,000 each year is from the workforce development fund for a grant to the Minneapolis Foundation for a strategic intervention program designed to target and connect program participants to meaningful, sustainable living-wage employment. This is a onetime appropriation.

(m) \$800,000 each year is from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities R!SE to provide

training to hard-to-train individuals. This is a onetime appropriation.

(n) \$600,000 each year from the workforce development fund is for a grant to Ujamaa Place for job training, employment preparation, internships, education, training in the construction trades, housing, and organizational capacity-building. This is a onetime appropriation.

(o) \$200,000 each year is for a grant to AccessAbility Incorporated to provide job skills training to individuals who have been released from incarceration for a felony-level offense and are no more than 12 months from the date of release. AccessAbility Incorporated shall annually report to the commissioner on how the money was spent and what results were achieved. The report must include, at a minimum, information and data about the number of participants; participant homelessness, employment, recidivism, and child support compliance; and training provided to program participants. This is a onetime appropriation.

(p) \$450,000 each year is from the workforce development fund for grants to Minnesota Diversified Industries, Inc. to provide progressive development and employment opportunities for people with disabilities. This is a onetime appropriation.

(q) \$750,000 each year is from the workforce development fund for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills and career development. This project, which may have career guidance components including health and life skills, must be designed to encourage, train, and assist youth in early access to education and job-seeking skills, work-based learning experience including career pathways in STEM learning, career exploration and matching, and first job placement through local community partnerships and on-site job opportunities.

This grant requires a 25 percent match from nonstate resources. This is a onetime appropriation.

(r) \$500,000 each year is from the workforce development fund for a grant to Avivo to provide low-income individuals with career education and job skills training that is fully integrated with chemical and mental health services. This is a onetime appropriation.

(s) \$1,500,000 each year is from the workforce development fund for a grant to the Minnesota High Tech Association to support SciTechsperience, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college students and graduate students in their field of study. The internship opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in Minnesota having fewer than 250 employees worldwide. At least 350 students must be matched in the first year and at least 350 students must be matched in the second year. No more than 15 percent of the hires may be graduate students. Selected hiring companies shall receive from the grant 50 percent of the wages paid to the intern, capped at \$3,000 per intern. The program must work toward increasing the participation among women or other underserved populations. This is a onetime appropriation.

(t) \$250,000 each year is from the workforce development fund for a grant to Big Brothers Big Sisters of the Greater Twin Cities for workforce readiness, employment exploration, and skills development for youth ages 12 to 21. The grant must serve youth in the Big Brothers Big Sisters chapters in the Twin Cities, central Minnesota, and southern Minnesota. This is a onetime appropriation.

(u) \$200,000 each year is from the workforce development fund for a grant to 180 Degrees

to expand their job readiness training program to: young adults in group homes; sexually exploited girls at Brittany's Place; and men who have recently been released from prison at the Clifton Residence. This is a onetime appropriation.

(v) \$150,000 each year is from the workforce development fund for displaced homemaker programs under Minnesota Statutes, section 116L.96. The commissioner, through the adult career pathways program, shall distribute the funds to existing nonprofit and state displaced homemaker programs. This is a onetime appropriation.

(w) \$500,000 each year is from the workforce development fund for a grant to Goodwill Easter Seals Minnesota and its partners. The grant shall be used to continue the FATHER Project in Rochester, Park Rapids, St. Cloud, Minneapolis, and the surrounding areas to assist fathers in overcoming barriers that prevent fathers from supporting their children economically and emotionally. This is a onetime appropriation.

(x) \$500,000 each year is from the workforce development fund for a grant to Summit Academy OIC to expand their contextualized GED and employment placement program and STEM program. This is a onetime appropriation.

(y) \$250,000 each year is from the workforce development fund for a grant to Bridges to Healthcare to provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, nonnative speakers of English, and other hard-to-train individuals, helping families build secure pathways out of poverty while also addressing worker shortages in one of Minnesota's most innovative industries. Funds may be used for program expenses, including but not limited to hiring instructors and navigators; space rental; and supportive services to help

participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant funds may be used for Bridges to Healthcare's administrative costs. This is a onetime appropriation.

(z) \$75,000 each year is from the workforce development fund for grants to the Minnesota Grocers Association Foundation for Carts to Careers, a statewide initiative to promote careers, conduct outreach, provide job skills training, and grant scholarships for careers in the retail food industry. This is a onetime appropriation.

(aa) \$250,000 each year is from the workforce development fund for grants to the American Indian Opportunities and Industrialization Center, in collaboration with the Northwest Indian Community Development Center, to reduce academic disparities for American Indian students and adults. The grant funds may be used to provide:

(1) student tutoring and testing support services;

(2) training and employment placement in information technology;

(3) training and employment placement within trades;

(4) assistance in obtaining a GED;

(5) remedial training leading to enrollment or to sustain enrollment in a postsecondary higher education institution;

(6) real-time work experience in information technology fields and in the trades;

(7) contextualized adult basic education;

(8) career and educational counseling for clients with significant and multiple barriers; and

(9) reentry services and counseling for adults and youth.

After notification to the legislature, the commissioner may transfer this appropriation to the commissioner of education.

<u>Subd. 5. Vocational Rehabilitation</u>	<u>36,961,000</u>	<u>36,961,000</u>
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	<u>Appropriations by Fund</u>	
<u>General</u>	<u>28,861,000</u>	<u>28,861,000</u>
<u>Workforce Development</u>	<u>7,830,000</u>	<u>7,830,000</u>

(a) \$14,300,000 each year is for the state's vocational rehabilitation program under Minnesota Statutes, chapter 268A.

(b) \$3,011,000 each year is from the general fund for grants to centers for independent living under Minnesota Statutes, section 268A.11.

(c) \$8,995,000 each year from the general fund and \$6,830,000 each year from the workforce development fund are for extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15. Of the amounts appropriated from the general fund, \$2,000,000 each year is for rate increases to providers of extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15.

(d) \$1,000,000 each year is from the workforce development fund for grants under Minnesota Statutes, section 268A.16, for employment services for persons, including transition-aged youth, who are deaf, deafblind, or hard-of-hearing. If the amount in the first year is insufficient, the amount in the second year is available in the first year. Of this amount, up to two percent is for

administration and monitoring of the program.

(e) \$2,555,000 each year is for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14.

Subd. 6. Services for the Blind

6,425,000

6,425,000

\$500,000 each year is to provide services for senior citizens who are becoming blind. At least half of the funds appropriated must be used to provide training services for seniors who are becoming blind. Training services must provide independent living skills to seniors who are becoming blind to allow them to continue to live independently in their homes.

Subd. 7. General Support Services

4,671,000

4,671,000

(a) \$250,000 each year is for the publication, dissemination, and use of labor market information under Minnesota Statutes, section 116J.4011.

(b) \$1,269,000 each year is for transfer to the Minnesota Housing Finance Agency for operating the Olmstead Implementation Office.

(c) \$500,000 each year is for the capacity-building grant program to assist nonprofit organizations offering or seeking to offer workforce development and economic development programming.

Subd. 8. Competitive Grant Limitations

An organization that receives a direct appropriation under this section is not eligible to participate in competitive grant programs under this section for substantially the same program or purpose as the direct appropriation received during the fiscal years in which the direct appropriations are received.

Sec. 3. DEPARTMENT OF LABOR AND INDUSTRY

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>28,700,000</u>	<u>\$</u>	<u>25,700,000</u>
<u>Appropriations by Fund</u>				
	<u>2020</u>		<u>2021</u>	
<u>General</u>	<u>3,048,000</u>		<u>3,048,000</u>	
<u>Workers' Compensation</u>	<u>22,919,000</u>		<u>19,919,000</u>	
<u>Workforce Development</u>	<u>2,733,000</u>		<u>2,733,000</u>	

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

<u>Subd. 2. Workers' Compensation</u>	<u>14,882,000</u>	<u>11,882,000</u>
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This appropriation is from the workers' compensation fund.

\$3,000,000 in fiscal year 2020 is for workers' compensation system upgrades. This amount is available until June 30, 2021. This is a onetime appropriation.

<u>Subd. 3. Labor Standards and Apprenticeship</u>	<u>4,731,000</u>	<u>4,731,000</u>
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<u>Appropriations by Fund</u>		
<u>General</u>	<u>3,048,000</u>	<u>3,048,000</u>
<u>Workforce Development</u>	<u>1,683,000</u>	<u>1,683,000</u>

(a) \$1,500,000 each year is for wage theft prevention. Beginning in fiscal year 2022, the base amount for this appropriation is \$1,000,000.

(b) \$250,000 each year is to develop an open and competitive grant process in consultation with the Office of Justice Programs in the Department of Public Safety, law enforcement organizations, and the Minnesota County Attorneys Association to award a grant to a nonprofit organization identifying and serving victims of labor trafficking to: (1) develop a statewide model protocol for law enforcement, prosecutors,

and other persons who in their professional capacity encounter labor trafficking to identify and intervene with victims of labor trafficking; (2) conduct statewide training for law enforcement and prosecutors including, at a minimum, methods under Minnesota Statutes, section 299A.79, subdivision 2; and (3) develop and disseminate investigative best practices to identify victims of labor trafficking and traffickers to law enforcement, prosecutors, and other persons who in their professional capacity encounter labor trafficking. The grant recipient may use the money appropriated in this paragraph to partner with other entities to implement clauses (1) to (3).

(c) By January 15, 2021, the grant recipient shall report to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over criminal justice and labor and industry policy and funding on the grant process and how the grant money was spent and details and results of the implementation of paragraph (a), clauses (1) to (3). This appropriation is onetime.

(d) \$1,133,000 each year is from the workforce development fund for the apprenticeship program under Minnesota Statutes, chapter 178.

(e) \$150,000 each year is from the workforce development fund for prevailing wage enforcement.

(f) \$100,000 each year is from the workforce development fund for labor education and advancement program grants under Minnesota Statutes, section 178.11, to expand and promote registered apprenticeship training for minorities and women.

(g) \$300,000 each year is from the workforce development fund for grants to the Construction Careers Foundation for the Helmets to Hard Hats Minnesota initiative.

Grant funds must be used to recruit, retain, assist, and support National Guard, reserve, and active duty military members' and veterans' participation into apprenticeship programs registered with the Department of Labor and Industry and connect them with career training and employment in the building and construction industry. The recruitment, selection, employment, and training must be without discrimination due to race, color, creed, religion, national origin, sex, sexual orientation, marital status, physical or mental disability, receipt of public assistance, or age. This is a onetime appropriation.

<u>Subd. 4. Workplace Safety</u>	<u>4,167,000</u>	<u>4,167,000</u>
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This appropriation is from the workers' compensation fund.

<u>Subd. 5. General Support</u>	<u>7,003,000</u>	<u>7,003,000</u>
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Appropriations by Fund

<u>Workers'</u>		
<u>Compensation</u>	<u>5,953,000</u>	<u>5,953,000</u>
<u>Workforce</u>		
<u>Development</u>	<u>1,050,000</u>	<u>1,050,000</u>

(a) \$300,000 each year is from the workforce development fund for the PIPELINE program.

(b) \$750,000 each year is from the workforce development fund for youth skills training grants under Minnesota Statutes, section 175.46. The commissioner shall award grants not to exceed \$100,000 per local partnership grant. \$100,000 each year is from the workforce development fund for the administration of the grant program.

<u>Sec. 4. BUREAU OF MEDIATION SERVICES</u>	<u>\$</u>	<u>2,404,000</u>	<u>\$</u>	<u>2,404,000</u>
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(a) \$68,000 each year is for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does

not cancel but is available for the second year.

(b) \$394,000 each year is for the Office of Collaboration and Dispute Resolution under Minnesota Statutes, section 179.90. Of this amount, \$160,000 each year is for grants under Minnesota Statutes, section 179.91.

Sec. 5. WORKERS' COMPENSATION COURT OF APPEALS

\$ 1,952,000 \$ 1,952,000

This appropriation is from the workers' compensation fund.

Sec. 6. REDUCTION IN APPROPRIATIONS FOR UNFILLED POSITIONS.

Subdivision 1. **Reduction required.** The commissioner of management and budget must reduce general fund and nongeneral fund appropriations to the Department of Employment and Economic Development and the Department of Labor and Industry for agency operations for the biennium ending June 30, 2021, for salary and benefits savings that results from any positions that have not been filled within 180 days of the posting of the position. This section applies only to positions that are posted in fiscal years 2019, 2020, and 2021. Reductions made under this paragraph must be reflected as reductions in agency base budgets for fiscal years 2022 and 2023.

Subd. 2. **Reporting.** The commissioner of management and budget must report to the chairs and ranking minority members of the senate and the house of representatives jobs and economic development finance committees regarding the amount of reductions in spending by each agency under this section.

ARTICLE 2

JOBS POLICY

Section 1. Minnesota Statutes 2018, section 116J.035, subdivision 7, is amended to read:

Subd. 7. **Monitoring pass-through grant recipients.** The commissioner shall monitor the activities and outcomes of programs and services funded by legislative appropriations and administered by the department on a pass-through basis. Unless amounts are otherwise appropriated for administrative costs, the commissioner may retain up to ~~five~~ two percent of the amount appropriated to the department for grants to pass-through entities. Amounts retained are deposited to a special revenue account and are appropriated to the commissioner for costs incurred in administering and monitoring the pass-through grants.

Sec. 2. [116J.439] AIRPORT INFRASTRUCTURE RENEWAL (AIR) GRANT PROGRAM.

Subdivision 1. **Grant program established; purpose.** (a) The commissioner shall make grants to counties, airport authorities, or cities to provide up to 50 percent of the capital costs of

redevelopment of an existing facility or construction of a new facility; and for public or private infrastructure costs, including broadband infrastructure costs, necessary for an eligible airport infrastructure renewal economic development project.

(b) The purpose of the grants made under this section is to keep or enhance jobs in the area, increase the tax base, or expand or create new economic development.

(c) In awarding grants under this section, the commissioner must adhere to the criteria under subdivision 5.

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "City" means a statutory or home rule charter city located outside the metropolitan area as defined in section 473.121, subdivision 2.

(c) "County" means a county located outside the metropolitan area as defined in section 473.121, subdivision 2.

(d) "Airport authority" means an authority created pursuant to section 360.0426.

Subd. 3. **Eligible projects.** An economic development project for which a county, airport authority, or city may be eligible to receive a grant under this section includes: (1) manufacturing; (2) technology; (3) warehousing and distribution; or (4) research and development.

Subd. 4. **Ineligible projects.** The following projects are not eligible for a grant under this section: (1) retail development; or (2) office space development, except as incidental to an eligible purpose.

Subd. 5. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a county, airport authority, or city must include in its application a resolution of the governing body of the county, airport authority, or city certifying that half of the cost of the project is committed from nonstate sources. The commissioner must evaluate complete applications for eligible projects using the following criteria:

(1) the project is an eligible project as defined under subdivision 3;

(2) the project is expected to result in or will attract substantial public and private capital investment and provide substantial economic benefit to the county, airport authority, or city in which the project would be located; and

(3) the project is expected to or will create or retain full-time jobs.

(b) The determination of whether to make a grant for a site is within the discretion of the commissioner, subject to this section. The commissioner's decisions and application of the criteria are not subject to judicial review except for abuse of discretion.

Subd. 6. **Maximum grant amount.** A county, airport authority, or city may receive no more than \$250,000 in two years for one or more projects.

Subd. 7. **Cancellation of grant; return of grant money.** If after five years the commissioner determines that a project has not proceeded in a timely manner and is unlikely to be completed, the commissioner must cancel the grant and require the grantee to return all grant money awarded for that project.

Subd. 8. **Appropriation.** Grant money returned to the commissioner is appropriated to the commissioner to make additional grants under this section.

Sec. 3. **[116L.35] INVENTORY OF ECONOMIC DEVELOPMENT PROGRAMS.**

(a) By January 15, 2020, and by January 15 of each even-numbered year thereafter, the commissioner of employment and economic development must submit a report to the chairs of the legislative committees with jurisdiction over economic development that provides an inventory of all economic development programs, including any workforce development programs, either provided by or overseen by any agency of the state of Minnesota.

(b) Programs related to economic development that must be included in the report include those that:

(1) receive federal funds or state funds;

(2) provide assistance to either businesses or individuals; or

(3) support internships, apprenticeships, career and technical education, or any form of employment training.

(c) For each economic development program, the report must include, at a minimum, the following information:

(1) details of program costs;

(2) the number of staff, both within the department and any outside organization;

(3) the number of program participants;

(4) the demographic information including, but not limited to, race, age, gender, and income of program participants;

(5) a list of any and all subgrantees receiving funds from the program, as well as the amount of funding received;

(6) information about other sources of funding including other public or private funding or in-kind donations;

(7) evidence that: (i) the organization administering a program; (ii) a business receiving a loan for a new or expanded business from a program; or (iii) a subgrantee of a program is in good standing with the Minnesota Secretary of State and the Minnesota Department of Revenue;

(8) a short description of what each program does; and

(9) to the extent practical, quantifiable measures of program success.

(d) In addition to the information required under paragraph (c), a program related to economic development under paragraph (b) that requests an increase in state funding over the previous biennium must provide the following:

(1) detailed information regarding the need for increased funds; and

(2) the planned uses of the increased funds.

(e) A program related to economic development under paragraph (b) is ineligible for state funding in the following biennium if it does not submit the information required under paragraph (c).

Sec. 4. Minnesota Statutes 2018, section 469.074, is amended by adding a subdivision to read:

Subd. 3. **Meetings by telephone or other electronic means.** The port authority may conduct meetings as provided in section 13D.015.

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

Sec. 5. Laws 2017, chapter 94, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. Workforce Development		\$	31,498,000	\$	30,231,000
	Appropriations by Fund				
General	\$6,239,000		\$5,889,000		
Workforce Development	\$25,259,000		\$24,342,000		

(a) \$500,000 each year is for the youth-at-work competitive grant program under Minnesota Statutes, section 116L.562. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year. In fiscal year 2020 and beyond, the base amount is \$750,000.

(b) \$250,000 each year is for pilot programs in the workforce service areas to combine career and higher education advising.

(c) \$500,000 each year is for rural career counseling coordinator positions in the workforce service areas and for the purposes specified in Minnesota Statutes, section 116L.667. The commissioner of employment

and economic development, in consultation with local workforce investment boards and local elected officials in each of the service areas receiving funds, shall develop a method of distributing funds to provide equitable services across workforce service areas.

(d) \$1,000,000 each year is for a grant to the Construction Careers Foundation for the construction career pathway initiative to provide year-round educational and experiential learning opportunities for teens and young adults under the age of 21 that lead to careers in the construction industry. This is a onetime appropriation. Grant funds must be used to:

(1) increase construction industry exposure activities for middle school and high school youth, parents, and counselors to reach a more diverse demographic and broader statewide audience. This requirement includes, but is not limited to, an expansion of programs to provide experience in different crafts to youth and young adults throughout the state;

(2) increase the number of high schools in Minnesota offering construction classes during the academic year that utilize a multicraft curriculum;

(3) increase the number of summer internship opportunities;

(4) enhance activities to support graduating seniors in their efforts to obtain employment in the construction industry;

(5) increase the number of young adults employed in the construction industry and ensure that they reflect Minnesota's diverse workforce; and

(6) enhance an industrywide marketing campaign targeted to youth and young adults about the depth and breadth of careers within the construction industry.

Programs and services supported by grant funds must give priority to individuals and groups that are economically disadvantaged or historically underrepresented in the construction industry, including but not limited to women, veterans, and members of minority and immigrant groups.

(e) \$1,539,000 each year from the general fund and \$4,604,000 each year from the workforce development fund are for the Pathways to Prosperity adult workforce development competitive grant program. Of this amount, up to four percent is for administration and monitoring of the program. When awarding grants under this paragraph, the commissioner of employment and economic development may give preference to any previous grantee with demonstrated success in job training and placement for hard-to-train individuals. In fiscal year 2020 and beyond, the general fund base amount for this program is \$4,039,000.

(f) \$750,000 each year is for a competitive grant program to provide grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to fathers, financial literacy, academic and behavioral interventions for low-performing students, and youth intervention. Grants made under this section must focus on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color. Of this amount, up to four percent is for administration and monitoring of the program. In fiscal year 2020 and beyond, the base amount is \$1,000,000.

(g) \$500,000 each year is for the women and high-wage, high-demand, nontraditional jobs grant program under Minnesota Statutes, section 116L.99. Of this amount, up to five percent is for administration and monitoring of the program. In fiscal year 2020 and beyond, the base amount is \$750,000.

(h) \$500,000 each year is for a competitive grant program for grants to organizations providing services to relieve economic disparities in the Southeast Asian community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to five percent is for administration and monitoring of the program. In fiscal year 2020 and beyond, the base amount is \$1,000,000.

(i) \$250,000 each year is for a grant to the American Indian Opportunities and Industrialization Center, in collaboration with the Northwest Indian Community Development Center, to reduce academic disparities for American Indian students and adults. This is a onetime appropriation. The grant funds may be used to provide:

- (1) student tutoring and testing support services;
- (2) training in information technology;
- (3) assistance in obtaining a GED;
- (4) remedial training leading to enrollment in a postsecondary higher education institution;
- (5) real-time work experience in information technology fields; and
- (6) contextualized adult basic education.

After notification to the legislature, the commissioner may transfer this appropriation to the commissioner of education.

(j) \$100,000 each year is for the getting to work grant program. This is a onetime appropriation and is available until June 30, 2021.

(k) \$525,000 each year is from the workforce development fund for a grant to the YWCA of Minneapolis to provide economically

challenged individuals the job skills training, career counseling, and job placement assistance necessary to secure a child development associate credential and to have a career path in early childhood education. This is a onetime appropriation.

(l) \$1,350,000 each year is from the workforce development fund for a grant to the Minnesota High Tech Association to support SciTechsperience, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college students and graduate students in their field of study. The internship opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in Minnesota, having fewer than 250 employees worldwide. At least 300 students must be matched in the first year and at least 350 students must be matched in the second year. No more than 15 percent of the hires may be graduate students. Selected hiring companies shall receive from the grant 50 percent of the wages paid to the intern, capped at \$2,500 per intern. The program must work toward increasing the participation of women or other underserved populations. This is a onetime appropriation.

(m) \$450,000 each year is from the workforce development fund for grants to Minnesota Diversified Industries, Inc. to provide progressive development and employment opportunities for people with disabilities. This is a onetime appropriation.

(n) \$500,000 each year is from the workforce development fund for a grant to Resource, Inc. to provide low-income individuals career education and job skills training that are fully integrated with chemical and mental health services. This is a onetime appropriation.

(o) \$750,000 each year is from the workforce development fund for a grant to the Minnesota Alliance of Boys and Girls Clubs

to administer a statewide project of youth job skills and career development. This project, which may have career guidance components including health and life skills, is designed to encourage, train, and assist youth in early access to education and job-seeking skills, work-based learning experience including career pathways in STEM learning, career exploration and matching, and first job placement through local community partnerships and on-site job opportunities. This grant requires a 25 percent match from nonstate resources. This is a onetime appropriation.

(p) \$215,000 each year is from the workforce development fund for grants to Big Brothers, Big Sisters of the Greater Twin Cities for workforce readiness, employment exploration, and skills development for youth ages 12 to 21. The grant must serve youth in the Twin Cities, Central Minnesota, and Southern Minnesota Big Brothers, Big Sisters chapters. This is a onetime appropriation.

(q) \$250,000 each year is from the workforce development fund for a grant to YWCA St. Paul to provide job training services and workforce development programs and services, including job skills training and counseling. This is a onetime appropriation.

(r) \$1,000,000 each year is from the workforce development fund for a grant to EMERGE Community Development, in collaboration with community partners, for services targeting Minnesota communities with the highest concentrations of African and African-American joblessness, based on the most recent census tract data, to provide employment readiness training, credentialed training placement, job placement and retention services, supportive services for hard-to-employ individuals, and a general education development fast track and adult diploma program. This is a onetime appropriation.

(s) \$1,000,000 each year is from the workforce development fund for a grant to the Minneapolis Foundation for a strategic intervention program designed to target and connect program participants to meaningful, sustainable living-wage employment. This is a onetime appropriation.

(t) \$750,000 each year is from the workforce development fund for a grant to Latino Communities United in Service (CLUES) to expand culturally tailored programs that address employment and education skill gaps for working parents and underserved youth by providing new job skills training to stimulate higher wages for low-income people, family support systems designed to reduce intergenerational poverty, and youth programming to promote educational advancement and career pathways. At least 50 percent of this amount must be used for programming targeted at greater Minnesota. This is a onetime appropriation.

(u) \$600,000 each year is from the workforce development fund for a grant to Ujamaa Place for job training, employment preparation, internships, education, training in the construction trades, housing, and organizational capacity building. This is a onetime appropriation.

(v) \$1,297,000 in the first year and \$800,000 in the second year are from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities R!SE to provide training to hard-to-train individuals. Of the amounts appropriated, \$497,000 in fiscal year 2018 is for a grant to Twin Cities R!SE, in collaboration with Metro Transit and Hennepin Technical College for the Metro Transit technician training program. This is a onetime appropriation and funds are available until June 30, 2020.

(w) \$230,000 in fiscal year 2018 is from the workforce development fund for a grant to

the Bois Forte Tribal Employment Rights Office (TERO) for an American Indian workforce development training pilot project. This is a onetime appropriation and is available until June 30, 2019. Funds appropriated the first year are available for use in the second year of the biennium.

(x) \$40,000 in fiscal year 2018 is from the workforce development fund for a grant to the Cook County Higher Education Board to provide educational programming and academic support services to remote regions in northeastern Minnesota. This appropriation is in addition to other funds previously appropriated to the board.

(y) \$250,000 each year is from the workforce development fund for a grant to Bridges to Healthcare to provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, nonnative speakers of English, and other hard-to-train individuals, helping families build secure pathways out of poverty while also addressing worker shortages in one of Minnesota's most innovative industries. Funds may be used for program expenses, including, but not limited to, hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant funds may be used for Bridges to Healthcare's administrative costs. This is a onetime appropriation and is available until June 30, 2020.

(z) \$500,000 each year is from the workforce development fund for a grant to the Nonprofits Assistance Fund to provide capacity-building grants to small, culturally specific organizations that primarily serve historically underserved cultural communities. Grants may only be awarded to nonprofit organizations that have an annual

organizational budget of less than \$500,000 and are culturally specific organizations that primarily serve historically underserved cultural communities. Grant funds awarded must be used for:

(1) organizational infrastructure improvement, including developing database management systems and financial systems, or other administrative needs that increase the organization's ability to access new funding sources;

(2) organizational workforce development, including hiring culturally competent staff, training and skills development, and other methods of increasing staff capacity; or

(3) creation or expansion of partnerships with existing organizations that have specialized expertise in order to increase the capacity of the grantee organization to improve services for the community. Of this amount, up to five percent may be used by the Nonprofits Assistance Fund for administration costs and providing technical assistance to potential grantees. This is a onetime appropriation.

(aa) \$4,050,000 each year is from the workforce development fund for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561.

(bb) \$1,000,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366.

(cc) \$3,348,000 each year is from the workforce development fund for the "Youth at Work" youth workforce development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(dd) \$500,000 each year is from the workforce development fund for the Opportunities Industrialization Center programs.

(ee) \$750,000 each year is from the workforce development fund for a grant to Summit Academy OIC to expand its contextualized GED and employment placement program. This is a onetime appropriation.

(ff) \$500,000 each year is from the workforce development fund for a grant to Goodwill-Easter Seals Minnesota and its partners. The grant shall be used to continue the FATHER Project in Rochester, Park Rapids, St. Cloud, Minneapolis, and the surrounding areas to assist fathers in overcoming barriers that prevent fathers from supporting their children economically and emotionally. This is a onetime appropriation.

(gg) \$150,000 each year is from the workforce development fund for displaced homemaker programs under Minnesota Statutes, section 116L.96. The commissioner shall distribute the funds to existing nonprofit and state displaced homemaker programs. This is a onetime appropriation.

(hh)(1) \$150,000 in fiscal year 2018 is from the workforce development fund for a grant to Anoka County to develop and implement a pilot program to increase competitive employment opportunities for transition-age youth ages 18 to 21.

(2) The competitive employment for transition-age youth pilot program shall include career guidance components, including health and life skills, to encourage, train, and assist transition-age youth in job-seeking skills, workplace orientation, and job site knowledge.

(3) In operating the pilot program, Anoka County shall collaborate with schools,

disability providers, jobs and training organizations, vocational rehabilitation providers, and employers to build upon opportunities and services, to prepare transition-age youth for competitive employment, and to enhance employer connections that lead to employment for the individuals served.

(4) Grant funds may be used to create an on-the-job training incentive to encourage employers to hire and train qualifying individuals. A participating employer may receive up to 50 percent of the wages paid to the employee as a cost reimbursement for on-the-job training provided.

(ii) \$500,000 each year is from the workforce development fund for rural career counseling coordinator positions in the workforce service areas and for the purposes specified in Minnesota Statutes, section 116L.667. The commissioner of employment and economic development, in consultation with local workforce investment boards and local elected officials in each of the service areas receiving funds, shall develop a method of distributing funds to provide equitable services across workforce service areas.

(jj) In calendar year 2017, the public utility subject to Minnesota Statutes, section 116C.779, must withhold \$1,000,000 from the funds required to fulfill its financial commitments under Minnesota Statutes, section 116C.779, subdivision 1, and pay such amounts to the commissioner of employment and economic development for deposit in the Minnesota 21st century fund under Minnesota Statutes, section 116J.423.

(kk) \$350,000 in fiscal year 2018 is for a grant to AccessAbility Incorporated to provide job skills training to individuals who have been released from incarceration for a felony-level offense and are no more than 12 months from the date of release. AccessAbility Incorporated shall annually

report to the commissioner on how the money was spent and the results achieved. The report must include, at a minimum, information and data about the number of participants; participant homelessness, employment, recidivism, and child support compliance; and training provided to program participants.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2017.

Sec. 6. ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.

(a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or statutory city, county, or town that has uncommitted money received from repayment of funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20 percent of the balance of that money to the state general fund before June 30, 2020. Any local entity that does so may then use the remaining 80 percent of the uncommitted money as a general purpose aid for any lawful expenditure.

(b) By February 15, 2021, a home rule charter or statutory city, county, or town that exercises the option under paragraph (a) shall submit to the chairs of the legislative committees with jurisdiction over economic development policy and finance an accounting and explanation of the use and distribution of the funds.

ARTICLE 3

LABOR AND INDUSTRY POLICY

Section 1. Minnesota Statutes 2018, section 15.72, subdivision 2, is amended to read:

Subd. 2. **Retainage.** (a) A public contracting agency may reserve as retainage from any progress payment on a public contract for a public improvement an amount not to exceed five percent of the payment. ~~A~~ The public contracting agency may reduce the amount of the retainage and may eliminate retainage on any monthly contract payment if, in the agency's opinion, the work is progressing satisfactorily.

(b) For all construction contracts greater than \$5,000,000, the public contracting agency must reduce retainage to no more than 2.5 percent if the public contracting agency determines the work is 75 percent or more complete, that work is progressing satisfactorily, and all contract requirements are being met.

(c) The public contracting agency must release any remaining retainage no later than 60 days after substantial completion.

(d) A contractor on a public contract for a public improvement must pay out any remaining retainage to its subcontractors no later than ten days after receiving payment of retainage from the public contracting agency, unless there is a dispute about the work under a subcontract. If there is

a dispute about the work under a subcontract, the contractor must pay out retainage to any subcontractor whose work is not involved in the dispute, and must provide a written statement detailing the amount and reason for the withholding to the affected subcontractor and the public agency.

(e) A contractor may not reserve as retainage from a subcontractor an amount that exceeds the amount reserved by the public contracting agency under this subdivision. Upon written request of a subcontractor who has not been paid for work in accordance with section 16A.1245 or 471.425, subdivision 4a, the public contracting agency shall notify the subcontractor of a progress payment, retainage payment, or final payment made to the contractor. A contractor must include in any contract with a subcontractor the name, address, and telephone number of a responsible official at the public contracting agency that may be contacted for purposes of making a request under this paragraph.

(f) After substantial completion, a public contracting agency may withhold no more than:

(1) 250 percent of the value of incomplete or defective work; and

(2) one percent of the value of the contract or \$500, whichever is greater, pending completion and submission of all final paperwork by the contractor, provided that an amount withheld under this clause may not exceed \$10,000.

If the public contracting agency withholds payment under this paragraph, the public contracting agency must promptly provide a written statement detailing the amount and basis of withholding to the contractor. The public contracting agency must provide a copy of this statement to any subcontractor that requests it. Any amounts withheld for incomplete or defective work shall be paid within 45 days after the completion of the work. Any amounts withheld under clause (1) must be paid within 45 days after completion of the work. Any amounts withheld under clause (2) must be paid within 45 days after submission of all final paperwork.

(g) As used in this subdivision, "substantial completion" shall be determined as provided in section 541.051, subdivision 1, paragraph (a). For construction, reconstruction, or improvement of streets and highways, including bridges, substantial completion means the date when construction-related traffic devices and ongoing inspections are no longer required.

(h) The maximum retainage percentage allowed for a building and construction contract is the retainage percentage withheld by the public contracting agency from the contractor.

(i) Withholding retainage for warranties or warranty work is prohibited.

EFFECTIVE DATE. This section applies to agreements entered into on or after August 1, 2019.

Sec. 2. Minnesota Statutes 2018, section 175.46, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) The commissioner shall:

(1) approve youth skills training programs that train student learners for careers in high-growth, high-demand occupations that provide:

(i) that the work of the student learner in the occupations declared particularly hazardous shall be incidental to the training;

(ii) that the work shall be intermittent and for short periods of time, and under the direct and close supervision of a qualified and experienced person;

(iii) that safety instruction shall be provided to the student learner and may be given by the school and correlated by the employer with on-the-job training;

(iv) a schedule of organized and progressive work processes to be performed on the job;

(v) a schedule of wage rates in compliance with section 177.24; and

(vi) whether the student learner will obtain secondary school academic credit, postsecondary credit, or both, for the training program;

(2) approve occupations and maintain a list of approved occupations for programs under this section;

(3) issue requests for proposals for grants;

(4) work with individuals representing industry and labor to develop new youth skills training programs;

(5) develop model program guides;

(6) monitor youth skills training programs;

(7) provide technical assistance to local partnership grantees;

(8) work with providers to identify paths for receiving postsecondary credit for participation in the youth skills training program; and

(9) approve other activities as necessary to implement the program.

(b) The commissioner shall collaborate with stakeholders, including, but not limited to, representatives of secondary school institutions, career and technical education instructors, postsecondary institutions, businesses, and labor, in developing youth skills training programs, and identifying and approving occupations and competencies for youth skills training programs.

Sec. 3. Minnesota Statutes 2018, section 175.46, subdivision 13, is amended to read:

Subd. 13. **Grant awards.** (a) The commissioner shall award grants to local partnerships for youth skills training programs that train student learners for careers in high-growth, high-demand occupations. Grant awards may not exceed \$100,000 per local partnership grant.

(b) A local partnership awarded a grant under this section must use the grant award for any of the following implementation and coordination activities:

(1) recruiting additional employers to provide on-the-job training and supervision for student learners and providing technical assistance to those employers;

(2) recruiting students to participate in the local youth skills training program, monitoring the progress of student learners participating in the program, and monitoring program outcomes;

(3) coordinating youth skills training activities within participating school districts and among participating school districts, postsecondary institutions, and employers;

(4) coordinating academic, vocational and occupational learning, school-based and work-based learning, and secondary and postsecondary education for participants in the local youth skills training program;

(5) coordinating transportation for student learners participating in the local youth skills training program; and

(6) any other implementation or coordination activity that the commissioner may direct or permit the local partnership to perform.

~~(b)~~ (c) Grant awards may not be used to directly or indirectly pay the wages of a student learner.

Sec. 4. Minnesota Statutes 2018, section 326B.821, subdivision 21, is amended to read:

Subd. 21. **Residential building contractor, remodeler, and roofer education.** (a) Each licensee must, during each continuing education reporting period, complete and report one hour of continuing education relating to energy codes or energy conservation measures applicable to residential buildings and one hour of business management strategies applicable to residential construction businesses.

(b) Immediately following the adoption date of a new residential code, the commissioner may prescribe that up to seven of the required 14 hours of continuing education credit per licensure period include education hours specifically designated to instruct licensees on new or existing State Building Code provisions.

Sec. 5. Minnesota Statutes 2018, section 337.10, subdivision 4, is amended to read:

Subd. 4. **Progress payments and retainages.** (a) Unless the building and construction contract provides otherwise, the owner or other persons making payments under the contract must make progress payments monthly as the work progresses. Payments shall be based upon estimates of work completed as approved by the owner or the owner's agent. A progress payment shall not be considered acceptance or approval of any work or waiver of any defects therein.

(b) Retainage on a building and construction contract may not exceed five percent. An owner or owner's agent may reduce the amount of retainage and may eliminate retainage on any monthly contract payment if, in the owner's opinion, the work is progressing satisfactorily. Nothing in this subdivision is intended to require that retainage be withheld in any building or construction contract. For all construction contracts greater than \$5,000,000, the owner or the owner's agent must reduce retainage to no more than 2.5 percent if the owner or the owner's agent determines the work is 75 percent or more complete, that work is progressing satisfactorily, and all contract requirements are being met.

(c) The owner or the owner's agent must release any remaining retainage no later than 60 days after substantial completion. For purposes of this subdivision, "substantial completion" shall be determined as provided in section 541.051, subdivision 1, paragraph (a).

(d) Any contractor holding retainage must reduce that retainage at the same rate reduced by the owner or the owner's agent. A contractor must pay out any remaining retainage no later than ten days after receiving payment of retainage, unless there is a dispute about the work under a subcontract, in which case the contractor must pay out retainage to any party whose work is not involved in the dispute. Nothing in this subdivision is intended to require that retainage be withheld in any building or construction contract.

(e) After substantial completion, an owner or owner's agent may withhold no more than:

(1) 250 percent of the value of incomplete or defective work; and

(2) one percent of the value of the contract or \$500, whichever is greater, pending completion and submission of all final paperwork by the contractor, provided that an amount withheld under this clause may not exceed \$10,000.

If the owner or the owner's agent withholds payment under this paragraph, the owner or the owner's agent must promptly provide a written statement detailing the amount and basis of withholding to the contractor. The owner or the owner's agent and the contractor must provide a copy of this statement to any subcontractor that requests it. Any amounts withheld for incomplete or defective work shall be paid within 45 days after the completion of the work. Any amounts withheld under clause (1) must be paid within 45 days after completion of the work. Any amounts withheld under clause (2) must be paid within 45 days after submission of all final paperwork.

(f) The maximum retainage percentage allowed for a building and construction contract is the retainage percentage withheld by the owner from the contractor.

(g) Withholding retainage for warranties or warranty work is prohibited.

(h) Retainage must not be used as collateral for the owner, owner's agent, or contractor.

(i) This subdivision does not apply to a public agency as defined in section 15.71, subdivision 3.

(j) This subdivision does not apply to contracts for professional services as defined in sections 326.02 to 326.15.

EFFECTIVE DATE. This section applies to agreements entered into on or after August 1, 2019.

Sec. 6. Minnesota Statutes 2018, section 341.30, subdivision 1, is amended to read:

Subdivision 1. **Licensure; individuals.** All referees, judges, promoters, trainers, ~~ring announcers,~~ timekeepers, ringside physicians, combatants, ~~managers,~~ and seconds are required to be licensed by the commissioner. The commissioner shall not permit any of these persons to participate in any matter with any combative sport contest unless the commissioner has first issued the person a license.

Sec. 7. Minnesota Statutes 2018, section 341.32, subdivision 1, is amended to read:

Subdivision 1. **Annual licensure.** The commissioner may establish and issue annual licenses subject to the collection of advance fees by the commissioner for promoters, ~~managers~~, judges, referees, ~~ring announcers~~, ringside physicians, timekeepers, combatants, trainers, and seconds.

Sec. 8. Minnesota Statutes 2018, section 341.321, is amended to read:

341.321 FEE SCHEDULE.

(a) The fee schedule for professional and amateur licenses issued by the commissioner is as follows:

- (1) referees, ~~\$80~~ \$25;
- (2) promoters, \$700;
- (3) judges and knockdown judges, ~~\$80~~ \$25;
- (4) trainers and seconds, \$80;
- ~~(5) ring announcers, \$80;~~
- ~~(6)~~ (5) timekeepers, ~~\$80~~ \$25;
- ~~(7)~~ (6) professional combatants, \$70;
- ~~(8)~~ (7) amateur combatants, \$50;
- ~~(9) managers, \$80; and~~
- ~~(10)~~ (8) ringside physicians, ~~\$80~~ \$25.

License fees for promoters are due at least six weeks prior to the combative sport contest. All other license fees shall be paid no later than the weigh-in prior to the contest. No license may be issued until all prelicensure requirements are satisfied and fees are paid.

(b) The commissioner shall establish a contest fee for each combative sport contest and shall consider the size and type of venue when establishing a contest fee. The combative sport contest fee is \$1,500 per event or not more than four percent of the gross ticket sales, whichever is greater, as determined by the commissioner when the combative sport contest is scheduled.

(c) A professional or amateur combative sport contest fee is nonrefundable and shall be paid as follows:

- (1) \$500 at the time the combative sport contest is scheduled; and
- (2) \$1,000 at the weigh-in prior to the contest.

If four percent of the gross ticket sales is greater than \$1,500, the balance is due to the commissioner within seven days of the completed contest.

(d) The commissioner may establish the maximum number of complimentary tickets allowed for each event by rule.

(e) All fees and penalties collected by the commissioner must be deposited in the commissioner account in the special revenue fund.

Sec. 9. CONTRACTOR RECOVERY FUND; CONSUMER AWARENESS CAMPAIGN.

In fiscal years 2020 and 2021 the commissioner of labor and industry must conduct a statewide consumer awareness campaign highlighting the importance of hiring licensed contractors as well as the consequences of hiring unlicensed contractors, and may spend up to \$500,000 each year from the contractor recovery fund to conduct the campaign.

ARTICLE 4

EMPLOYMENT POLICY

Section 1. Minnesota Statutes 2018, section 177.23, subdivision 7, is amended to read:

Subd. 7. **Employee.** "Employee" means any individual employed by an employer but does not include:

(1) two or fewer specified individuals employed at any given time in agriculture on a farming unit or operation who are paid a salary;

(2) any individual employed in agriculture on a farming unit or operation who is paid a salary greater than the individual would be paid if the individual worked 48 hours at the state minimum wage plus 17 hours at 1-1/2 times the state minimum wage per week;

(3) an individual under 18 who is employed in agriculture on a farm to perform services other than corn detasseling or hand field work when one or both of that minor hand field worker's parents or physical custodians are also hand field workers;

(4) for purposes of section 177.24, an individual under 18 who is employed as a corn detasseler;

(5) any staff member employed on a seasonal basis by an organization for work in an organized resident or day camp operating under a permit issued under section 144.72;

(6) any individual employed in a bona fide executive, administrative, or professional capacity, or a salesperson who conducts no more than 20 percent of sales on the premises of the employer;

(7) any individual who renders service gratuitously for a nonprofit organization;

(8) any individual who serves as an elected official for a political subdivision or who serves on any governmental board, commission, committee or other similar body, or who renders service gratuitously for a political subdivision;

(9) any individual employed by a political subdivision to provide police or fire protection services or employed by an entity whose principal purpose is to provide police or fire protection services to a political subdivision;

(10) any individual employed by a political subdivision who is ineligible for membership in the Public Employees Retirement Association under section 353.01, subdivision 2b, clause (1), (2), (4), or (9), item (i);

(11) any driver employed by an employer engaged in the business of operating taxicabs;

(12) any individual engaged in babysitting as a sole practitioner;

(13) for the purpose of section 177.25, any individual employed on a seasonal basis in a carnival, circus, fair, or ski facility;

(14) any individual under 18 working less than 20 hours per workweek for a municipality as part of a recreational program;

(15) any individual employed by the state as a natural resource manager 1, 2, or 3 (conservation officer);

(16) any individual in a position for which the United States Department of Transportation has power to establish qualifications and maximum hours of service under United States Code, title 49, section 31502;

(17) any individual employed as a seafarer. The term "seafarer" means a master of a vessel or any person subject to the authority, direction, and control of the master who is exempt from federal overtime standards under United States Code, title 29, section 213(b)(6), including but not limited to pilots, sailors, engineers, radio operators, firefighters, security guards, pursers, surgeons, cooks, and stewards;

(18) any individual employed by a county in a single-family residence owned by a county home school as authorized under section 260B.060 if the residence is an extension facility of that county home school, and if the individual as part of the employment duties resides at the residence for the purpose of supervising children as defined by section 260C.007, subdivision 4; ~~or~~

(19) nuns, monks, priests, lay brothers, lay sisters, ministers, deacons, and other members of religious orders who serve pursuant to their religious obligations in schools, hospitals, and other nonprofit institutions operated by the church or religious order; or

(20) any individual employed on a seasonal basis who has entered into a contract to play baseball at the minor league level.

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

Sec. 2. Minnesota Statutes 2018, section 177.27, subdivision 1, is amended to read:

Subdivision 1. **Examination of records.** The commissioner may enter during reasonable office hours or upon request and inspect the place of business or employment of any employer of employees working in the state, to examine and inspect books, registers, payrolls, and other records of any employer that in any way relate to wages, hours, and other conditions of employment of any employees. The commissioner may transcribe any or all of the books, registers, payrolls, and other records as the commissioner deems necessary or appropriate and may question the employees to ascertain compliance with sections 177.21 to 177.435. The commissioner may investigate wage

claims or complaints by an employee against an employer if: (1) the failure to pay a wage may violate Minnesota law or an order or rule of the department; and (2) the employee making the wage claim or complaint has provided a written demand for payment to the employer at least five days prior to the commissioner initiating an investigation.

Sec. 3. Minnesota Statutes 2018, section 177.32, subdivision 1, is amended to read:

Subdivision 1. **Misdemeanors.** (a) An employer who does any of the following is guilty of a misdemeanor:

(1) hinders or delays the commissioner in the performance of duties required under sections 177.21 to 177.435, or sections 181.01 to 181.72;

(2) refuses to admit the commissioner to the place of business or employment of the employer, as required by section 177.27, subdivision 1;

(3) repeatedly fails to make, keep, and preserve records as required by section 177.30;

(4) falsifies any record;

(5) refuses to make any record available, or to furnish a sworn statement of the record or any other information as required by section 177.27;

(6) repeatedly fails to post a summary of sections 177.21 to 177.44 or a copy or summary of the applicable rules as required by section 177.31;

(7) pays or agrees to pay wages at a rate less than the rate required under sections 177.21 to 177.44;

(8) refuses to allow adequate time from work as required by section 177.253; ~~or~~

(9) otherwise violates any provision of sections 177.21 to 177.44; or

(10) commits wage theft as described in section 181.03, subdivision 1.

(b) An employer who violates paragraph (a), clause (10), after having been previously convicted of violating that clause is guilty of a gross misdemeanor.

(c) Nothing in paragraph (a), clause (10), or paragraph (b), or section 609.035 or 609.04 shall limit the power of the state to prosecute or punish a person for conduct that constitutes any other crime under any other law of this state.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2018, section 181.03, subdivision 1, is amended to read:

Subdivision 1. **Prohibited practices.** ~~An employer may not, directly or indirectly and with intent to defraud:~~

(a) No employer shall commit wage theft.

(b) For purposes of this section, wage theft is committed if an employer, with intent to defraud:

(1) fails to pay an employee all wages to which that employee is entitled;

(1) cause (2) directly or indirectly causes any employee to give a receipt for wages for a greater amount than that actually paid to the employee for services rendered;

(2) (3) directly or indirectly demand demands or receive receives from any employee any rebate or refund from the wages owed the employee under contract of employment with the employer; or

(3) in any manner make (4) makes or attempt attempts to make it appear in any manner that the wages paid to any employee were greater than the amount actually paid to the employee; or

(5) retaliates against an employee for asserting rights or remedies under this section, including but not limited to filing a complaint with the Department of Labor and Industry, telling the employer of intention to file a complaint, or making a written demand for payment to the employer as provided under section 177.27, subdivision 1.

Sec. 5. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to read:

Subd. 4. **Enforcement.** The commissioner may enforce this section. The use of an enforcement provision in this section shall not preclude the use of any other enforcement provision provided by law.

Sec. 6. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to read:

Subd. 5. **Effect on other laws.** Nothing in this section shall be construed to limit the application of other state or federal laws.

Sec. 7. **[181.741] EXPRESS PREEMPTION; UNIFORMITY OF PRIVATE EMPLOYER MANDATES.**

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

(b) "Employer" means a private person employing one or more employees in the state.

(c) "Local government" means a home rule charter city, statutory city, town, county, the Metropolitan Council, a metropolitan agency as defined in section 473.121, subdivision 5a, or a special district.

Subd. 2. **Express preemption.** (a) A local government must not adopt, enforce, or administer an ordinance, local resolution, or local policy requiring an employer to pay an employee a wage higher than the applicable state minimum wage rate provided in section 177.24.

(b) A local government must not adopt, enforce, or administer an ordinance, local resolution, or local policy requiring an employer to provide either paid or unpaid leave time.

(c) A local government must not adopt, enforce, or administer an ordinance, local resolution, or local policy regulating the hours or scheduling of work time that an employer provides to an

employee. This paragraph does not preempt an ordinance, local resolution, or local policy limiting the hours a business may operate.

(d) A local government must not adopt, enforce, or administer an ordinance, local resolution, or local policy requiring an employer to provide an employee a particular benefit or terms of employment.

Subd. 3. **Local governments as employers and contractors.** This section does not regulate wages, hours, benefits, paid or unpaid leave, attendance policies, or other terms of employment that a local government:

(1) provides to its own employee;

(2) requires an employer to provide to its employee to the extent that employer is providing goods or services to the local government, and the requirement applies specifically to work performed in providing goods or services to the local government; or

(3) requires an employer to provide to its employee, to the extent that employer is receiving funding from the local government or is providing goods or services funded in whole or in part by the local government, when the requirement is an express condition of the funding.

EFFECTIVE DATE. This section is effective upon final enactment and applies to ordinances, local policies, and local resolutions enacted on or after January 1, 2017.

ARTICLE 5

WORKERS' COMPENSATION ADVISORY COUNCIL RECOMMENDATIONS

Section 1. Minnesota Statutes 2018, section 176.1812, subdivision 2, is amended to read:

Subd. 2. **Filing and review.** (a) A copy of the agreement and the approximate number of employees who will be covered under it must be filed with the commissioner. Within 21 days of receipt of an agreement, the commissioner shall review the agreement for compliance with this section and the benefit provisions of this chapter and notify the parties of any additional information required or any recommended modification that would bring the agreement into compliance. Upon receipt of any requested information or modification, the commissioner must notify the parties within 21 days whether the agreement is in compliance with this section and the benefit provisions of this chapter.

(b) After an agreement is approved by the commissioner under paragraph (a), a qualified employer may join or withdraw from a qualified group of employers without commissioner review or approval. The commissioner must be notified within 30 days when a qualified employer joins or withdraws from a qualified group of employers.

(c) In order for any agreement to remain in effect, it must provide for a timely and accurate method of reporting to the commissioner ~~necessary information regarding service cost and utilization~~ the individual claims covered by the agreement and claim-specific dispute resolution data, in the form and manner prescribed by the commissioner. Dispute resolution data includes information about facilitation, mediation, and arbitration and shall be provided annually to the commissioner to

enable the commissioner to ~~annually~~ report aggregate dispute data to the legislature. ~~The information provided to the commissioner must include aggregate data on the:~~

- ~~(i) person hours and payroll covered by agreements filed;~~
- ~~(ii) number of claims filed;~~
- ~~(iii) average cost per claim;~~
- ~~(iv) number of litigated claims, including the number of claims submitted to arbitration, the Workers' Compensation Court of Appeals, the Office of Administrative Hearings, the district court, the Minnesota Court of Appeals or the supreme court;~~
- ~~(v) number of contested claims resolved prior to arbitration;~~
- ~~(vi) projected incurred costs and actual costs of claims;~~
- ~~(vii) employer's safety history;~~
- ~~(viii) number of workers participating in vocational rehabilitation; and~~
- ~~(ix) number of workers participating in light-duty programs.~~

EFFECTIVE DATE. Paragraphs (a) and (b) are effective June 1, 2019. Paragraph (c) is effective August 1, 2020.

Sec. 2. Minnesota Statutes 2018, section 176.231, subdivision 1, is amended to read:

Subdivision 1. **Time limitation.** (a) Where death or serious injury occurs to an employee during the course of employment, the employer shall report the injury or death to the commissioner and insurer within 48 hours after its occurrence. Where any other injury occurs which wholly or partly incapacitates the employee from performing labor or service for more than three calendar days, the employer shall report the injury to the insurer on a form prescribed by the commissioner within ten days from its occurrence. An insurer and self-insured employer shall report the injury to the commissioner no later than 14 days from its occurrence. Where an injury has once been reported but subsequently death ensues, the employer shall report the death to the commissioner and insurer within 48 hours after the employer receives notice of this fact. An employer who provides notice to the Occupational Safety and Health Division of the Department of Labor and Industry of a fatality within the eight-hour time frame required by law, or of an inpatient hospitalization within the 24-hour time frame required by law, has satisfied the employer's obligation under this section.

(b) At the time an injury is required to be reported to the commissioner, the insurer or self-insured employer must also specify whether the injury is covered by a collective bargaining agreement approved by the commissioner under section 176.1812. Notice must be provided in the format and manner prescribed by the commissioner.

EFFECTIVE DATE. This section is effective August 1, 2020."

Delete the title and insert:

"A bill for an act relating to jobs; appropriating money for the Department of Employment and Economic Development, Department of Labor and Industry, the Bureau of Mediation Services, and Workers' Compensation Court of Appeals; modifying use of Minnesota investment fund; establishing an airport infrastructure renewal (AIR) grant program; modifying the youth skills training program; modifying retainage requirements for certain public contracts and building and construction contracts; providing uniformity for employment mandates on private employers; prohibiting wage theft; adopting recommendations from the Workers' Compensation Advisory Council; making policy and technical changes; modifying fees; establishing criminal penalties; requiring reports; amending Minnesota Statutes 2018, sections 15.72, subdivision 2; 116J.035, subdivision 7; 175.46, subdivisions 3, 13; 176.1812, subdivision 2; 176.231, subdivision 1; 177.23, subdivision 7; 177.27, subdivision 1; 177.32, subdivision 1; 181.03, subdivision 1, by adding subdivisions; 326B.821, subdivision 21; 337.10, subdivision 4; 341.30, subdivision 1; 341.32, subdivision 1; 341.321; 469.074, by adding a subdivision; Laws 2017, chapter 94, article 1, section 2, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 116J; 116L; 181."

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

Senator Kiffmeyer from the Committee on State Government Finance and Policy and Elections, to which was referred

S.F. No. 2227: A bill for an act relating to state government; modifying certain administrative law judge salaries; amending Minnesota Statutes 2018, section 15A.083, subdivision 6a.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

STATE GOVERNMENT APPROPRIATIONS

Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2020" and "2021" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is fiscal years 2020 and 2021.

APPROPRIATIONS

Available for the Year

Ending June 30

2020

2021

Sec. 2. **LEGISLATURE**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>85,318,000</u>	<u>\$</u>	<u>85,898,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Senate</u>		<u>35,260,000</u>		<u>35,260,000</u>
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<u>Subd. 3. House of Representatives</u>		<u>32,383,000</u>		<u>32,383,000</u>
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<u>Subd. 4. Legislative Coordinating Commission</u>		<u>17,675,000</u>		<u>18,255,000</u>
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Appropriations provided by this subdivision may be used for designated staff to support the following offices and commissions: Office of the Legislative Auditor; Office of the Revisor of Statutes; Legislative Reference Library; Geographic Information Services; Legislative Budget Office; Legislative-Citizen Commission on Minnesota Resources; Legislative Commission on Pensions and Retirement; Legislative Water Commission; Mississippi River Parkway Commission; Legislative Energy Commission; and the Lessard-Sams Outdoor Heritage Council. The operation of all other joint offices and commissions must be supported by the central administrative staff of the Legislative Coordinating Commission. This appropriation may additionally be used for central administrative staff to support the work of the Economic Status of Women Advisory Committee.

The base for the Legislative Coordinating Commission is \$18,291,000 in fiscal year 2022 and \$18,326,000 in fiscal year 2023.

From its funds, \$10,000 each year is for purposes of the legislators' forum, through which Minnesota legislators meet with counterparts from South Dakota, North Dakota, and Manitoba to discuss issues of mutual concern.

From its funds, \$904,000 the first year and \$1,483,000 the second year are for the Legislative Budget Office. The base for the

Legislative Budget Office is \$1,519,000 in fiscal year 2022 and \$1,554,000 in fiscal year 2023.

Legislative Auditor. \$6,564,000 the first year and \$6,564,000 the second year are for the Office of the Legislative Auditor.

Revisor of Statutes. \$6,175,000 the first year and \$6,176,000 the second year are for the Office of the Revisor of Statutes.

Legislative Reference Library. \$1,445,000 the first year and \$1,445,000 the second year are for the Legislative Reference Library.

Sec. 3. GOVERNOR AND LIEUTENANT GOVERNOR

\$	<u>3,622,000</u>	\$	<u>3,622,000</u>
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(a) This appropriation is to fund the Office of the Governor and Lieutenant Governor.

(b) \$19,000 the first year and \$19,000 the second year are for necessary expenses in the normal performance of the governor's and lieutenant governor's duties for which no other reimbursement is provided.

(c) By September 1 of each year, the commissioner of management and budget shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance any personnel costs incurred by the Offices of the Governor and Lieutenant Governor that were supported by appropriations to other agencies during the previous fiscal year. The Office of the Governor shall inform the chairs and ranking minority members of the committees before initiating any interagency agreements.

Sec. 4. STATE AUDITOR

\$	<u>9,573,000</u>	\$	<u>9,573,000</u>
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Sec. 5. ATTORNEY GENERAL

\$	<u>24,035,000</u>	\$	<u>24,434,000</u>
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Appropriations by Fund

2020

2021

(c) The commissioner of management and budget is authorized to provide cash flow assistance of up to \$50,000,000 from the special revenue fund or other statutory general funds as defined in Minnesota Statutes, section 16A.671, subdivision 3, paragraph (a), to the Office of MN.IT Services for the purpose of managing revenue and expenditure differences. These funds shall be repaid with interest by the end of the fiscal year 2021 closing period.

(d) During the biennium ending June 30, 2021, MN.IT Services must not charge fees to a public noncommercial educational television broadcast station eligible for funding under Minnesota Statutes, chapter 129D, for access to the state broadcast infrastructure. If the access fees not charged to public noncommercial educational television broadcast stations total more than \$400,000 for the biennium, the office may charge for access fees in excess of these amounts.

Sec. 11. ADMINISTRATION

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>23,703,000</u>	<u>\$</u>	<u>23,703,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Government and Citizen Services</u>		<u>8,781,000</u>		<u>8,781,000</u>
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\$222,000 the first year and \$222,000 the second year are for the Council on Developmental Disabilities.

<u>Subd. 3. Strategic Management Services</u>		<u>2,587,000</u>		<u>2,587,000</u>
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<u>Subd. 4. Fiscal Agent</u>		<u>12,335,000</u>		<u>12,335,000</u>
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The appropriations under this section are to the commissioner of administration for the purposes specified.

In-Lieu of Rent. \$9,391,000 the first year and \$9,391,000 the second year are for space

costs of the legislature and veterans organizations, ceremonial space, and statutorily free space.

Public Television. (a) \$1,550,000 the first year and \$1,550,000 the second year are for matching grants for public television.

(b) \$250,000 the first year and \$250,000 the second year are for public television equipment grants under Minnesota Statutes, section 129D.13.

(c) The commissioner of administration must consider the recommendations of the Minnesota Public Television Association before allocating the amounts appropriated in paragraphs (a) and (b) for equipment or matching grants.

Public Radio. (a) \$492,000 the first year and \$492,000 the second year are for community service grants to public educational radio stations. This appropriation may be used to disseminate emergency information in foreign languages.

(b) \$142,000 the first year and \$142,000 the second year are for equipment grants to public educational radio stations. This appropriation may be used for the repair, rental, and purchase of equipment including equipment under \$500.

(c) \$510,000 the first year and \$510,000 the second year are for equipment grants to Minnesota Public Radio, Inc., including upgrades to Minnesota's Emergency Alert and AMBER Alert Systems.

(d) The appropriations in paragraphs (a) to (c) may not be used for indirect costs claimed by an institution or governing body.

(e) The commissioner of administration must consider the recommendations of the Association of Minnesota Public Educational Radio Stations before awarding grants under Minnesota Statutes, section 129D.14, using

the appropriations in paragraphs (a) and (b). No grantee is eligible for a grant unless they are a member of the Association of Minnesota Public Educational Radio Stations on or before July 1, 2017.

(f) Any unencumbered balance remaining the first year for grants to public television or public radio stations does not cancel and is available for the second year.

Sec. 12. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

\$ 351,000 \$ 351,000

Sec. 13. MINNESOTA MANAGEMENT AND BUDGET

\$ 23,267,000 \$ 23,126,000

(a) None of this appropriation may be used for enterprise communication and planning activities.

(b) Of these funds, \$141,000 the first year is to pay to Becker County and to Wright County the amount each county demonstrates to the commissioner of management and budget that it spent on legal fees, including costs and disbursements, to defend the lawsuit brought by former state auditor, Rebecca Otto, against Wright, Becker, and Ramsey Counties, Otto v. Wright County, Becker County, and Ramsey County, Minnesota District Court, Second Judicial District, Court File No. 62-CV-16-606, and all appeals from that suit.

Sec. 14. REVENUE

Subdivision 1. Total Appropriation

\$ 148,721,000 \$ 148,721,000

Appropriations by Fund

	<u>2020</u>	<u>2021</u>
<u>General</u>	<u>145,461,000</u>	<u>145,461,000</u>
<u>Health Care Access</u>	<u>760,000</u>	<u>760,000</u>
<u>Highway User Tax</u>		
<u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
<u>Environmental</u>	<u>305,000</u>	<u>305,000</u>

Subd. 2. <u>Tax System Management</u>	<u>122,582,000</u>	<u>122,582,000</u>
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Appropriations by Fund

<u>General</u>	<u>119,322,000</u>	<u>119,322,000</u>
<u>Health Care Access</u>	<u>760,000</u>	<u>760,000</u>
<u>Highway User Tax</u>		
<u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
<u>Environmental</u>	<u>305,000</u>	<u>305,000</u>

Appropriation; Taxpayer Assistance. (a) \$400,000 each year is for the commissioner of revenue to make grants to one or more nonprofit organizations, qualifying under section 501(c)(3) of the Internal Revenue Code of 1986, to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services. The unencumbered balance in the first year does not cancel but is available for the second year.

(b) For purposes of this section, "taxpayer assistance services" means accounting and tax preparation services provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents to help them file federal and state income tax returns and Minnesota property tax refund claims and to provide personal representation before the Department of Revenue and Internal Revenue Service.

Subd. 3. <u>Debt Collection Management</u>	<u>26,139,000</u>	<u>26,139,000</u>
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Sec. 15. <u>GAMBLING CONTROL</u>	<u>\$ 3,472,000</u>	<u>\$ 3,472,000</u>
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These appropriations are from the lawful gambling regulation account in the special revenue fund.

Sec. 16. <u>RACING COMMISSION</u>	<u>\$ 913,000</u>	<u>\$ 913,000</u>
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These appropriations are from the racing and card playing regulation accounts in the special revenue fund.

Sec. 17. STATE LOTTERY

(1) expand collections network, library and museum interpretation, and existing school and community-based programming related to Minnesota military history;

(2) create and conduct a statewide story-sharing program to honor the distinct service of post 9/11 veterans in anticipation of the 2021 anniversary; and

(3) care for, catalog, and display the recently acquired collection of the personal and professional effects belonging to General John W. Vessey, Minnesota's most decorated veteran.

Balances Forward. Any unencumbered balance of an appropriation in this subdivision remaining at the end of the first year does not cancel but is available in the second year.

Sec. 24. **BOARD OF THE ARTS**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>7,541,000</u>	<u>\$</u>	<u>7,541,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Operations and Services</u>		<u>602,000</u>		<u>602,000</u>
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<u>Subd. 3. Grants Program</u>		<u>4,800,000</u>		<u>4,800,000</u>
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<u>Subd. 4. Regional Arts Councils</u>		<u>2,139,000</u>		<u>2,139,000</u>
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Any unencumbered balance of an appropriation in this subdivision remaining at the end of the first year does not cancel but is available in the second year.

Money appropriated in this section and distributed as grants may only be spent on projects located in Minnesota. A recipient of a grant funded by an appropriation in this section must not use more than ten percent of the total grant for costs related to travel outside the state of Minnesota.

Sec. 25. MINNESOTA HUMANITIES CENTER \$ 988,000 \$ 988,000

\$650,000 each year is for the Healthy Eating, Here at Home program under Minnesota Statutes, section 138.912. No more than three percent of the appropriation may be used for the nonprofit administration of this program.

Sec. 26. BOARD OF ACCOUNTANCY \$ 643,000 \$ 643,000

Sec. 27. BOARD OF ARCHITECTURE ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN \$ 806,000 \$ 806,000

Sec. 28. BOARD OF COSMETOLOGIST EXAMINERS \$ 2,514,000 \$ 2,514,000

Sec. 29. BOARD OF BARBER EXAMINERS \$ 343,000 \$ 343,000

Sec. 30. GENERAL CONTINGENT ACCOUNTS \$ 1,000,000 \$ 500,000

Appropriations by Fund

	<u>2020</u>	<u>2021</u>
<u>General</u>	<u>500,000</u>	<u>-0-</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
<u>Workers'</u>		
<u>Compensation</u>	<u>100,000</u>	<u>100,000</u>

(a) The appropriations in this section may only be spent with the approval of the governor after consultation with the Legislative Advisory Commission pursuant to Minnesota Statutes, section 3.30.

(b) If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

(c) If a contingent account appropriation is made in one fiscal year, it should be considered a biennial appropriation.

Sec. 31. TORT CLAIMS \$ 161,000 \$ 161,000

The amounts estimated to be needed are as follows:

Special Direct State Aid. \$27,331,000 each year is for special direct state aid authorized under Minnesota Statutes, section 354.436.

Special Direct State Matching Aid. \$2,500,000 each year is for special direct state matching aid authorized under Minnesota Statutes, section 354.435.

Sec. 35. <u>ST. PAUL TEACHERS RETIREMENT FUND</u>	<u>\$</u>	<u>14,827,000</u>	<u>\$</u>	<u>14,827,000</u>
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The amounts estimated to be needed for special direct state aid to the first class city teachers retirement fund association authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

Sec. 36. Laws 2018, chapter 100, section 1, is amended to read:

Section 1. **SENATE; APPROPRIATION.**

\$32,299,000 in fiscal year 2018 and ~~\$32,105,000~~ \$37,105,000 in fiscal year 2019 are appropriated from the general fund to the senate.

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

Sec. 37. **CANCELLATIONS.**

(a) All unspent funds, estimated to be \$7,290,000, carried forward from a previous biennium by the house of representatives under Minnesota Statutes, section 16A.281, are canceled to the general fund by June 1, 2019.

(b) All unencumbered funds, estimated to be \$7,343,000, in the information and telecommunications technology systems and services account established under Minnesota Statutes, section 16E.21, are canceled to the general fund by June 1, 2019.

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

ARTICLE 2

STATE GOVERNMENT OPERATIONS

Section 1. Minnesota Statutes 2018, section 3.855, subdivision 2, is amended to read:

Subd. 2. **State employee negotiations.** (a) The commissioner of management and budget shall regularly advise the commission on the progress of collective bargaining activities with state employees under the state Public Employment Labor Relations Act. During negotiations, the commission may make recommendations to the commissioner as it deems appropriate but no recommendation shall impose any obligation or grant any right or privilege to the parties.

(b) The commissioner shall submit to the chair of the commission any negotiated collective bargaining agreements, arbitration awards, compensation plans, or salaries for legislative approval or disapproval. Negotiated agreements shall be submitted within five days of the date of approval by the commissioner or the date of approval by the affected state employees, whichever occurs later. Arbitration awards shall be submitted within five days of their receipt by the commissioner. If the commission disapproves a collective bargaining agreement, award, compensation plan, or salary, the commission shall specify in writing to the parties those portions with which it disagrees and its reasons. If the commission approves a collective bargaining agreement, award, compensation plan, or salary, it shall submit the matter to the legislature to be accepted or rejected under this section.

(c) When the legislature is not in session, the commission may give interim approval to a negotiated collective bargaining agreement, salary, compensation plan, or arbitration award. ~~When the legislature is not in session, failure of the commission to disapprove a collective bargaining agreement or arbitration award within 30 days constitutes approval.~~ The commission shall submit the negotiated collective bargaining agreements, salaries, compensation plans, or arbitration awards for which it has provided approval to the entire legislature for ratification at a special legislative session called to consider them or at its next regular legislative session as provided in this section. Approval or disapproval by the commission is not binding on the legislature.

(d) When the legislature is not in session, the proposed collective bargaining agreement, arbitration decision, salary, or compensation plan must be implemented upon its approval by the commission, and state employees covered by the proposed agreement or arbitration decision do not have the right to strike while the interim approval is in effect. Wages and economic fringe benefit increases provided for in the agreement or arbitration decision paid in accordance with the interim approval by the commission are not affected, but the wages or benefit increases must cease to be paid or provided effective upon the rejection of the agreement, arbitration decision, salary, or compensation plan, or upon adjournment of the legislature without acting on it.

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

Sec. 2. Minnesota Statutes 2018, section 3.855, is amended by adding a subdivision to read:

Subd. 5. Information required. The commissioner of management and budget must submit to the Legislative Coordinating Commission the following information with the submission of a collective bargaining agreement or compensation plan under subdivisions 2 and 3:

(1) for each agency and for each proposed agreement or plan, a comparison of biennial compensation costs under the current agreement or plan to the projected biennial compensation costs under the proposed agreement or plan, paid with funds appropriated from the general fund;

(2) for each agency and for each proposed agreement or plan, a comparison of biennial compensation costs under the current agreement or plan to the projected biennial compensation

costs under the proposed agreement or plan, paid with funds appropriated from each fund other than the general fund;

(3) for each agency and for each proposed agreement or plan, an identification of the amount of the additional biennial compensation costs that are attributable to salary and wages and to the cost of nonsalary and nonwage benefits; and

(4) for each agency, for clauses (1) to (3), the impact of the aggregate of all agreements and plans being submitted to the commission.

Sec. 3. **[3.8845] LEGISLATIVE COMMISSION ON HOUSING AFFORDABILITY.**

Subdivision 1. **Membership.** (a) The Legislative Commission on Housing Affordability consists of:

(1) two senators appointed by the senate majority leader;

(2) two senators appointed by the senate minority leader;

(3) two representatives appointed by the speaker of the house; and

(4) two representatives appointed by the minority leader of the house of representatives.

(b) Each appointing authority must make appointments by January 31 of the regular legislative session in the odd-numbered year.

Subd. 2. **Meetings.** The ranking senator from the majority party appointed to the commission must convene the first meeting of a biennium by February 15 in the odd-numbered year.

Subd. 3. **Terms; vacancies.** Members of the commission serve for terms beginning upon appointment and ending at the beginning of the regular legislative session in the next odd-numbered year. The appropriate appointing authority must fill a vacancy for a seat of a current legislator for the remainder of the unexpired term.

Subd. 4. **Officers.** The commission must elect a chair and may elect other officers as it determines are necessary at the first meeting of the commission in an odd-numbered year. The chair alternates between a member of the senate and a member of the house of representatives at the start of the regular legislative session in each odd-numbered year.

Subd. 5. **Staff.** The Legislative Coordinating Commission must provide administrative and research assistance to the commission.

Subd. 6. **Duties.** The commission shall:

(1) define housing affordability and study issues relating to housing affordability and the construction, preservation, and rehabilitation of owner-occupied and rental housing, including subsidized housing, existing and future government regulations impacting housing affordability, market forces impacting housing affordability, and access to homeownership;

(2) review and provide the legislature with research and analysis of emerging issues affecting housing affordability and homeownership access, including but not limited to construction work force, innovation, building practices, and building material costs;

(3) review and provide the legislature with research and analysis of policies to reduce the homeownership equity gap; and

(4) review and make recommendations on legislative and rulemaking proposals positively impacting personal housing affordability, access to homeownership, and other related barriers to homeownership, especially with regard to first-time homebuyers and economically disadvantaged buyers and renters.

Subd. 7. **Expiration.** This section expires June 30, 2023.

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

Sec. 4. Minnesota Statutes 2018, section 3.97, subdivision 3a, is amended to read:

Subd. 3a. **Evaluation topics.** ~~(a)~~ The commission shall periodically select topics for the legislative auditor to evaluate. Topics may include any agency, program, or activity established by law to achieve a state purpose, or any topic that affects the operation of state government, ~~but~~. The commission shall give primary consideration to topics that are likely, upon examination, to produce recommendations for cost savings, increased productivity, or the elimination of duplication among public agencies. The commission shall also give consideration to programs and statutory provisions that authorize grants, tax incentives, and other inducements for economic development. Legislators and legislative committees may suggest topics for evaluation, but the legislative auditor shall only conduct evaluations approved by the commission.

~~(b) The commission is requested to direct the auditor, in response to a suggestion from an individual legislator of an evaluation topic, to estimate the scope of the proposed evaluation and the time required to complete it. The estimate must be reported to the legislator who submitted the suggestion and to the commission. The commission must determine within 60 days of receiving the estimate whether to proceed with the suggested evaluation and must convey its decision to the legislator along with the reasons for its decision.~~

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

Sec. 5. Minnesota Statutes 2018, section 3.971, subdivision 9, is amended to read:

Subd. 9. **Obligation to notify the legislative auditor.** The chief executive, financial, or information officers of an organization subject to audit under this section must promptly notify the legislative auditor when the officer obtains information indicating that public money or other public resources may have been used for an unlawful purpose, or when the officer obtains information indicating that government data classified by chapter 13 as not public may have been accessed ~~or used unlawfully~~ by or provided to a person without lawful authorization. As necessary, the legislative auditor shall coordinate an investigation of the allegation with appropriate law enforcement officials.

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

Sec. 6. [5.50] EXECUTIVE ORDER LIST SERVE.

The secretary of state shall maintain a list of e-mail addresses of people who have requested to be notified when an executive order is filed with the secretary of state. The secretary of state shall notify people on the list by e-mail within seven days of the filing of an executive order.

Sec. 7. Minnesota Statutes 2018, section 6.481, subdivision 1, is amended to read:

Subdivision 1. **Powers and duties.** (a) All the powers and duties conferred and imposed upon the state auditor shall be exercised and performed by the state auditor in respect to the offices, institutions, public property, and improvements of several counties of the state. The state auditor may visit, without previous notice, each county and examine all accounts and records relating to the receipt and disbursement of the public funds and the custody of the public funds and other property. The state auditor shall prescribe and install systems of accounts and financial reports that shall be uniform, so far as practicable, for the same class of offices.

(b) As used in this section, "county" includes a special district consisting exclusively of counties operating under a joint powers agreement under section 471.59.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively to audits and examinations covering fiscal year 2018 and thereafter.

Sec. 8. Minnesota Statutes 2018, section 6.481, subdivision 3, is amended to read:

Subd. 3. **CPA firm audit.** (a) A county audit performed by a CPA firm must meet the standards and be in a form meeting recognized industry auditing standards. The state auditor may require additional information from the CPA firm if the state auditor determines that is in the public interest, but the state auditor must accept the audit unless the state auditor determines the audit or its form does not meet recognized industry auditing standards. The state auditor may make additional examinations as the auditor determines to be in the public interest.

(b) When the state auditor requires additional information from the CPA firm or makes additional examinations that the state auditor determines to be in the public interest, the state auditor must afford counties and CPA firms an opportunity to respond to potential findings, conclusions, or questions as follows:

(1) at least 30 days before beginning a review for work performed by a certified public accountant firm licensed in chapter 326A, the state auditor must notify the county and CPA firm that the state auditor will be conducting a review and must identify the type or scope of review the state auditor will perform;

(2) throughout the state auditor's review, the auditor shall allow the county and the CPA firm at least 30 days to respond to any request by the auditor for documents or other information;

(3) at least 30 days before issuing a final report, the state auditor must provide the CPA firm with a draft report of the state auditor's findings;

(4) at least 20 days before issuing a final report, the state auditor must hold a formal exit conference with the CPA firm to discuss the findings in the state auditor's draft report;

(5) the state auditor shall make changes to the draft report if the state auditor determines changes are warranted as a result of information provided by the CPA firm during the state auditor's review; and

(6) the state auditor's final report must include any written responses provided by the CPA firm.

Sec. 9. **[10.584] MATERNAL MENTAL HEALTH AWARENESS MONTH.**

The month of May is designated as Maternal Mental Health Awareness Month in recognition of the state's desire to recognize the prevalence of pregnancy and postpartum mental health issues and educate the people of the state about identifying symptoms and seeking treatment options. Up to one-third of mothers report having symptoms of pregnancy and postpartum mood and anxiety disorders each year. Many more cases go unreported due to misunderstanding. Pregnancy and postpartum mood disorders are widespread but treatable illnesses. Left untreated, pregnancy and postpartum mood and anxiety disorders can lead to negative effects on birth outcomes, infant development, and the well-being of mothers and families. The state declares that in order to educate the public, the governor may promote and encourage the observance of Maternal Mental Health Awareness Month.

Sec. 10. Minnesota Statutes 2018, section 13.599, is amended by adding a subdivision to read:

Subd. 5. **State Arts Board.** Notwithstanding subdivision 3, responses submitted by a grantee to the State Arts Board or to a regional arts council under chapter 129D become public data at the public review meeting at which they are considered, except for trade secret data as defined and classified in section 13.37.

Sec. 11. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

Subdivision 1. **Definition.** As used in this section, "residential construction" means the new construction or remodeling of any building subject to the Minnesota Residential Code.

Subd. 2. **Impact on housing cost; agency determination.** An agency must determine if implementation of a proposed rule, or any portion of a proposed rule, will, on average, increase the cost of residential construction or remodeling by \$1,000 or more per unit. The agency must make this determination before the close of the hearing record. Upon request of a party affected by the proposed rule, an administrative law judge must review and approve or disapprove an agency's determination that any portion of a proposed rule will increase the cost of a dwelling unit by \$1,000 or more.

Subd. 3. **Notice to legislature; legislative approval.** (a) If the agency determines that the impact of a proposed rule meets or exceeds the cost threshold provided in subdivision 2, or if the administrative law judge separately confirms the cost of any portion of a rule exceeds the cost threshold provided in subdivision 2, the agency must notify, in writing, the chairs and ranking minority members of the policy committees of the house of representatives and the senate with jurisdiction over the subject matter of the proposed rule within ten days of the determination.

(b) If a committee of either the house of representatives or senate with jurisdiction over the subject matter of the proposed rule or a portion of a rule that meets or exceeds the threshold in

subdivision 2 votes to advise an agency that the rule should not be adopted as proposed, the agency may not adopt the rule unless the rule is approved by a law enacted after the vote of the committee. Section 14.126, subdivision 2, applies to a vote of a committee under this subdivision.

Subd. 4. **Severability.** If the agency or an administrative law judge determines that part of a proposed rule meets or exceeds the threshold provided in subdivision 2, but that a severable portion of the proposed rule does not meet or exceed that threshold, the agency may proceed to adopt the severable portions of the proposed rule regardless of whether a legislative committee has voted under subdivision 3 to advise an agency that the rule should not be adopted as proposed.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to administrative rules proposed on or after that date.

Sec. 12. Minnesota Statutes 2018, section 15A.083, subdivision 6a, is amended to read:

Subd. 6a. **Administrative law judge; salaries.** The salary of the chief administrative law judge is 98.52 percent of the salary of a chief district court judge. The salaries of the assistant chief administrative law judge and administrative law judge supervisors are ~~93.60~~ 100 percent of the salary of a chief district court judge. The salary of an administrative law judge employed by the Office of Administrative Hearings is 98.52 percent of the salary of a district court judge as set under section 15A.082, subdivision 3.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 13. Minnesota Statutes 2018, section 16A.103, subdivision 1a, is amended to read:

Subd. 1a. **Forecast parameters.** (a) Except as provided in paragraph (b), the forecast must assume the continuation of current laws and reasonable estimates of projected growth in the national and state economies and affected populations. Revenue must be estimated for all sources provided for in current law. Expenditures must be estimated for all obligations imposed by law and those projected to occur as a result of variables outside the control of the legislature. Expenditure estimates must not include an allowance for inflation.

(b) Notwithstanding paragraph (a) and any appropriations established in law, all expenditures for a department, institution, or agency of the executive branch estimated for the November forecast must be zero if the scheduled year under section 16A.111, subdivision 3, for the department, institution, or agency coincides with the calendar year of the November forecast. The forecasted expenditures in the February forecast must be zero for a department, institution, or agency of the executive branch if they were zero in the preceding November forecast as a result of the requirements of this paragraph. The commissioner shall not apply this paragraph to forecasted expenditures for the current biennium, but shall apply the requirements of this paragraph to the forecasted expenditures for the next two biennia.

Sec. 14. Minnesota Statutes 2018, section 16A.11, subdivision 3, is amended to read:

Subd. 3. **Part two: detailed budget.** (a) Part two of the budget, the detailed budget estimates both of expenditures and revenues, must contain any statements on the financial plan which the governor believes desirable or which may be required by the legislature. The detailed estimates shall include the governor's budget arranged in tabular form.

(b) Tables listing expenditures for the next biennium must show the appropriation base for each year. The appropriation base is the amount appropriated for the second year of the current biennium. The tables must separately show any adjustments to the base required by current law or policies of the commissioner of management and budget. For forecasted programs, the tables must also show the amount of the forecast adjustments, based on the most recent forecast prepared by the commissioner of management and budget under section 16A.103. For all programs, the tables must show the amount of appropriation changes recommended by the governor, after adjustments to the base and forecast adjustments, and the total recommendation of the governor for that year.

(c) The detailed estimates must include a separate line listing the total cost of professional and technical service contracts for the prior biennium and the projected costs of those contracts for the current and upcoming biennium. They must also include a summary of the personnel employed by the agency, reflected as full-time equivalent positions.

(d) The detailed estimates for internal service funds must include the number of full-time equivalents by program; detail on any loans from the general fund, including dollar amounts by program; proposed investments in technology or equipment of \$100,000 or more; an explanation of any operating losses or increases in retained earnings; and a history of the rates that have been charged, with an explanation of any rate changes and the impact of the rate changes on affected agencies.

(e) Notwithstanding paragraph (b) and any appropriation established in law, for any department, institution, or agency in the executive branch that is in a scheduled year under section 16A.111, subdivision 3, in the year prior to the year in which part two of the budget must be submitted, the appropriation base for any appropriation made to that department, institution, or agency for the next two biennia must be zero. The commissioner must display the appropriation base established under this paragraph in the tables and narrative of part two of the budget.

Sec. 15. [16A.111] ZERO-BASED BUDGETING.

Subdivision 1. Zero-based budget. (a) By October 15, each department, institution, and agency of the executive branch within a scheduled year must submit to the commissioner a proposed detailed operating budget for the biennium beginning July 1 of the following year using zero-based budgeting, including a zero-based budget plan. The commissioner of management and budget shall provide technical assistance to enable each department, institution, or agency to complete its proposed detailed operating budget as specified by the commissioner of management and budget.

(b) The commissioner of management and budget shall adopt policies and procedures for each department, institution, and agency to implement the provisions of this section.

(c) As used in this section, "zero-based budgeting" means a method of determining the budget of a department, institution, or agency for which the budget of the department, institution, or agency:

(1) is deemed to be zero in the November forecast, the February forecast, and the governor's budget recommendations that precede the establishment of a biennial budget; and

(2) has justified each proposed expenditure for the biennium covered by the budget as if it were a new expenditure.

(d) Each department, institution, and agency of the executive branch that is required to prepare a detailed operating budget and a zero-based budget plan under this subdivision must submit the detailed operating budget and zero-based budget plan to the legislature. This information must be submitted to the legislature at the same time that part two of the governor's budget is required to be submitted under section 16A.11, subdivision 3.

Subd. 2. **Zero-based budget plan.** A zero-based budget plan includes the following information:

(1) a description of activities that comprise the agency, and a justification for the existence of each activity by reference to statute or other legal authority;

(2) for each activity, a quantitative estimate of any adverse impacts that could reasonably be expected should the activity be discontinued, together with a full description of the methods by which the adverse impact is estimated;

(3) a list of quantifiable program outcomes that measure the efficiency and effectiveness of each program;

(4) for each activity, an itemized account of expenditures that would be required to maintain the activity at the minimum level of service required by statutory authority, together with a concise statement of the quantity and quality of services required at that minimum level;

(5) for each activity, an itemized account of expenditures required to maintain the quantity and quality of services being provided and the number of personnel required to accomplish each program; and

(6) a ranking of all activities that shows the relative contribution of each activity to the overall goals and purposes of the agency at current service levels.

Subd. 3. **Scheduled year.** (a) The scheduled year is 2020 and every ten years thereafter for the following agencies: Department of Administration, Department of Agriculture, Department of Commerce, Department of Corrections, Department of Education, Department of Human Rights, Department of Human Services, Department of Military Affairs, Department of Natural Resources, Department of Transportation, Minnesota Racing Commission, Office of Higher Education, and all advisory groups associated with these agencies.

(b) The scheduled year is 2022 and every ten years thereafter for the following agencies: Council for Minnesotans of African Heritage, Department of Employment and Economic Development, Department of Health, Department of Management and Budget, Department of Public Safety, Gambling Control Board, Metropolitan Council, Minnesota Council on Latino Affairs, Pollution Control Agency, Science Museum, the Minnesota State Academies, University of Minnesota, and all advisory groups associated with these agencies.

(c) The scheduled year is 2024 and every ten years thereafter for the following agencies: Agriculture Utilization Research Institute, all health-related boards listed in section 214.01, Council on Asian-Pacific Minnesotans, Department of Labor and Industry, Department of Revenue, Explore Minnesota Tourism, Minnesota State Colleges and Universities, Minnesota Indian Affairs Council, Peace Officer Standards and Training Board, Professional Educator Licensing and Standards Board,

the Minnesota Historical Society, the Perpich Center for Arts Education, and all advisory groups associated with these agencies.

(d) The scheduled year is 2026 and every ten years thereafter for the following agencies: all non-health-related boards listed in section 214.01 except as otherwise provided in this section, Arts Board, Board of Animal Health, Board of School Administrators, Board of Soil and Water Resources, Department of Veterans Affairs, Emergency Medical Services Regulatory Board, Mayo Medical School, Office of Administrative Hearings, Public Utilities Commission, Uniform Laws Commission, Workers' Compensation Board, and all advisory groups associated with these agencies.

(e) The scheduled year is 2028 and every ten years thereafter for the following agencies: Amateur Sports Commission, Capitol Area Architectural and Planning Board, Board of Teaching, Bureau of Mediation Services, Campaign Finance and Public Disclosure Board, Destination Medical Center, Higher Education Facilities Authority, Iron Range Resources and Rehabilitation Board, Minnesota Conservation Corps, Minnesota Zoo, Private Detectives Board, and all advisory groups associated with these agencies.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 16. Minnesota Statutes 2018, section 43A.15, subdivision 14, is amended to read:

Subd. 14. **On-the-job demonstration process and appointment.** (a) The commissioner shall establish qualifying procedures for applicants whose disabilities are of such a severe nature that the applicants are unable to demonstrate their abilities in the selection process with significant disabilities as defined in Minnesota Rules, part 3300.5010, subpart 18. The qualifying procedures must consist of up to 700 hours on-the-job trial work experience for which the disabled person has the option of being paid or unpaid. Up to three persons with severe disabilities and their job coach may be allowed to demonstrate their job competence as a unit through the on-the-job trial work experience selection procedure. This on-the-job demonstration process must be limited to applicants for whom there is no reasonable accommodation in the selection process.

(b) Up to three persons with significant disabilities and their job coaches may be allowed to demonstrate their job competence as a unit through the on-the-job trial work experience selection procedure as defined in Minnesota Rules, part 3300.5010, subpart 18. This on-the-job demonstration process must be limited to applicants for whom there is no reasonable accommodation in the selection process.

(c) The commissioner may authorize the probationary appointment of an applicant based on the request of the appointing authority that documents that the applicant has successfully demonstrated qualifications for the position through completion of an on-the-job trial work experience. The implementation of this subdivision may not be deemed a violation of chapter 43A or 363A.

Sec. 17. Minnesota Statutes 2018, section 43A.191, subdivision 2, is amended to read:

Subd. 2. **Agency affirmative action plans.** (a) The head of each agency in the executive branch shall prepare and implement an agency affirmative action plan consistent with this section and rules issued under section 43A.04, subdivision 3.

(b) The agency plan must include a plan for the provision of reasonable accommodation in the hiring and promotion of qualified disabled persons. The reasonable accommodation plan must consist of at least the following:

(1) procedures for compliance with sections 16E.03, subdivision 9, 363A.08 to 363A.19, and 363A.28, subdivision 10, and, where appropriate, regulations implementing United States Code, title 29, section 794, as amended through December 31, 1984, which is section 504 of the Rehabilitation Act of 1973, as amended and the Americans with Disabilities Act, United States Code, title 42, sections 101 to 108, 201 to 231, 241 to 246, 401, 402, and 501 to 514;

(2) methods and procedures for providing reasonable accommodation for disabled job applicants, current employees, and employees seeking promotion; ~~and~~

(3) provisions for funding reasonable accommodations-;

(4) a plan to ensure that any collective bargaining agreement between the state and agency employees provides equal employment opportunity for job applicants with disabilities and current employees with disabilities seeking promotion; and

(5) the number of requests made, the number of requests approved, and the number of requests reimbursed from the state accommodation account under section 16B.4805.

(c) The agency plan must be prepared by the agency head with the assistance of the agency affirmative action officer and the director of diversity and equal employment opportunity. The agency may consult with the Council on Disability shall provide assistance with the agency reasonable accommodation plan, vocational rehabilitation services, state services for the blind, and other disability experts to review and make recommendations on recruitment and retention of people with disabilities.

(d) The agency plan must identify any positions in the agency that can be used for supported employment as defined in section 268A.01, subdivision 13, of persons with severe disabilities. The agency shall report this information to the commissioner. An agency that hires more than one supported worker in the identified positions must receive recognition for each supported worker toward meeting the agency's affirmative action goals and objectives.

(e) An agency affirmative action plan may not be implemented without the commissioner's approval.

Sec. 18. Minnesota Statutes 2018, section 43A.191, subdivision 3, is amended to read:

Subd. 3. **Audits; sanctions and incentives.** (a) The commissioner shall annually audit the record of each agency to determine the rate of compliance with affirmative action requirements.

(b) By March 1 of each odd-numbered year, the commissioner shall submit a report on affirmative action progress of each agency and the state as a whole to the governor and to the Finance Committee of the senate, the Ways and Means Committee of the house of representatives, the Governmental Operations Committees of both houses of the legislature, and the Legislative Coordinating Commission. The report must include noncompetitive appointments made under section 43A.08,

subdivision 2a, or 43A.15, subdivisions 3 to 7, 10, and 12, and cover each agency's rate of compliance with affirmative action requirements.

(c) An agency ~~that does not meet its hiring goals~~ must justify its ~~nonaffirmative action~~ hires in competitive and noncompetitive appointments according to criteria issued by the Department of Management and Budget. ~~"Missed opportunity" includes failure to justify a nonaffirmative action hire. An agency must have 25 percent or less missed opportunities in competitive appointments and 25 percent or less missed opportunities in appointments made under sections 43A.08, subdivisions 1, clauses (9), (11), and (16); and 2a; and 43A.15, subdivisions 3, 10, 12, and 13. The criteria must include the number of applicants hired through on-the-job trial work experience, the number of applicants who receive authorization for a probationary period, and the number of applicants who are offered an appointment.~~ In addition, an agency shall:

(1) demonstrate a good faith effort to recruit protected group members by following an active recruitment plan;

(2) implement a coordinated retention plan; and

(3) have an established complaint resolution procedure.

(d) The commissioner shall develop reporting standards and procedures for measuring compliance.

(e) An agency is encouraged to develop other innovative ways to promote awareness, acceptance, and appreciation for diversity and affirmative action. These innovations will be considered when evaluating an agency's compliance with this section.

(f) An agency not in compliance with affirmative action requirements of this section must identify methods and programs to improve performance, to reallocate resources internally in order to increase support for affirmative action programs, and to submit program and resource reallocation proposals to the commissioner for approval. An agency must submit these proposals within 120 days of being notified by the commissioner that it is out of compliance with affirmative action requirements. The commissioner shall monitor quarterly the affirmative action programs of an agency found to be out of compliance.

(g) The commissioner shall establish a program to recognize an agency that has made significant and measurable progress in implementing an affirmative action plan.

(h) The commissioner must publish on the Minnesota Management and Budget website summary data about all appointments including protected class status and job classification of each.

Sec. 19. Minnesota Statutes 2018, section 179A.20, is amended by adding a subdivision to read:

Subd. 2b. **Limited by appropriation.** The commissioner of management and budget must not contract to pay more to employees of the state in compensation and benefits in either year of the biennium than is permitted under the first spending plan submitted by July 31 in an odd-numbered year and approved by the commissioner under section 16A.14, subdivisions 3 and 4.

Sec. 20. Minnesota Statutes 2018, section 240A.09, is amended to read:

240A.09 PLAN DEVELOPMENT; CRITERIA.

The Minnesota Amateur Sports Commission shall develop a plan to promote the development of proposals for new statewide public ice facilities including proposals for ice centers and matching grants based on the criteria in this section.

(a) For ice center proposals, the commission will give priority to proposals that come from more than one local government unit. Institutions of higher education are not eligible to receive a grant.

(b) The commission must give priority to grant applications for indoor air quality improvements and projects that eliminate R-22. For purposes of this section:

(1) "indoor air quality improvements" means: (i) renovation or replacement of heating, ventilating, and air conditioning systems in existing indoor ice arenas whose ice resurfacing and ice edging equipment are not powered by electricity in order to reduce concentrations of carbon monoxide and nitrogen dioxide; and (ii) acquisition of zero-emission ice resurfacing and ice edging equipment. The new or renovated systems may include continuous electronic air monitoring devices to automatically activate the ventilation systems when the concentration of carbon monoxide or nitrogen dioxide reaches a predetermined level; and

(2) "projects that eliminate R-22," means replacement of ice-making systems in existing public facilities that use R-22 as a refrigerant, with systems that use alternative non-ozone-depleting refrigerants.

(c) In the metropolitan area as defined in section 473.121, subdivision 2, the commission is encouraged to give priority to the following proposals:

(1) proposals for construction of two or more ice sheets in a single new facility;

(2) proposals for construction of an additional sheet of ice at an existing ice center;

(3) proposals for construction of a new, single sheet of ice as part of a sports complex with multiple sports facilities; and

(4) proposals for construction of a new, single sheet of ice that will be expanded to a two-sheet facility in the future.

(d) The commission shall administer a site selection process for the ice centers. The commission shall invite proposals from cities or counties or consortia of cities. A proposal for an ice center must include matching contributions including in-kind contributions of land, access roadways and access roadway improvements, and necessary utility services, landscaping, and parking.

(e) Proposals for ice centers and matching grants must provide for meeting the demand for ice time for female groups by offering up to 50 percent of prime ice time, as needed, to female groups. For purposes of this section, prime ice time means the hours of 4:00 p.m. to 10:00 p.m. Monday to Friday and 9:00 a.m. to 8:00 p.m. on Saturdays and Sundays.

(f) The location for all proposed facilities must be in areas of maximum demonstrated interest and must maximize accessibility to an arterial highway.

(g) To the extent possible, all proposed facilities must be dispersed equitably, must be located to maximize potential for full utilization and profitable operation, and must accommodate noncompetitive family and community skating for all ages.

(h) The commission may also use the money to upgrade current facilities, purchase girls' ice time, or conduct amateur women's hockey and other ice sport tournaments.

(i) To the extent possible, 50 percent of all grants must be awarded to communities in greater Minnesota.

(j) To the extent possible, technical assistance shall be provided to Minnesota communities by the commission on ice arena planning, design, and operation, including the marketing of ice time and on projects described in paragraph (b).

(k) A grant for new facilities may not exceed \$250,000.

(l) The commission may make grants for rehabilitation and renovation. A rehabilitation or renovation grant for air quality may not exceed \$200,000 and a rehabilitation or renovation grant for R-22 elimination may not exceed ~~\$50,000~~ \$250,000 for indirect cooling systems and may not exceed ~~\$400,000~~ \$500,000 for direct cooling systems. Priority must be given to grant applications for indoor air quality improvements, including zero emission ice resurfacing equipment, and for projects that eliminate R-22.

(m) Grant money may be used for ice centers designed for sports other than hockey.

(n) Grant money may be used to upgrade existing facilities to comply with the bleacher safety requirements of section 326B.112.

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

Sec. 21. Minnesota Statutes 2018, section 353.27, subdivision 3c, is amended to read:

Subd. 3c. **Former MERF members; member and employer contributions.** (a) For the period July 1, ~~2015~~ 2019, through December 31, 2031, the member contributions for former members of the Minneapolis Employees Retirement Fund and by the former Minneapolis Employees Retirement Fund-covered employing units are governed by this subdivision.

(b) The member contribution for a public employee who was a member of the former Minneapolis Employees Retirement Fund on June 29, 2010, is 9.75 percent of the salary of the employee.

(c) The employer regular contribution with respect to a public employee who was a member of the former Minneapolis Employees Retirement Fund on June 29, 2010, is 9.75 percent of the salary of the employee.

(d) The annual employer supplemental contribution is the employing unit's share of ~~\$31,000,000~~. For calendar years 2017 and 2018, the employer supplemental contribution is the employing unit's share of ~~\$21,000,000~~ \$37,000,000.

(e) Each employing unit's share under paragraph (d) is the amount determined from an allocation between each employing unit in the portion equal to the unit's employer supplemental contribution paid or payable under Minnesota Statutes 2012, section 353.50, during calendar year 2014.

(f) The employer supplemental contribution amount under paragraph (d) for calendar year ~~2015~~ 2019 must be invoiced by the executive director of the Public Employees Retirement Association by July 1, ~~2015~~ 2019. ~~The calendar year 2015 payment is payable in a single amount on or before September 30, 2015.~~ For subsequent calendar years, the employer supplemental contribution under paragraph (d) must be invoiced on January 31 of each year ~~and~~. The employer supplemental contribution is payable in two parts, with the first half payable on or before July 31 and with the second half payable on or before December 15. Late payments are payable with interest, compounded annually, at the applicable rate or rates specified in section 356.59, subdivision 3, per month for each month or portion of a month that has elapsed after the due date.

(g) The employer supplemental contribution under paragraph (d) terminates on December 31, 2031.

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

Sec. 22. Minnesota Statutes 2018, section 645.071, is amended to read:

645.071 STANDARD OF TIME.

Every mention of, or reference to, any hour or time in any law, during any period of the year, is to be construed with reference to and in accordance with the ~~standard time or~~ advanced standard time provided by federal law. No department of the state government and no county, city or town shall employ, during any period of the year, any other time, or adopt any ordinance or order providing for the use, during any period of the year, of any other time than the federal ~~standard time or~~ advanced standard time.

EFFECTIVE DATE. This section is effective upon the first commencement of advanced standard time, also known as daylight saving time, following enactment of an amendment to United States Code, title 15, section 260a, or another applicable law, which authorizes states to observe advanced standard time year-round.

Sec. 23. **INITIAL APPOINTMENTS.**

(a) Appointing authorities for the Legislative Commission on Housing Affordability under Minnesota Statutes, section 3.8845, must make initial appointments by June 1, 2019, to serve a term ending in January 2021.

(b) The speaker of the house must designate one member of the commission to convene the first meeting of the commission by June 15, 2019. A member of the house of representatives shall serve as the first chair of the commission. A member of the senate shall serve as chair of the commission beginning in January 2021.

Sec. 24. **WORKING GROUP ON STATE EMPLOYMENT AND RETENTION OF EMPLOYEES WITH DISABILITIES.**

Subdivision 1. **Members.** (a) A working group on state employment and retention of employees with disabilities is formed and must consist of the following members:

(1) a representative of the Commission of the Deaf, Deafblind and Hard of Hearing;

(2) a representative of the Governor's Council on Developmental Disabilities;

(3) a representative of Vocational Rehabilitation Services from within the Department of Employment and Economic Development;

(4) a representative of State Services for the Blind from within the Department of Employment and Economic Development;

(5) a representative of the Minnesota Council on Disability;

(6) a representative of the Office of the Ombudsman for Mental Health and Developmental Disabilities;

(7) a representative of the Olmstead Implementation Office with the Minnesota Housing Finance Agency;

(8) a representative of the MN.IT Office of Accessibility;

(9) a representative of A System of Technology to Achieve Results from within the Department of Administration; and

(10) a representative from Minnesota Management and Budget.

(b) Each of the entities listed in paragraph (a) must appoint its representative to the working group.

Subd. 2. **Convening authority; chair.** The Commission of the Deaf, Deafblind and Hard of Hearing is responsible for convening the working group and its representative to the working group shall act as chair for all meetings.

Subd. 3. **Duties; timing.** The working group must report on strategies for attracting and retaining state employees with disabilities to Minnesota Management and Budget and to the legislative committees with responsibility for state finance and operation. The report must be delivered by January 15, 2020.

Sec. 25. **FULL-TIME EQUIVALENT FREEZE.**

(a) The commissioner of management and budget shall determine the number of full-time equivalent positions employed by each agency as of June 30, 2019.

(b) Appropriations from any funds for fiscal years 2020 and 2021 must not be used to pay salary or benefits to employ more full-time equivalent positions than determined in paragraph (a).

(c) For purposes of this section, "agency" has the meaning given in Minnesota Statutes, section 16A.011, subdivision 2, and does not include the Minnesota State Colleges and Universities.

Sec. 26. **REDUCTION IN APPROPRIATIONS FOR UNFILLED POSITIONS.**

Subdivision 1. **Reduction required.** The general fund and nongeneral fund appropriations to an agency for agency operations for the biennium ending June 30, 2021, are reduced by the amount of salary and benefits savings that result from any positions that have not been filled within 180 days of the posting of the position. This section applies only to positions that are posted in fiscal years 2019, 2020, and 2021. Reductions made under this paragraph must be reflected as reductions in agency base budgets for fiscal years 2022 and 2023. This section does not apply to any positions that require law enforcement training.

Subd. 2. **Reporting.** The commissioner of management and budget must report to the chairs and ranking minority members of the senate and the house of representatives finance committees regarding the amount of reductions in spending by each agency under this section.

Subd. 3. **Application.** For purposes of this section, "agency" has the meaning given in Minnesota Statutes, section 16A.011, subdivision 2, and does not include the Minnesota State Colleges and Universities.

Sec. 27. **BOARD OF COSMETOLOGIST EXAMINERS RULEMAKING.**

Rules proposed by the Board of Cosmetologist Examiners after January 1, 2019, shall not take effect until after adjournment of the regular session of the legislature in 2020.

Sec. 28. **REPEALER.**

Minnesota Statutes 2018, sections 3.9735; and 353.505, are repealed.

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

ARTICLE 3

INFORMATION TECHNOLOGY

Section 1. **[3.199] ACCESSIBILITY IN THE LEGISLATURE'S INFORMATION TECHNOLOGY.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following term has the meaning given.

(b) "Responsible authority" means:

(1) for the house of representatives, the chief clerk of the house;

(2) for the senate, the secretary of the senate;

(3) for the Office of the Revisor of Statutes, the revisor of statutes;

(4) for the Office of the Legislative Auditor, the legislative auditor;

(5) for the Legislative Reference Library, the library director;

(6) for the Legislative Budget Office, the director of the Legislative Budget Office; and

(7) for any entity administered by the legislative branch not listed in clauses (1) to (6), the director of the Legislative Coordinating Commission.

Subd. 2. **Accessibility standards; compliance.** The senate, the house of representatives, and joint legislative offices and commissions must comply with accessibility standards adopted for state agencies by the chief information officer under section 16E.03, subdivision 9, for technology, software, and hardware procurement, unless the responsible authority for a legislative body or office has approved an exception for a standard for that body or office.

Subd. 3. **Not subject to MN.IT authority.** The chief information officer is not authorized to manage or direct compliance of the legislature with accessibility standards.

EFFECTIVE DATE. This section is effective September 1, 2021.

Sec. 2. **[3.888] LEGISLATIVE COMMISSION ON CYBERSECURITY.**

Subdivision 1. **Membership.** The Legislative Commission on Cybersecurity consists of the following eight members:

(1) four senators, including two senators appointed by the senate majority leader and two senators appointed by the senate minority leader; and

(2) four members of the house of representatives, including two members appointed by the speaker of the house and two members appointed by the minority leader of the house.

Subd. 2. **Terms; vacancies.** Members of the commission serve for a two-year term beginning upon appointment and expiring on appointment of a successor after the opening of the next regular session of the legislature in the odd-numbered year. A vacancy in the membership of the commission must be filled for the unexpired term in a manner that will preserve the representation established by this section.

Subd. 3. **Duties.** The commission shall provide oversight of the state's cybersecurity measures. The commission shall review the policies and practices of state agencies with regard to cybersecurity and may recommend changes in policy to adequately protect the state from cybersecurity threats. The commission may develop recommendations and draft legislation to support and strengthen the state's cybersecurity infrastructure.

Subd. 4. **Chair.** The commission shall elect a chair by a majority vote of members present. The officers shall alternate between a member of the senate and a member of the house of representatives. A chair shall serve a two-year term expiring upon election of a new chair after the opening of the next regular session of the legislature in the odd-numbered year.

Subd. 5. **Meetings.** The commission must meet at least three times per calendar year. The meetings of the commission are subject to section 3.055, except that the commission may close a meeting when necessary to safeguard the state's cybersecurity. The minutes, recordings, and documents from a closed meeting under this subdivision shall be maintained by the Legislative

Coordinating Commission and shall not be made available to the public until eight years after the date of the meeting.

Subd. 6. **Administration.** The Legislative Coordinating Commission shall provide administrative services for the commission.

Subd. 7. **Sunset.** The commission sunsets December 31, 2028.

Sec. 3. **[3.889] LEGISLATIVE COMMISSION ON INFORMATION TECHNOLOGY.**

Subdivision 1. **Membership.** (a) The Legislative Commission on Information Technology consists of the following eight members:

(1) four senators, including two senators appointed by the senate majority leader and two senators appointed by the senate minority leader; and

(2) four members of the house of representatives, including two members appointed by the speaker of the house and two members appointed by the minority leader of the house.

(b) To the extent possible, the appointing authorities must appoint members with knowledge of technical aspects or management of information technology.

Subd. 2. **Terms; vacancies.** Members of the commission serve for a two-year term beginning upon appointment and expiring on appointment of a successor after the opening of the next regular session of the legislature in the odd-numbered year. A vacancy in the membership of the commission must be filled for the unexpired term in a manner that will preserve the representation established by this section.

Subd. 3. **Duties.** The commission must consider the issues raised in the 2019 evaluation report of the Office of the Legislative Auditor titled "Office of Minnesota Information Technology Services (MN.IT)" and other reports and evaluations issued since January 1, 2014, by the Office of the Legislative Auditor on the topics of information technology or the Office of MN.IT Services. The commission must prepare draft legislation, as appropriate, and develop plans or advice to implement the recommendations of the legislative auditor.

Subd. 4. **Chair.** The commission shall elect a chair by a majority vote of members present. The officers shall alternate between a member of the senate and a member of the house of representatives. A chair shall serve a two-year term expiring upon election of a new chair after the opening of the next regular session of the legislature in the odd-numbered year.

Subd. 5. **Meetings.** The commission must meet at least three times per calendar year. The meetings of the commission are subject to section 3.055, except that the commission may close a meeting when necessary to safeguard the state's information technology. The minutes, recordings, and documents from a closed meeting under this subdivision shall be maintained by the Legislative Coordinating Commission and shall not be made available to the public until eight years after the date of the meeting.

Subd. 6. **Administration.** The Legislative Coordinating Commission shall provide administrative services for the commission.

Subd. 7. **Sunset.** The commission sunsets January 30, 2028.

Sec. 4. **[15.996] LOCAL GOVERNMENT USER ACCEPTANCE TESTING.**

Subdivision 1. **Applicability.** "Agency" as used in this section means any state officer, employee, board, commission, authority, department, entity, or organization of the executive branch of state government, including the Minnesota State Colleges and Universities.

Subd. 2. **User acceptance testing.** (a) An agency implementing a new information technology business software application or new business software application functionality that significantly impacts the operations of local units of government must provide opportunities for local government representative involvement in user acceptance testing, unless the testing is deemed not feasible or necessary by the relevant agency commissioner, in consultation with representatives of local units of government and the chief information officer.

(b) The requirements in paragraph (a) only apply to new software applications and new software application functionality where local units of government will be primary users, as determined by the relevant agency head in consultation with representatives of local units of government and the chief information officer. The requirements in paragraph (a) do not apply to routine software upgrades or application changes that are primarily intended to comply with federal law, rules, or regulations.

Sec. 5. Minnesota Statutes 2018, section 16E.01, subdivision 1a, is amended to read:

Subd. 1a. **Responsibilities.** The office shall provide oversight, leadership, and direction for information and telecommunications technology policy and the management, delivery, accessibility, and security of information and telecommunications technology systems and services ~~in Minnesota for agencies in the executive branch.~~ The office shall manage strategic investments in information and telecommunications technology systems and services ~~to encourage the development of a technically literate society,~~ to ensure sufficient access to and efficient delivery of accessible government services, and to maximize benefits for the state government as an enterprise.

Sec. 6. Minnesota Statutes 2018, section 16E.016, is amended to read:

16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES AND EQUIPMENT.

(a) The chief information officer is responsible for providing or entering into managed services contracts for the provision, improvement, and development of the following information technology systems and services to state agencies:

- (1) state data centers;
- (2) mainframes including system software;
- (3) servers including system software;
- ~~(4) desktops including system software;~~
- ~~(5) laptop computers including system software;~~

- ~~(6)~~ (4) a data network including system software;
- ~~(7)~~ (5) database, ~~office systems, reporting, and other standard software tools;~~
- ~~(8)~~ (6) business application software and related technical support services;
- ~~(9)~~ (7) help desk for the components listed in clauses (1) to ~~(8)~~ (5);
- ~~(10)~~ (8) maintenance, problem resolution, and break-fix for the components listed in clauses (1) to ~~(8)~~ (5); and
- ~~(11)~~ (9) regular upgrades and replacement for the components listed in clauses (1) to ~~(8)~~ (5).
- ~~(12)~~ (10) network-connected output devices.

(b) The chief information officer is responsible for providing or entering into managed services contracts for the provision, improvement, and development of the following information technology systems and services to a state agency, at the request of the agency:

- (1) desktops including system software;
- (2) laptop computers including system software;
- (3) database, office systems, reporting, and other standard software tools;
- (4) business application software and related technical support services;
- (5) help desk for the components listed in clauses (1) to (4);
- (6) maintenance, problem resolution, and break-fix for the components listed in clauses (1) to (4);
- (7) regular upgrades and replacement for the components listed in clauses (1) to (4); and
- (8) network-connected output devices.

~~(b)~~ (c) All state agency employees whose work primarily involves functions specified in paragraph (a) are employees of the Office of MN.IT Services. This includes employees who directly perform the functions in paragraph (a), as well as employees whose work primarily involves managing, supervising, or providing administrative services or support services to employees who directly perform these functions. The chief information officer may assign employees of the office to perform work exclusively for another state agency.

~~(c)~~ (d) Subject to sections 16C.08 and 16C.09, the chief information officer may allow a state agency to obtain services specified in paragraph (a) through a contract with an outside vendor when the chief information officer and the agency head agree that a contract would provide best value, as defined in section 16C.02, under the service-level agreement. The chief information officer must require that Agency contracts with outside vendors ensure that systems and services are compatible with standards established by the Office of MN.IT Services.

~~(d)~~ (e) The Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, the State Board of Investment, the Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide Radio Board are not state agencies for purposes of this section.

EFFECTIVE DATE. This section is effective July 1, 2019, and applies to contracts entered into on or after that date.

Sec. 7. Minnesota Statutes 2018, section 16E.03, subdivision 1, is amended to read:

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

(b) "Information and telecommunications technology systems and services" means all computing and telecommunications hardware and software, the activities undertaken to secure that hardware and software, and the activities undertaken to acquire, transport, process, analyze, store, and disseminate information electronically. "Information and telecommunications technology systems and services" includes all proposed expenditures for computing and telecommunications hardware and software, security for that hardware and software, and related consulting or other professional services.

(c) "Information and telecommunications technology project" means an effort to acquire or produce information and telecommunications technology systems and services.

(d) "Telecommunications" means voice, video, and data electronic transmissions transported by wire, wireless, fiber-optic, radio, or other available transport technology.

(e) "Cyber security" means the protection of data and systems in networks connected to the Internet.

(f) "State agency" means an agency in the executive branch of state government and includes the Minnesota Office of Higher Education, but does not include the Minnesota State Colleges and Universities unless specifically provided elsewhere in this chapter.

(g) "Total expected project cost" includes direct staff costs, all supplemental contract staff and vendor costs, and costs of hardware and software development or purchase. Breaking a project into several phases does not affect the cost threshold, which must be computed based on the full cost of all phases.

(h) "Cloud computing" has the meaning described by the National Institute of Standards and Technology of the United States Department of Commerce in special publication 800-145, September 2011.

Sec. 8. Minnesota Statutes 2018, section 16E.03, subdivision 2, is amended to read:

Subd. 2. **Chief information officer's responsibility.** The chief information officer shall:

(1) design a master plan for information and telecommunications technology systems and services in the state and ~~its political subdivisions and~~ shall report on the plan to the governor and legislature at the beginning of each regular session;

(2) coordinate, review, and approve all information and telecommunications technology projects and oversee the state's information and telecommunications technology systems and services;

(3) establish and enforce compliance with standards for information and telecommunications technology systems and services that are cost-effective and support open systems environments and that are compatible with state, national, and international standards, including accessibility standards;

(4) maintain a library of systems and programs developed by the state ~~and its political subdivisions~~ for use by agencies of government;

(5) direct and manage the shared operations of the state's information and telecommunications technology systems and services; and

(6) establish and enforce standards and ensure acquisition of hardware and software necessary to protect data and systems in state agency networks connected to the Internet.

Sec. 9. Minnesota Statutes 2018, section 16E.03, is amended by adding a subdivision to read:

Subd. 4a. **Cloud computing services.** (a) The project evaluation procedure required by subdivision 4 must include a review of cloud computing service options, including any security benefits and cost savings associated with purchasing those service options from a cloud computing service provider.

(b) No later than October 1, 2019, and by October 1 of each even-numbered year thereafter, the chief information officer must submit a report to the governor and to the legislative committees with primary jurisdiction over state information technology issues on the consideration of cloud computing service options in the information and communications projects proposed by state agencies. The report must provide examples of projects that produce cost savings and other benefits, including security enhancements, from the use of cloud computing services.

Sec. 10. Minnesota Statutes 2018, section 16E.03, is amended by adding a subdivision to read:

Subd. 11. **Technical support to the legislature.** The chief information officer, or a designee, must provide technical support to assist the legislature to comply with accessibility standards under section 3.199, subdivision 2. Support under this subdivision must include:

(1) clarifying the requirements of the accessibility standards;

(2) providing templates for common software applications used in developing documents used by the legislature;

(3) assisting the development of training for staff to comply with the accessibility standards and assisting in providing the training; and

(4) assisting the development of technical applications that enable legislative documents to be fully accessible.

The chief information officer must provide these services at no cost to the legislature.

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

Sec. 11. Minnesota Statutes 2018, section 16E.035, is amended to read:

16E.035 TECHNOLOGY INFRASTRUCTURE INVENTORY; SECURITY RISK ASSESSMENT.

Subdivision 1. **Inventory required.** The chief information officer must prepare ~~a financial~~ an inventory of technology infrastructure owned or leased by MN.IT Services or a state agency. The inventory must include:

(1) each agency's information technology security program;

(2) an inventory of servers, mainframes, cloud services, and other information technology systems and services, itemized by agency;

(3) identification of vendors that operate or manage information technology systems or services within each agency;

(4) information on how ~~the technology~~ each system or service fits into the state's information technology architecture; and

~~(2)~~ (5) a projected replacement schedule for each system or service.

~~The chief information officer must report the inventory to the legislative committees with primary jurisdiction over state technology issues by July 1 of each even-numbered year.~~

Subd. 2. **Risk assessment.** (a) The chief information officer must conduct a risk assessment of the information technology systems and services contained in the inventory required by subdivision 1. The risk assessment must include:

(1) an analysis and assessment of each state agency's security and operational risks; and

(2) for a state agency found to be at higher security and operational risks, a detailed analysis of, and an estimate of the costs to implement:

(i) the requirements for the agency to address the risks and related vulnerabilities; and

(ii) agency efforts to address the risks through the modernization of information technology systems and services, the use of cloud computing services, and use of a statewide data center.

(b) This section does not require disclosure of security information classified under section 13.37.

Subd. 3. **Reports required.** The chief information officer must submit a report containing the inventory and risk assessments required by this section to the governor and the chairs and ranking minority members of the legislative committees with primary jurisdiction over state information technology issues no later than October 1, 2019, and by October 1 of each even-numbered year thereafter.

Sec. 12. [16E.046] PROJECT MANAGEMENT FOR AGENCY INFORMATION TECHNOLOGY PROJECTS.

Subdivision 1. **Process for information technology project management.** When an executive branch state agency seeks to have a new information technology project developed for the agency, the commissioner or head of the agency must follow the following steps:

(1) establish business rules for the information technology project;

(2) develop a statement of work that defines project-specific activities, deliverables, and timelines for completion of the project. Where appropriate, as determined by the commissioner of the agency, the project should be divided into phases, with activities, deliverables, and timelines specified for each phase; and

(3) obtain a bid for the project based on the statement of work from the chief information officer for the office to perform the specified work on the specified timeline. If the office is not able to perform the specified work on the schedule described, the chief information officer must notify the commissioner of the agency. The commissioner may also obtain a bid for the project from private vendors or may have the work performed by employees within the agency. The commissioner may contract with the office to oversee aspects of the project to be performed by a private vendor.

Subd. 2. **Certification before deployment; project performed by MN.IT.** For an information technology project performed by the office, or a project for which MN.IT has oversight responsibility on behalf of an executive branch state agency, the chief information officer and the commissioner of the agency must share responsibility for decisions regarding deployment of the project as follows:

(1) no information technology project may be deployed without written certification by both the commissioner of the agency and the chief information officer that the project satisfies all requirements in the statement of work and adheres to business rules specified by the commissioner of the agency; and

(2) when a project or phase of a project fails to meet deadlines established in a statement of work, the commissioner or head of the agency and the chief information officer shall report within one week of the unmet deadline to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over the Office of MN.IT Services and over the agency.

Subd. 3. **Certification before deployment; project performed by private vendor.** For an information technology project performed by a private vendor without MN.IT involvement, the commissioner or head of the agency must certify that the project satisfied all requirements in the statement of work and adheres to business rules for the project. When the project or phase of a project fails to meet deadlines established in a statement of work, the commissioner or head of the agency must report within one week of the unmet deadline to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over the agency.

Subd. 4. **Standards and procedures.** The chief information officer shall work with the head of each agency supported by the office to establish standards and procedures governing information technology project development.

Sec. 13. Minnesota Statutes 2018, section 16E.0466, subdivision 1, is amended to read:

Subdivision 1. **Consultation required.** (a) Every state agency with an information or telecommunications project must consult with the Office of MN.IT Services to determine the information technology cost of the project if the Office of MN.IT Services is selected by an agency to perform the project. Upon agreement between the commissioner of a particular agency and the chief information officer, the agency must transfer the information technology cost portion of the project to the Office of MN.IT Services. Service level agreements must document all project-related transfers under this section. Those agencies specified in section 16E.016, paragraph ~~(d)~~ (e), are exempt from the requirements of this section.

(b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating balance appropriated to a state agency may be transferred to the information and telecommunications technology systems and services account for the information technology cost of a specific project, subject to the review of the Legislative Advisory Commission, under section 16E.21, subdivision 3.

Sec. 14. Minnesota Statutes 2018, section 16E.05, subdivision 3, is amended to read:

Subd. 3. **Capital investment.** No state agency may propose or implement a capital investment plan for a state office building unless:

(1) the agency has developed a plan for increasing telecommuting by employees who would normally work in the building, or the agency has prepared a statement describing why such a plan is not practicable; and

(2) the plan or statement has been reviewed by the office for technical feasibility and cost.

Sec. 15. Minnesota Statutes 2018, section 16E.14, subdivision 3, is amended to read:

Subd. 3. **Reimbursements.** Except as specifically provided otherwise by law, each agency shall reimburse the MN.IT services revolving fund for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, which the chief information officer is authorized and directed to furnish an agency. The chief information officer shall report the rates to be charged for the revolving fund no later than ~~July 1 each~~ June 1 each even-numbered calendar year to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the Office of MN.IT Services. These rates shall apply for the biennium beginning July 1 of the following calendar year.

Sec. 16. Minnesota Statutes 2018, section 16E.18, subdivision 6, is amended to read:

Subd. 6. **Rates.** (a) The chief information officer shall establish reimbursement rates in cooperation with the commissioner of management and budget to be billed to participating agencies and educational institutions sufficient to cover the operating, maintenance, and administrative costs of the system.

(b) An invoice or statement to an agency from the chief information officer must include clear descriptions of the services the Office of MN.IT Services has provided. The invoice or statement must categorize or code services in a manner prescribed by the agency, or the chief information officer must provide supplemental information with an invoice or statement that categorizes or codes all services reflected on the invoice or statement in a manner prescribed by the agency.

(c) Except as otherwise provided in subdivision 4, a direct appropriation made to an educational institution for usage costs associated with the state information infrastructure must only be used by the educational institution for payment of usage costs of the network as billed by the chief information officer.

Sec. 17. LEGISLATIVE EMPLOYEE WORKING GROUP ON THE LEGISLATURE'S ACCESSIBILITY MEASURES.

Subdivision 1. **Membership.** The legislative employee working group on the legislature's accessibility measures consists of 12 members. The senate majority leader and the speaker of the house must each appoint four employees from among the following offices that serve the respective bodies: media offices, information technology offices, legal and fiscal analysis offices, the secretary of the senate, the chief clerk of the house of representatives, and other offices considered appropriate. The chair of the Legislative Coordinating Commission must appoint four members from among the employees who serve in the Office of the Revisor of Statutes, the Legislative Reference Library, the Legislative Coordinating Commission, and the Office of the Legislative Auditor. In conducting its work, the working group may consult with the MN.IT Office of Accessibility; the Commission of Deaf, Deafblind and Hard of Hearing; the Minnesota Council on Disability; State Services for the Blind; and other groups that may be of assistance. Appointments to the working group must be made by June 1, 2019.

Subd. 2. **Duties; report.** (a) The employee working group must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over rules and to the chair and vice-chair of the Legislative Coordinating Commission by January 15, 2020. The report must:

(1) identify ways the legislature's accessibility measures do not meet accessibility standards applicable to state agencies under Minnesota Statutes, section 16E.03, subdivision 9;

(2) identify issues and technologies that may present barriers to compliance;

(3) suggest a compliance exception process;

(4) describe a plan to update the legislature's accessibility measures to be comparable to those required of state agencies under Minnesota Statutes, section 16E.03, subdivision 9; and

(5) estimate the costs for updates to the legislature's accessibility measures.

(b) For purposes of this report, the employee working group does not need to consider making archived documents, recordings, or publications accessible.

Subd. 3. **First meeting; chair.** The executive director of the Legislative Coordinating Commission must convene the first meeting of the working group by July 15, 2019. At the first meeting, the members must elect a chair.

Subd. 4. **Compensation; reimbursement.** Members serve without compensation but may be reimbursed for expenses.

Subd. 5. **Administrative support.** The Legislative Coordinating Commission must provide administrative support to the working group.

Subd. 6. **Expiration.** The working group expires January 15, 2020, or a later date selected by agreement of the appointing authorities in subdivision 1, but not later than January 15, 2025.

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

Sec. 18. **FIRST APPOINTMENTS AND FIRST MEETING OF LEGISLATIVE COMMISSION ON CYBERSECURITY.**

Subdivision 1. **First appointments.** Appointing authorities must make initial appointments to the Legislative Commission on Cybersecurity by July 1, 2019.

Subd. 2. **First meeting.** The majority leader of the senate shall designate one senate member of the Legislative Commission on Cybersecurity under Minnesota Statutes, section 3.888, to convene the first meeting by August 15, 2019. The commission must select a chair from among the senate members at the first meeting.

Subd. 3. **Meetings in 2019.** Notwithstanding Minnesota Statutes, section 3.888, subdivision 5, the commission must meet at least twice in 2019.

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

Sec. 19. **COMPLETION OF INFORMATION TECHNOLOGY CONSOLIDATION; SURCHARGE AND SUSPENSION OF SERVICES FOR NONCOMPLIANT AGENCIES; STRATEGIC WORKPLAN.**

Subdivision 1. **Consolidation required; state agency surcharge.** (a) No later than December 31, 2020, the state chief information officer must complete the executive branch information technology consolidation required by Laws 2011, First Special Session chapter 10, article 4, section 7, as amended by Laws 2013, chapter 134, section 29. The head of any state agency subject to consolidation must assist the state chief information officer as necessary to implement the requirements of this subdivision.

(b) Beginning July 1, 2020, the state chief information officer must impose a technology consolidation surcharge of ... percent on billings, and must suspend ongoing work on any new projects or system upgrades, for an agency with information technology systems that have not fully integrated into the statewide consolidated system despite the requirements of law. Amounts received from the surcharge must be deposited into the general fund and used to support information technology projects within agencies that have completed the consolidation or for other purposes directed by law.

Subd. 2. **Strategic workplan.** No later than August 1, 2019, the state chief information officer must prepare a strategic workplan detailing the steps necessary to complete the information technology consolidation required by subdivision 1. The plan must include benchmark goals that can be reasonably measured and documented and have specific deadlines to be met within each quarter. The benchmark goals must include but are not limited to strategies for implementing the cloud computing services review required by Minnesota Statutes, section 16E.03, subdivision 4a, and

other tools to provide secure and cost-effective services to executive branch agencies and other end-users.

Subd. 3. **Progress reports.** (a) No later than September 1, 2019, the state chief information officer must submit a copy of the workplan required by subdivision 2 to the chairs and ranking minority members of the legislative committees with primary jurisdiction over state government finance and state information technology services.

(b) No later than October 1, 2019, and quarterly thereafter, the state chief information officer must submit a progress report to the committees receiving the workplan required by paragraph (a). At a minimum, the progress reports must include:

(1) information sufficient to determine whether deadlines for each benchmark goal have been met and an explanation of the circumstances for any deadline that has not been met;

(2) details on the progress toward achieving each benchmark goal; and

(3) information on any new or unexpected costs or other barriers that impact progress toward achieving a benchmark goal, including a detailed explanation of efforts by the state chief information officer to reduce or eliminate those costs or barriers to ensure achievement of that goal.

The report must also identify any agencies subject to the surcharge required under subdivision 1, paragraph (b).

(c) The state chief information officer must appear at public hearings convened by the chairs of the committees identified in paragraph (a) and respond to questions from committee members regarding the progress update.

Sec. 20. **FIRST APPOINTMENTS AND FIRST MEETING OF LEGISLATIVE COMMISSION ON INFORMATION TECHNOLOGY.**

Subdivision 1. **First appointments.** Appointing authorities must make initial appointments to the Legislative Commission on Information Technology by July 1, 2019.

Subd. 2. **First meeting.** The majority leader of the senate shall designate one senate member of the Legislative Commission on Information Technology under Minnesota Statutes, section 3.888, to convene the first meeting by August 15, 2019. The commission must select a chair from among the senate members at the first meeting.

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

Sec. 21. **REVISOR INSTRUCTION.**

The chief information officer is required to work with the revisor of statutes to prepare draft legislation to eliminate all references in law to the "North Star" service and replace it with "state web portal."

ARTICLE 4

RACING COMMISSION

Section 1. Minnesota Statutes 2018, section 240.01, is amended by adding a subdivision to read:

Subd. 18a. **Racing or gaming-related vendor.** "Racing or gaming-related vendor" means any person or entity that manufactures, sells, provides, distributes, repairs or maintains equipment or supplies used at a Class A facility or provides services to a Class A facility or Class B license holder that are directly related to the running of a horse race, simulcasting, pari-mutuel betting, or card playing.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 2. Minnesota Statutes 2018, section 240.02, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** A member of the commission must have been a resident of Minnesota for at least five years before appointment, and must have a background and experience as would qualify for membership on the commission. ~~A member must, before taking a place on the commission, file a bond in the principal sum of \$100,000 payable to the state, conditioned upon the faithful performance of duties.~~ No commissioner, nor any member of the commissioner's immediate family residing in the same household, may hold a license issued by the commission or have a direct or indirect financial interest in a corporation, partnership, or association which holds a license issued by the commission.

Sec. 3. Minnesota Statutes 2018, section 240.02, subdivision 6, is amended to read:

Subd. 6. **Annual Biennial report.** The commission shall on February 15 of each odd-numbered year submit a report to the governor and legislature on its activities, organizational structure, receipts and disbursements, and recommendations for changes in the laws relating to racing and pari-mutuel betting.

Sec. 4. Minnesota Statutes 2018, section 240.08, subdivision 5, is amended to read:

Subd. 5. **Revocation and suspension.** (a) After providing a licensee with notice and an opportunity to be heard, the commission may:

(1) revoke a class C license for a violation of law or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, the public health, welfare, or safety, or for an intentional false statement made in a license application; or

The commission may (2) suspend a class C license for up to ~~one year~~ five years for a violation of law, order or rule. If the license expires during the term of suspension, the licensee shall be ineligible to apply for another license from the commission until the expiration of the term of suspension.

(b) The commission may delegate to its designated agents the authority to impose suspensions of class C licenses; and

(c) Except as provided in paragraph (d), the revocation or suspension of a class C license may be appealed to the commission according to its rules.

~~(b) A license revocation or suspension for more than 90 days is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act and is in addition to criminal penalties imposed for a violation of law or rule.~~

(d) If the commission revokes or suspends a class C license for more than one year, the licensee has the right to appeal by requesting a contested case hearing under chapter 14. The request must be made in writing and sent to the commission by certified mail or personal service. A request sent by certified mail must be postmarked within ten days after the licensee receives the order of revocation or suspension from the commission. A request sent by personal service must be received by the commission within ten days after the licensee receives the order of revocation or suspension from the commission.

~~(e) The commission may summarily suspend a license for more than up to 90 days prior to a contested case hearing where it is necessary to ensure the integrity of racing or to protect the public health, welfare, or safety. A contested case hearing must be held within 30 days of the summary suspension and the administrative law judge's report must be issued within 30 days from the close of the hearing record. In all cases involving summary suspension the commission must issue its final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61. The licensee has the right to appeal a summary suspension to the commission according to its rules.~~

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

Sec. 5. Minnesota Statutes 2018, section 240.10, is amended to read:

240.10 LICENSE FEES.

(a) The fee for a class A license is \$253,000 per year and must be remitted on July 1. The fee for a class B license is \$500 for each assigned racing day and \$100 for each day on which simulcasting is authorized and must be remitted on July 1. The fee for a class D license is \$50 for each assigned racing day on which racing is actually conducted. Fees imposed on class D licenses must be paid to the commission at a time and in a manner as provided by rule of the commission.

(b) The commission shall by rule establish an annual license fee for each occupation it licenses under section 240.08.

(c) The initial annual license application fee for a class C license to provide advance deposit wagering on horse racing under this chapter is \$10,000 and an annual license fee of \$2,500 applies thereafter.

(d) Notwithstanding section 16A.1283, the commission shall by rule establish an annual license fee for each type of racing or gaming-related vendor it licenses, not to exceed \$2,500.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 6. Minnesota Statutes 2018, section 240.12, is amended to read:

240.12 LICENSE AGREEMENTS.

The commission may enter into agreements or compacts with comparable bodies in other racing jurisdictions for the mutual recognition of occupational licenses issued by each body. The commission may by rule provide for and may charge a fee for the registration of each license issued in another jurisdiction.

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

Sec. 7. Minnesota Statutes 2018, section 240.13, subdivision 5, is amended to read:

Subd. 5. **Purses.** (a) From the amounts deducted from all pari-mutuel pools by a licensee, including breakage, an amount equal to not less than the following percentages of all money in all pools must be set aside by the licensee and used for purses for races conducted by the licensee, provided that a licensee may agree by contract with an organization representing a majority of the horsepersons racing the breed involved to set aside amounts in addition to the following percentages, if the contract is in writing and ~~filed with~~ reviewed by the commission for compliance with this subdivision:

(1) for live races conducted at a class A facility, 8.4 percent of handle;

(2) for simulcasts conducted any day a class A facility is licensed, not less than 37 percent of the ~~takeout~~ amount remaining after deduction for the state pari-mutuel tax, payment to the breeders fund, and payment to the sending out-of-state racetrack for receipt of the signal.

The commission may by rule provide for the administration and enforcement of this subdivision. The deductions for payment to the sending out-of-state racetrack must be actual, except that when there exists any overlap of ownership, control, or interest between the sending out-of-state racetrack and the receiving licensee, the deduction must not be greater than three percent unless agreed to between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races during the existing racing meeting or, if outside of the racing season, during the most recent racing meeting.

The licensee shall pay to the commission for deposit in the Minnesota breeders fund 5-1/2 percent of the takeout from all pari-mutuel pools generated by wagering at the licensee's facility on simulcasts of races not conducted in this state.

(b) ~~From the money set aside for purses,~~ The licensee shall pay to the horseperson's organization representing the majority of the horsepersons racing the breed involved and contracting with the licensee with respect to purses and the conduct of the racing meetings and providing representation to its members, an amount as may be determined by agreement by the licensee and the horsepersons' organization sufficient to provide benevolent programs, benefits, and services for horsepersons and their on-track employees. The amount paid may be deducted ~~only~~ from the money set aside for purses to be paid in races for the breed represented by the horseperson's organization or may be paid from breakage retained by the licensee from live or simulcast wagering as agreed between the licensee and horsepersons' organization. With respect to racing meetings where more than one breed is racing, the licensee may contract independently with the horseperson's organization representing each breed racing. The contract must be in writing and reviewed by the commission for compliance with this subdivision.

(c) Notwithstanding sections 325D.49 to 325D.66, a horseperson's organization representing the majority of the horsepersons racing a breed at a meeting, and the members thereof, may agree to withhold horses during a meeting.

(d) Money set aside for purses from wagering on simulcasts must be used for purses for live races involving the same breed involved in the simulcast except that money set aside for purses and payments to the breeders fund from wagering on simulcasts of races not conducted in this state, occurring during a live mixed meet, must be allotted to the purses and breeders fund for each breed participating in the mixed meet as agreed upon by the breed organizations participating in the live mixed meet. The agreement shall be in writing and ~~filed with~~ reviewed by the commission for compliance with this subdivision prior to the first day of the live mixed meet. In the absence of a written agreement ~~filed with~~ reviewed by the commission, the money set aside for purses and payments to the breeders fund from wagering on simulcasts, occurring during a live mixed meet, shall be allotted to each breed participating in the live mixed meet in the same proportion that the number of live races run by each breed bears to the total number of live races conducted during the period of the mixed meet.

(e) The allocation of money set aside for purses to particular racing meets may be adjusted, relative to overpayments and underpayments, by contract between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed involved at the licensee's facility. The contract must be in writing and reviewed by the commission for compliance with this subdivision.

(f) Subject to the provisions of this chapter, money set aside from pari-mutuel pools for purses must be for the breed involved in the race that generated the pool, except that if the breed involved in the race generating the pari-mutuel pool is not racing in the current racing meeting, or has not raced within the preceding 12 months at the licensee's class A facility, money set aside for purses may be distributed proportionately to those breeds that have run during the preceding 12 months or paid to the commission and used for purses or to promote racing for the breed involved in the race generating the pari-mutuel pool, or both, in a manner prescribed by the commission.

(g) This subdivision does not apply to a class D licensee.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 8. Minnesota Statutes 2018, section 240.131, subdivision 7, is amended to read:

Subd. 7. **Payments to state.** (a) A regulatory fee is imposed at the rate of one percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the costs associated with regulating horse racing and pari-mutuel wagering in Minnesota.

(b) A breeders fund fee is imposed in the amount of one-quarter of one percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to

the commission no more than ~~seven~~ 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the cost of administering the breeders fund and promote horse breeding in Minnesota.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 9. Minnesota Statutes 2018, section 240.135, is amended to read:

240.135 CARD CLUB REVENUE.

(a) From the amounts received from charges authorized under section 240.30, subdivision 4, the licensee shall set aside the amounts specified in this section to be used for purse payments. These amounts are in addition to the breeders fund and purse requirements set forth elsewhere in this chapter.

(1) For amounts between zero and \$6,000,000, the licensee shall set aside not less than ten percent to be used as purses.

(2) For amounts in excess of \$6,000,000, the licensee shall set aside not less than 14 percent to be used as purses.

(b) From all amounts set aside under paragraph (a), the licensee shall set aside ten percent to be deposited in the breeders fund.

(c) It is the intent of the legislature that the proceeds of the card playing activities authorized by this chapter be used to improve the horse racing industry by improving purses. The licensee and the horseperson's organization representing the majority of horsepersons who have raced at the racetrack during the preceding 12 months may negotiate percentages that exceed those stated in this section if the agreement is in writing and ~~filed with~~ reviewed by the commission for compliance with this section. The commission shall annually review the financial details of card playing activities and determine if the present use of card playing proceeds is consistent with the policy established by this paragraph. If the commission determines that the use of the proceeds does not comply with the policy set forth herein, then the commission shall direct the parties to make the changes necessary to ensure compliance. If these changes require legislation, the commission shall make the appropriate recommendations to the legislature.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 10. Minnesota Statutes 2018, section 240.16, subdivision 1, is amended to read:

Subdivision 1. **Powers and duties.** All horse races run at a licensed racetrack must be presided over by a board of three stewards, who must be appointees of the commission or persons approved by it. The commission shall designate one steward as chair. At least two stewards for all races either shall be employees of the commission who shall serve in the unclassified service, or shall be under contract with the commission to serve as stewards. The commission may delegate the following duties and powers to a board of stewards:

- (1) to ensure that races are run in accordance with the commission's rules;
- (2) to supervise the conduct of racing to ensure the integrity of the sport;
- (3) to settle disputes arising from the running of horse races, and to certify official results;
- (4) to impose on licensees, for violation of law or commission rules, finer not exceeding \$5,000 and license suspensions not exceeding 90 days of up to \$10,000, suspensions of up to one year, and other sanctions as delegated by the commission or permitted under its rules;
- (5) to recommend to the commission where warranted penalties in excess of those in clause (4);
- (6) to otherwise enforce the laws and rules of racing; and
- (7) to perform other duties and have other powers assigned by the commission.

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

Sec. 11. Minnesota Statutes 2018, section 240.16, subdivision 2, is amended to read:

Subd. 2. **Appeals; hearings.** Except as provided by section 240.08, subdivision 5, a ruling of a board of stewards may be appealed to the commission or be reviewed by it. The commission may review any ruling by the board of stewards on its own initiative. The commission may provide for appeals to be heard by less than a quorum of the commission. A hearing on a penalty imposed by a board of stewards must be granted on request.

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

Sec. 12. Minnesota Statutes 2018, section 240.18, subdivision 2, is amended to read:

Subd. 2. **Thoroughbred and quarterhorse categories.** (a) With respect to available money apportioned in the thoroughbred and quarterhorse categories, 20 percent must be expended as follows:

(1) at least one-half in the form of grants, contracts, or expenditures for equine research and related education at ~~the University of Minnesota School of Veterinary Medicine~~ public institutions of postsecondary learning in the state; and

(2) the balance in the form of grants, contracts, or expenditures for one or more of the following:

(i) additional equine research and related education;

(ii) substance abuse programs for licensed personnel at racetracks in this state; and

(iii) promotion and public information regarding industry and commission activities; racehorse breeding, ownership, and management; and development and expansion of economic benefits from racing.

(b) As a condition of a grant, contract, or expenditure under paragraph (a), the commission shall require an annual report from the recipient on the use of the funds ~~to the commission, the chair of the house of representatives Committee on General Legislation, Veterans Affairs, and Gaming, and the chair of the senate committee on Gaming Regulation.~~

(c) The commission shall include in its ~~annual~~ biennial report a summary of each grant, contract, or expenditure under paragraph (a), clause (2), and a description of how the commission has coordinated activities among recipients to ensure the most efficient and effective use of funds.

(d) After deducting the amount for paragraph (a), the balance of the available proceeds in each category may be expended by the commission to:

(1) supplement purses for races held exclusively for Minnesota-bred or Minnesota-foaled horses, and supplement purses for Minnesota-bred or Minnesota-foaled horses racing in nonrestricted races in that category;

(2) pay breeders' or owners' awards to the breeders or owners of Minnesota-bred horses in that category which win money at ~~licensed pari-mutuel racetracks in the state~~ licensed by any state or province; and

(3) provide other financial incentives to encourage the horse breeding industry in Minnesota.

Sec. 13. Minnesota Statutes 2018, section 240.18, subdivision 3, is amended to read:

Subd. 3. **Standardbred category.** (a) With respect to the available money apportioned in the standardbred category, 20 percent must be expended as follows:

(1) one-half of that amount to supplement purses for standardbreds at non-pari-mutuel racetracks in the state; and

~~(2) one-fourth of that amount for the development of non-pari-mutuel standardbred tracks in the state; and~~

~~(3) one-fourth~~ (2) one-half of that amount as grants for equine research and related education at public institutions of postsecondary learning in the state.

(b) After deducting the amount for paragraph (a), the balance of the available proceeds in the standardbred category must be expended by the commission to:

(1) supplement purses for races held exclusively for Minnesota-bred and Minnesota-foaled standardbreds;

(2) pay breeders or owners awards to the breeders or owners of Minnesota-bred standardbreds which win money at licensed racetracks in the state; and

(3) provide other financial incentives to encourage the horse breeding industry in Minnesota.

Sec. 14. Minnesota Statutes 2018, section 240.22, is amended to read:

240.22 FINES.

(a) The commission shall by rule establish a schedule of civil fines of up to \$50,000 for a class C licensee and up to \$200,000 for a class A, B, or D licensee for violations of laws related to horse racing or of the commission's rules. The schedule must be based on and reflect the culpability, frequency and severity of the violator's actions. The commission may impose a fine from this

schedule on a licensee for a violation of those rules or laws relating to horse racing. The fine is in addition to any criminal penalty imposed for the same violation. Except as provided in paragraph (b), fines may be appealed to the commission according to its rules. Fines imposed by the commission must be paid to the commission and except as provided in paragraph (c), forwarded to the commissioner of management and budget for deposit in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and appropriated to the commission to distribute in the form of grants, contracts, or expenditures to support racehorse adoption, retirement, and repurposing.

(b) If the commission issues a fine in excess of ~~\$5,000~~ \$10,000, the license holder has the right to request a contested case hearing under chapter 14, to be held as set forth in Minnesota Rules, chapter 1400. The appeal of a fine must be made in writing to the commission by certified mail or personal service. An appeal sent by certified mail must be postmarked within ten days after the license holder receives the fine order from the commission. An appeal sent by personal service must be received by the commission within ten days after the license holder receives the fine order from the commission.

(c) If the commission is the prevailing party in a contested case proceeding, the commission may recover, from amounts to be forwarded under paragraph (a), reasonable attorney fees and costs associated with the contested case.

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

Sec. 15. Minnesota Statutes 2018, section 240.27, is amended to read:

240.27 EXCLUSION OF CERTAIN PERSONS.

Subdivision 1. **Persons excluded.** The commission may exclude from any and all licensed racetracks in the state a person who:

- (1) has been convicted of a felony under the laws of any state or the United States;
- (2) has had a license suspended, revoked, or denied by the commission or by the racing authority of any other jurisdiction; or
- (3) is determined by the commission, on the basis of evidence presented to it, to be a threat to the public safety or the integrity of racing or card playing in Minnesota.

Subd. 2. **Hearing; appeal.** An order to exclude ~~a~~ an unlicensed person from any or all licensed racetracks in the state must be made by the commission ~~at~~ following a public hearing of which the person to be excluded must have had at least five days' notice. If present at the hearing, the person must be permitted to show cause why the exclusion should not be ordered. An appeal of the order may be made in the same manner as other appeals under section 240.20.

Subd. 3. **Notice to racetracks.** Upon issuing an order excluding a person from any or all licensed racetracks, the commission shall send a copy of the order to the excluded person and to all racetracks or telereading facilities named in it, along with other information as it deems necessary to permit compliance with the order.

Subd. 4. **Prohibitions.** It is a gross misdemeanor for a person named in an exclusion order to enter, attempt to enter, or be on the premises of a racetrack named in the order while it is in effect, and for a person licensed to conduct racing or operate a racetrack knowingly to permit an excluded person to enter or be on the premises.

Subd. 5. **Exclusions by racetrack.** ~~The holder of a license to conduct racing may eject and exclude from its premises any licensee or any other person who is in violation of any state law or commission rule or order or who is a threat to racing integrity or the public safety. A person so excluded from racetrack premises may appeal the exclusion to the commission and must be given a public hearing on the appeal upon request. At the hearing the person must be given the opportunity to show cause why the exclusion should not have been ordered. If the commission after the hearing finds that the integrity of racing and the public safety do not justify the exclusion, it shall order the racetrack making the exclusion to reinstate or readmit the person. An appeal of a commission order upholding the exclusion is governed by section 240.20. A licensed racetrack may eject and exclude from its premises any person for any lawful reason. If a licensed racetrack excludes a person for a suspected or potential violation of law or rule, or if a licensed racetrack excludes any person for more than five days, the licensed racetrack shall provide the person's name and reason for the exclusion to the commission within 72 hours.~~

ARTICLE 5

GAMBLING CONTROL BOARD

Section 1. Minnesota Statutes 2018, section 349.12, subdivision 2, is amended to read:

Subd. 2. **Active member.** "Active member" means a member:

- (1) who has paid all dues to the organization;
- (2) who is 18 years of age or older;
- (3) who has equal voting rights with all other members;
- (4) who has equal opportunity to be an elected officer;
- (5) who has equal right and responsibilities of attendance at the regularly scheduled meetings of the organization;
- (6) whose name and membership origination date appear with the member's knowledge and consent on a list of members of the organization; and
- (7) who has been a member of the organization for at least ~~six months~~ the most recent 90 days.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 2. Minnesota Statutes 2018, section 349.17, subdivision 6, is amended to read:

Subd. 6. **Conduct of bingo.** The price of a face played on an electronic bingo device may not be less than the price of a face on a bingo paper sheet sold for the same game at the same occasion. Bingo gift certificates must only be sold for face value. A game of bingo begins with the first letter

and number called or displayed. Each player must cover, mark, or activate the numbers when bingo numbers are randomly selected and announced or displayed to the players. The game is won when a player, using bingo paper, bingo hard card, or a facsimile of a bingo paper sheet, has completed, as described in the bingo program, a previously designated pattern or previously determined requirements of the game and declared bingo. A bingo pattern or bingo game requirement may not be completed with fewer than three bingo numbers having been drawn, unless the game being played is a cover-none game. The game is completed when a winning card, sheet, or facsimile is verified and a prize awarded pursuant to subdivision 3.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 3. Minnesota Statutes 2018, section 349.181, subdivision 5, is amended to read:

Subd. 5. **Lessor's immediate family.** The lessor's immediate family may not participate directly or indirectly as a player in a pull-tab, a tipboard, or a paddlewheel, or an electronic linked bingo game conducted at that premises.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 4. Minnesota Statutes 2018, section 349.19, subdivision 1, is amended to read:

Subdivision 1. **Required record of receipts.** (a) A licensed organization must keep a record of each occasion on which it conducts gambling, including each bingo occasion and each day on which other forms of lawful gambling are conducted. The record must include gross receipts, quantities of free plays if any, expenses, prizes, and gross profit. The board may by rule provide for the methods by which expenses are documented.

(b) In the case of bingo,:

(1) gross receipts must be compared to the checkers' records for the occasion by a person who did not sell cards for the occasion; and

(2) the organization must keep a bingo gift certificate log showing each bingo gift certificate number, the face value, the date sold, and the date redeemed.

(c) Separate records must be kept for bingo and all other forms of lawful gambling.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 5. Minnesota Statutes 2018, section 349.19, subdivision 2, is amended to read:

Subd. 2. **Accounts.** (a) Gross receipts from lawful gambling by each organization must be segregated from all other revenues of the conducting organization and placed in a separate gambling bank account.

(b) All expenditures for allowable expenses, taxes, and lawful purposes must be made from the separate account except (1) in the case of expenditures previously approved by the organization's membership for emergencies as defined by board rule, or (2) when restricted to one electronic fund transaction for the payment of taxes for the organization as a whole, the organization may transfer

the amount of taxes related to the conduct of gambling to the general account at the time when due and payable.

(c) The name and address of the bank, the account number for the separate account, and the names of organization members authorized as signatories on the separate account must be provided to the board when the application is submitted. Changes in the information must be submitted to the board at least ten days before the change is made.

(d) Except as provided in paragraph (e), gambling receipts must be deposited into the gambling bank account within four business days of completion of the bingo occasion, deal, or game from which they are received.

(1) A deal of paper pull-tabs is considered complete when either the last pull-tab of the deal is sold or the organization does not continue the play of the deal during the next scheduled period of time in which the organization will conduct pull-tabs.

(2) A tipboard game is considered complete when the seal on the game flare is uncovered or the organization does not continue the play of the deal during the next scheduled period of time in which the organization will conduct tipboards.

(e) Gambling receipts from electronic gambling must be recorded on a daily basis and deposited into the gambling bank account:

(1) when the total net receipts from all electronic games at the premises reach the sum of \$2,000 or on or before; and

(2) within four business days of the first day of the month immediately following the month during which the receipts were generated, whichever occurs first.

(f) Deposit records must be sufficient to allow determination of deposits made from each bingo occasion, deal, or game at each permitted premises.

(g) The person who accounts for gambling gross receipts and profits may not be the same person who accounts for other revenues of the organization.

EFFECTIVE DATE. This section is effective July 1, 2019.

ARTICLE 6

STATE BOARD OF ACCOUNTANCY

Section 1. Minnesota Statutes 2018, section 326A.01, subdivision 2, is amended to read:

Subd. 2. **Attest.** "Attest" means providing any of the following services:

(1) an audit or other engagement performed in accordance with the Statements on Auditing Standards (SAS);

(2) an audit or other engagement performed in accordance with the Generally Accepted Government Auditing Standards (GAGAS);

(3) a review of a financial statement performed in accordance with the Statements on Standards for Accounting and Review Services (SSARS);

~~(3)~~ (4) an examination of prospective financial information performed in accordance with the Statements on Standards for Attestation Engagements (SSAE);

~~(4)~~ (5) an engagement performed in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB); and

~~(5)~~ (6) an examination, review, or agreed-upon procedures engagement performed in accordance with SSAE, other than an examination described in clause (3).

Sec. 2. Minnesota Statutes 2018, section 326A.04, subdivision 4, is amended to read:

Subd. 4. **Program of learning.** Each licensee shall participate in a program of learning designed to maintain professional competency. The program of learning must comply with rules adopted by the board. The board may by rule create an exception to this requirement for licensees who do not perform or offer to perform for the public one or more kinds of services involving the use of ~~accounting or auditing skills, including issuance of reports on financial statements or of one or more kinds of: attest or compilation engagements, management advisory services, financial advisory services, or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters.~~ A licensee granted such an exception by the board must place the word "inactive" or "retired," if applicable, adjacent to the CPA title on any business card, letterhead, or any other document or device, with the exception of the licensee's certificate on which the CPA title appears.

Sec. 3. Minnesota Statutes 2018, section 326A.04, subdivision 5, is amended to read:

Subd. 5. **Fee.** (a) The board shall charge a fee for each application for initial issuance or renewal of a certificate or temporary military certificate under this section as provided in paragraph (b). ~~The fee for the temporary military certificate is \$100.~~

(b) The board shall charge the following fees:

(1) initial issuance of certificate, \$150;

(2) renewal of certificate with an active status, \$100 per year;

(3) initial CPA firm permits, except for sole practitioners, \$100;

(4) renewal of CPA firm permits, except for sole practitioners and those firms specified in clause ~~(17)~~ (16), \$35 per year;

(5) initial issuance and renewal of CPA firm permits for sole practitioners, except for those firms specified in clause ~~(17)~~ (16), \$35 per year;

(6) annual late processing delinquency fee for permit, certificate, or registration renewal applications not received prior to expiration date, \$50;

(7) copies of records, per page, 25 cents;

(8) registration of noncertificate holders, nonlicensees, and nonregistrants in connection with renewal of firm permits, \$45 per year;

(9) applications for reinstatement, \$20;

(10) initial registration of a registered accounting practitioner, \$50;

(11) initial registered accounting practitioner firm permits, \$100;

(12) renewal of registered accounting practitioner firm permits, except for sole practitioners, \$100 per year;

(13) renewal of registered accounting practitioner firm permits for sole practitioners, \$35 per year;

~~(14) CPA examination application, \$40;~~

~~(15)~~ (14) CPA examination, fee determined by third-party examination administrator;

~~(16)~~ (15) renewal of certificates with an inactive status, \$25 per year; ~~and~~

~~(17)~~ (16) renewal of CPA firm permits for firms that have one or more offices located in another state, \$68 per year; and

(17) temporary military certificate, \$100.

Sec. 4. [326A.045] RETIRED STATUS.

Subdivision 1. Retired status requirements. The board shall grant retired status to a person who meets the following criteria:

(1) is age 55 or older;

(2) holds a current active license to practice public accounting under this chapter with a license status of active, inactive, or exempt under Minnesota Rules, part 1105.3700;

(3) declares that he or she is not practicing public accounting in any jurisdiction;

(4) was in good standing with the board at the time the person last held a license under this chapter; and

(5) submits an application for retired status on a form provided by the board.

Subd. 2. Retired status effect. Retired status is an honorific status. Retired status is not a license to engage in the practice of public accounting. A person granted retired status shall not perform or offer to perform services for which a license under this chapter is required.

Subd. 3. Documentation of status. The board shall provide to a person granted retired status a document stating that retired status has been granted.

Subd. 4. **Representation to the public.** A person granted retired status may represent themselves as "Certified Public Accountant - Retired," "CPA - Retired," "Retired Certified Public Accountant," or "Retired CPA," but shall not represent themselves or allow themselves to be represented to the public as a current licensee of the board.

Subd. 5. **Continuing education not required.** A person is not required to comply with continuing education requirements in section 326A.04, subdivision 4, to acquire or maintain retired status.

Subd. 6. **Renewal not required.** A person granted retired status is not required to renew their registration or pay renewal fees to maintain retired status.

Subd. 7. **Change to active or inactive status.** The board shall change a license status from retired to active or inactive, if a person with retired status requests a status change and meets requirements for reactivation prescribed by rule.

Sec. 5. Minnesota Statutes 2018, section 326A.08, subdivision 4, is amended to read:

Subd. 4. **Cease and desist orders.** (a) The board, or the complaint committee if authorized by the board, may issue and have served upon a certificate holder, a permit holder, a registration holder, a person with practice privileges granted under section 326A.14, a person who has previously been subject to a disciplinary order by the board, or an unlicensed firm or person an order requiring the person or firm to cease and desist from the act or practice constituting a violation of the statute, rule, or order. The order must be calculated to give reasonable notice of the rights of the person or firm to request a hearing and must state the reasons for the entry of the order. No order may be issued until an investigation of the facts has been conducted pursuant to section 214.10.

~~(b) Service of the order is effective when the order is served on the person, firm, or counsel of record personally, or by certified mail to the most recent address provided to the board for the person, firm, or counsel of record.~~ may be by first class United States mail, including certified United States mail, or overnight express mail service, postage prepaid and addressed to the party at the party's last known address. Service by United States mail, including certified mail, is complete upon placing the order in the mail or otherwise delivering the order to the United States mail service. Service by overnight express mail service is complete upon delivering the order to an authorized agent of the express mail service.

(c) Unless otherwise agreed by the board, or the complaint committee if authorized by the board, and the person or firm requesting the hearing, the hearing must be held no later than 30 days after the request for the hearing is received by the board.

(d) The administrative law judge shall issue a report within 30 days of the close of the contested case hearing record, notwithstanding Minnesota Rules, part 1400.8100, subpart 3. Within 30 days after receiving the report and any exceptions to it, the board shall issue a further order vacating, modifying, or making permanent the cease and desist orders as the facts require.

(e) If no hearing is requested within 30 days of service of the order, the order becomes final and remains in effect until it is modified or vacated by the board.

(f) If the person or firm to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person or firm is in default and the proceeding may be determined

against that person or firm upon consideration of the cease and desist order, the allegations of which may be considered to be true.

(g) In lieu of or in addition to the order provided in paragraph (a), the board may require the person or firm to provide to the board a true and complete list of the person's or firm's clientele so that they can, if deemed necessary, be notified of the board's action. Failure to do so, or to provide an incomplete or inaccurate list, is an act discreditable.

Sec. 6. Minnesota Statutes 2018, section 326A.08, subdivision 5, is amended to read:

Subd. 5. Actions against persons or firms. (a) The board may, by order, deny, refuse to renew, suspend, temporarily suspend, or revoke the application, or practice privileges, registration or certificate of a person or firm; censure or reprimand the person or firm; prohibit the person or firm from preparing tax returns or reporting on financial statements; limit the scope of practice of any licensee; limit privileges under section 326A.14; refuse to permit a person to sit for examination; or refuse to release the person's examination grades if the board finds that the order is in the public interest and that, based on a preponderance of the evidence presented, the person or firm:

(1) has violated a statute, rule, or order that the board has issued or is empowered to enforce;

(2) has engaged in conduct or acts that are fraudulent, deceptive, or dishonest whether or not the conduct or acts relate to performing or offering to perform professional services, providing that the fraudulent, deceptive, or dishonest conduct or acts reflect adversely on the person's or firm's ability or fitness to provide professional services;

(3) has engaged in conduct or acts that are negligent or otherwise in violation of the standards established by board rule, where the conduct or acts relate to providing professional services, including in the filing or failure to file the licensee's income tax returns;

(4) has been convicted of, has pled guilty or nolo contendere to, or has been sentenced as a result of the commission of a felony or crime, an element of which is dishonesty or fraud; has been shown to have or admitted to having engaged in acts or practices tending to show that the person or firm is incompetent; or has engaged in conduct reflecting adversely on the person's or firm's ability or fitness to provide professional services, whether or not a conviction was obtained or a plea was entered or withheld and whether or not dishonesty or fraud was an element of the conduct;

(5) employed fraud or deception in obtaining a certificate, permit, registration, practice privileges, renewal, or reinstatement or in passing all or a portion of the examination;

(6) has had the person's or firm's permit, registration, practice privileges, certificate, right to examine, or other similar authority revoked, suspended, canceled, limited, or not renewed for cause, or has committed unprofessional acts for which the person or firm was otherwise disciplined or sanctioned, including, but not limited to, being ordered to or agreeing to cease and desist from prescribed conduct, in any state or any foreign country;

(7) has had the person's or firm's right to practice before any federal, state, other government agency, or Public Company Accounting Oversight Board revoked, suspended, canceled, limited, or not renewed for cause, or has committed unprofessional acts for which the person or firm was

otherwise disciplined or sanctioned, including, but not limited to, being ordered to or agreeing to cease and desist from prescribed conduct;

(8) failed to meet any requirement for the issuance or renewal of the person's or firm's certificate, registration or permit, or for practice privileges;

(9) with respect to temporary suspension orders, has committed an act, engaged in conduct, or committed practices that may result or may have resulted, in the opinion of the board or the complaint committee if authorized by the board, in an immediate threat to the public;

(10) has engaged in any conduct reflecting adversely upon the person's or firm's fitness to perform services while a licensee, individual granted privileges under section 326A.14, or a person registered under section 326A.06, paragraph (b); or

(11) has, prior to a voluntary surrender of a certificate or permit to the board, engaged in conduct which at any time resulted in the discipline or sanction described in clause (6) or (7).

(b) In lieu of or in addition to any remedy provided in paragraph (a), the board, or the complaint committee if authorized by the board, may require, as a condition of continued possession of a certificate, a registration, or practice privileges, termination of suspension, reinstatement of permit, registration of a person or firm or of practice privileges under section 326A.14, a certificate, an examination, or release of examination grades, that the person or firm:

(1) submit to a peer review of the person's or firm's ability, skills, or quality of work, conducted in a fashion and by persons, entity, or entities as required by the board; and

(2) complete to the satisfaction of the board continuing professional education courses specified by the board.

(c) ~~Service of the order is effective if the order is served on the person, firm, or counsel of record personally or by certified mail to the most recent address provided to the board for the person, firm, or counsel of record.~~ may be by first class United States mail, including certified United States mail, or overnight express mail service, postage prepaid and addressed to the party at the party's last known address. Service by United States mail, including certified mail, is complete upon placing the order in the mail or otherwise delivering the order to the United States mail service. Service by overnight express mail service is complete upon delivering the order to an authorized agent of the express mail service. The order shall state the reasons for the entry of the order.

(d) All hearings required by this subdivision must be conducted in accordance with chapter 14 except with respect to temporary suspension orders as provided for in subdivision 6.

(e) In addition to the remedies authorized by this subdivision, the board, or the complaint committee if authorized by the board, may enter into an agreement with the person or firm for corrective action and may unilaterally issue a warning to a person or firm.

(f) The board shall not use agreements for corrective action or warnings in any situation where the person or firm has been convicted of or pled guilty or nolo contendere to a felony or crime and the felony or crime is the basis of the board's action against the person or firm, where the conduct of the person or firm indicates a pattern of related violations of paragraph (a) or the rules of the

board, or where the board concludes that the conduct of the person or firm will not be deterred other than by disciplinary action under this subdivision or subdivision 4 or 6.

(g) Agreements for corrective action may be used by the board, or the complaint committee if authorized by the board, where the violation committed by the person or firm does not warrant disciplinary action pursuant to this subdivision or subdivision 4 or 6, but where the board, or the complaint committee if authorized by the board, determines that corrective action is required to prevent further such violations and to otherwise protect the public. Warnings may be used by the board, or the complaint committee if authorized by the board, where the violation of the person or firm is de minimus, does not warrant disciplinary action under this subdivision or subdivision 4 or 6, and does not require corrective action to protect the public.

(h) Agreements for corrective action must not be considered disciplinary action against the person's or firm's application, permit, registration or certificate, or practice privileges under section 326A.14. However, agreements for corrective action are public data. Warnings must not be considered disciplinary action against the person's or firm's application, permit, registration, or certificate or person's practice privileges and are private data.

Sec. 7. Minnesota Statutes 2018, section 326A.08, is amended by adding a subdivision to read:

Subd. 10. **Actions against lapsed license, certificate, or permit.** If a person's or firm's permit, registration, practice privileges, license, certificate, or other similar authority lapses, expires, is surrendered, withdrawn, terminated, canceled, limited, not renewed, or otherwise becomes invalid, the board may institute a proceeding under this subdivision within two years after the date the license, certificate, or permit was last effective and enter a revocation or suspension order as of the last date on which the license, certificate, or permit was in effect, or impose a civil penalty as provided for in subdivision 7.

Sec. 8. Minnesota Statutes 2018, section 326A.10, is amended to read:

326A.10 UNLAWFUL ACTS.

(a) Only a licensee and individuals who have been granted practice privileges under section 326A.14 may issue a report on financial statements of any person, firm, organization, or governmental unit that results from providing attest services, or offer to render or render any attest service. Only a certified public accountant, an individual who has been granted practice privileges under section 326A.14, a CPA firm, or, to the extent permitted by board rule, a person registered under section 326A.06, paragraph (b), may issue a report on financial statements of any person, firm, organization, or governmental unit that results from providing compilation services or offer to render or render any compilation service. These restrictions do not prohibit any act of a public official or public employee in the performance of that person's duties or prohibit the performance by any nonlicensee of other services involving the use of accounting skills, including the preparation of tax returns, management advisory services, and the preparation of financial statements without the issuance of reports on them. Nonlicensees may prepare financial statements and issue nonattest transmittals or information on them which do not purport to be in compliance with the Statements on Standards for Accounting and Review Services (SSARS). Nonlicensees registered under section 326A.06, paragraph (b), may, to the extent permitted by board rule, prepare financial statements and issue nonattest transmittals or information on them.

(b) Licensees and individuals who have been granted practice privileges under section 326A.14 performing attest or compilation services must provide those services in accordance with professional standards. To the extent permitted by board rule, registered accounting practitioners performing compilation services must provide those services in accordance with standards specified in board rule.

(c) A person who does not hold a valid certificate issued under section 326A.04 or a practice privilege granted under section 326A.14 shall not use or assume the title "certified public accountant," the abbreviation "CPA," or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the person is a certified public accountant.

(d) A firm shall not provide attest services or assume or use the title "certified public accountants," the abbreviation "CPA's," or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the firm is a CPA firm unless (1) the firm has complied with section 326A.05, and (2) ownership of the firm is in accordance with this chapter and rules adopted by the board.

(e) A person or firm that does not hold a valid certificate or permit issued under section 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not assume or use the title "certified accountant," "chartered accountant," "enrolled accountant," "licensed accountant," "registered accountant," "accredited accountant," "accounting practitioner," "public accountant," "licensed public accountant," or any other title or designation likely to be confused with the title "certified public accountant," or use any of the abbreviations "CA," "LA," "RA," "AA," "PA," "AP," "LPA," or similar abbreviation likely to be confused with the abbreviation "CPA." The title "enrolled agent" or "EA" may only be used by individuals so designated by the Internal Revenue Service.

(f) Persons registered under section 326A.06, paragraph (b), may use the title "registered accounting practitioner" or the abbreviation "RAP." A person who does not hold a valid registration under section 326A.06, paragraph (b), shall not assume or use such title or abbreviation.

(g) Except to the extent permitted in paragraph (a), nonlicensees may not use language in any statement relating to the financial affairs of a person or entity that is conventionally used by licensees in reports on financial statements or on an attest service. In this regard, the board shall issue by rule safe harbor language that nonlicensees may use in connection with such financial information. A person or firm that does not hold a valid certificate or permit, or a registration issued under section 326A.04, 326A.05, or 326A.06, paragraph (b), or has not otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not assume or use any title or designation that includes the word "accountant" or "accounting" in connection with any other language, including the language of a report, that implies that the person or firm holds such a certificate, permit, or registration or has special competence as an accountant. A person or firm that does not hold a valid certificate or permit issued under section 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not assume or use any title or designation that includes the word "auditor" in connection with any other language, including the language of a report, that implies that the person or firm holds such a certificate or permit or has special competence as an auditor. However, this paragraph does not prohibit any officer, partner, member, manager, or employee of any firm or organization from affixing that person's own signature to any statement in reference to the financial affairs of such firm or organization with any wording designating the position, title,

or office that the person holds, nor prohibit any act of a public official or employee in the performance of the person's duties as such.

(h)(1) No person holding a certificate or registration or firm holding a permit under this chapter shall use a professional or firm name or designation that is misleading about the legal form of the firm, or about the persons who are partners, officers, members, managers, or shareholders of the firm, or about any other matter. However, names of one or more former partners, members, managers, or shareholders may be included in the name of a firm or its successor.

(2) A common brand name or network name part, including common initials, used by a CPA firm in its name, is not misleading if the firm is a network firm as defined in the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct ~~in effect July 1, 2011~~ incorporated by reference in Minnesota Rules, part 1105.0250, and when offering or rendering services that require independence under AICPA standards, the firm must comply with the AICPA code's applicable standards on independence.

(i) Paragraphs (a) to (h) do not apply to a person or firm holding a certification, designation, degree, or license granted in a foreign country entitling the holder to engage in the practice of public accountancy or its equivalent in that country, if:

(1) the activities of the person or firm in this state are limited to the provision of professional services to persons or firms who are residents of, governments of, or business entities of the country in which the person holds the entitlement;

(2) the person or firm performs no attest or compilation services and issues no reports with respect to the information of any other persons, firms, or governmental units in this state; and

(3) the person or firm does not use in this state any title or designation other than the one under which the person practices in the foreign country, followed by a translation of the title or designation into English, if it is in a different language, and by the name of the country.

(j) No holder of a certificate issued under section 326A.04 may perform attest services through any business form that does not hold a valid permit issued under section 326A.05.

(k) No individual licensee may issue a report ~~in standard form~~ upon a compilation of financial information through any form of business that does not hold a valid permit issued under section 326A.05, unless the report discloses the name of the business through which the individual is issuing the report, and the individual:

(1) signs the compilation report identifying the individual as a certified public accountant;

(2) meets the competency requirement provided in applicable standards; and

(3) undergoes no less frequently than once every three years, a peer review conducted in a manner specified by the board in rule, and the review includes verification that the individual has met the competency requirements set out in professional standards for such services.

(l) No person registered under section 326A.06, paragraph (b), may issue a report ~~in standard form~~ upon a compilation of financial information unless the board by rule permits the report and the person:

- (1) signs the compilation report identifying the individual as a registered accounting practitioner;
- (2) meets the competency requirements in board rule; and

(3) undergoes no less frequently than once every three years a peer review conducted in a manner specified by the board in rule, and the review includes verification that the individual has met the competency requirements in board rule.

(m) Nothing in this section prohibits a practicing attorney or firm of attorneys from preparing or presenting records or documents customarily prepared by an attorney or firm of attorneys in connection with the attorney's professional work in the practice of law.

(n) The board shall adopt rules that place limitations on receipt by a licensee or a person who holds a registration under section 326A.06, paragraph (b), of:

- (1) contingent fees for professional services performed; and
- (2) commissions or referral fees for recommending or referring to a client any product or service.

(o) Anything in this section to the contrary notwithstanding, it shall not be a violation of this section for a firm not holding a valid permit under section 326A.05 and not having an office in this state to provide its professional services in this state so long as it complies with the applicable requirements of section 326A.05, subdivision 1."

Delete the title and insert:

"A bill for an act relating to the operation of state government; appropriating money for the legislature, governor's office, state auditor, attorney general, secretary of state, certain agencies, boards, councils, and retirement funds; changing provisions in state government operations; establishing commissions and task forces; repealing state aid to PERA General for MERF; requiring reports; amending Minnesota Statutes 2018, sections 3.855, subdivision 2, by adding a subdivision; 3.97, subdivision 3a; 3.971, subdivision 9; 6.481, subdivisions 1, 3; 13.599, by adding a subdivision; 15A.083, subdivision 6a; 16A.103, subdivision 1a; 16A.11, subdivision 3; 16E.01, subdivision 1a; 16E.016; 16E.03, subdivisions 1, 2, by adding subdivisions; 16E.035; 16E.0466, subdivision 1; 16E.05, subdivision 3; 16E.14, subdivision 3; 16E.18, subdivision 6; 43A.15, subdivision 14; 43A.191, subdivisions 2, 3; 179A.20, by adding a subdivision; 240.01, by adding a subdivision; 240.02, subdivisions 2, 6; 240.08, subdivision 5; 240.10; 240.12; 240.13, subdivision 5; 240.131, subdivision 7; 240.135; 240.16, subdivisions 1, 2; 240.18, subdivisions 2, 3; 240.22; 240.27; 240A.09; 326A.01, subdivision 2; 326A.04, subdivisions 4, 5; 326A.08, subdivisions 4, 5, by adding a subdivision; 326A.10; 349.12, subdivision 2; 349.17, subdivision 6; 349.181, subdivision 5; 349.19, subdivisions 1, 2; 353.27, subdivision 3c; 645.071; Laws 2018, chapter 100, section 1; proposing coding for new law in Minnesota Statutes, chapters 3; 5; 10; 14; 15; 16A; 16E; 326A; repealing Minnesota Statutes 2018, sections 3.9735; 353.505."

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

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

S.F. No. 802: A bill for an act relating to data practices; delaying expiration of the legislative commission on data practices; appropriating money; amending Minnesota Statutes 2018, section 3.8843, subdivision 7.

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

Delete everything after the enacting clause and insert:

**"ARTICLE 1
APPROPRIATIONS**

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2020" and "2021" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is fiscal years 2020 and 2021.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2020</u>	<u>2021</u>

Sec. 2. **SUPREME COURT**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>54,014,000</u>	<u>\$</u>	<u>54,302,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Supreme Court Operations</u>	<u>40,076,000</u>	<u>40,364,000</u>
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Contingent Account

\$5,000 each year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.

Subd. 3. <u>Civil Legal Services</u>	<u>13,938,000</u>	<u>13,938,000</u>
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Legal Services to Low-Income Clients in Family Law Matters

\$1,062,000 the first year and \$1,125,000 the second year are to improve the access of low-income clients to legal representation in family law matters. This appropriation must be distributed under Minnesota Statutes, section 480.242, to the qualified legal services program described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (a). Any unencumbered balance remaining in the first year does not cancel and is available in the second year.

Sec. 3. <u>COURT OF APPEALS</u>	<u>\$ 12,588,000</u>	<u>\$ 12,670,000</u>
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Sec. 4. <u>DISTRICT COURTS</u>	<u>\$ 301,555,000</u>	<u>\$ 304,048,000</u>
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Sec. 5. <u>GUARDIAN AD LITEM BOARD</u>	<u>\$ 16,967,000</u>	<u>\$ 17,069,000</u>
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Sec. 6. <u>TAX COURT</u>	<u>\$ 1,682,000</u>	<u>\$ 1,682,000</u>
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Sec. 7. <u>UNIFORM LAWS COMMISSION</u>	<u>\$ 98,000</u>	<u>\$ 98,000</u>
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Sec. 8. <u>BOARD ON JUDICIAL STANDARDS</u>	<u>\$ 530,000</u>	<u>\$ 509,000</u>
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Major Disciplinary Actions

\$125,000 each year is for special investigative and hearing costs for major disciplinary actions undertaken by the board. This appropriation does not cancel. Any unencumbered and unspent balances remain available for these expenditures until June 30, 2023.

Sec. 9. <u>BOARD OF PUBLIC DEFENSE</u>	<u>\$ 89,335,000</u>	<u>\$ 90,042,000</u>
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Sec. 10. <u>SENTENCING GUIDELINES</u>	<u>\$ 679,000</u>	<u>\$ 687,000</u>
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Sec. 11. <u>PUBLIC SAFETY</u>		
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an application for a grant from the federal program is also an application for funding from the state supplemental program.

Organizations meeting the eligibility requirements of this paragraph may receive grants of up to \$75,000, except that the total received by any individual from both the federal nonprofit security grant program and the state supplemental nonprofit security grant program shall not exceed \$75,000. Grants shall be awarded in an order consistent with the ranking given to applicants for the federal nonprofit security grant program. No grants under the state supplemental nonprofit security grant program shall be awarded until the announcement of the recipients and the amount of the grants awarded under the federal nonprofit security grant program.

The commissioner may use up to one percent, on an annual basis, of the appropriation received under this paragraph to pay costs incurred by the department in administering the supplemental nonprofit security grant program. This is a onetime appropriation.

Subd. 3. <u>Criminal Apprehension</u>	<u>58,444,000</u>	<u>58,577,000</u>
<u>Appropriations by Fund</u>		
<u>General</u>	<u>56,008,000</u>	<u>56,141,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>7,000</u>	<u>7,000</u>
<u>Trunk Highway</u>	<u>2,429,000</u>	<u>2,429,000</u>

(a) DWI Lab Analysis; Trunk Highway Fund

Notwithstanding Minnesota Statutes, section 161.20, subdivision 3, \$2,429,000 each year is from the trunk highway fund for laboratory analysis related to driving-while-impaired cases.

(b) Base Adjustment

To account for the base adjustments provided in Laws 2018, chapter 211, article 21, section

1, paragraph (a), the general fund base is increased by \$131,000 in each of fiscal years 2022 and 2023.

Subd. 4. Fire Marshal

6,622,000

6,622,000

The special revenue fund appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012.

Inspections

\$300,000 each year is for inspection of nursing homes and boarding care facilities.

Subd. 5. Firefighter Training and Education Board

5,015,000

5,015,000

The special revenue fund appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012.

(a) Firefighter Training and Education

\$4,265,000 each year is for firefighter training and education.

(b) Task Force 1

\$500,000 each year is for the Minnesota Task Force 1.

(c) Air Rescue

\$250,000 each year is for the Minnesota Air Rescue Team.

(d) Unappropriated Revenue

Any additional unappropriated money collected in fiscal year 2019 is appropriated to the commissioner for the purposes of Minnesota Statutes, section 299F.012. The commissioner may transfer appropriations and base amounts between activities in this subdivision.

Subd. 6. Alcohol and Gambling Enforcement

2,754,000

2,762,000

Appropriations by Fund

General

1,990,000

1,998,000

<u>Special Revenue</u>	<u>764,000</u>	<u>764,000</u>
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\$694,000 each year is from the alcohol enforcement account in the special revenue fund. Of this appropriation, \$500,000 each year shall be transferred to the general fund.

\$70,000 each year is from the lawful gambling regulation account in the special revenue fund.

Base Adjustment

To account for the base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), the general fund base is increased by \$8,000 in each of fiscal years 2022 and 2023.

<u>Subd. 7. Office of Justice Programs</u>	<u>39,800,000</u>	<u>39,801,000</u>
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	<u>Appropriations by Fund</u>	
<u>General</u>	<u>39,704,000</u>	<u>39,705,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>96,000</u>	<u>96,000</u>

(a) Base Adjustment

To account for the base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), the general fund base is increased by \$2,000 in each of fiscal years 2022 and 2023.

(b) Administration Costs

Up to 2.5 percent of the grant funds appropriated in this subdivision may be used by the commissioner to administer the grant program.

<u>Subd. 8. Emergency Communication Networks</u>	<u>77,650,000</u>	<u>77,650,000</u>
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This appropriation is from the state government special revenue fund for 911 emergency telecommunications services.

This appropriation includes funds for information technology project services and support subject to the provisions of

Minnesota Statutes, section 16E.0466. Any ongoing information technology costs will be incorporated into the service level agreement and will be paid to the Office of MN.IT Services by the Department of Public Safety under the rates and mechanism specified in that agreement.

(a) Public Safety Answering Points

\$13,664,000 each year is to be distributed as provided in Minnesota Statutes, section 403.113, subdivision 2.

(b) Medical Resource Communication Centers

\$683,000 each year is for grants to the Minnesota Emergency Medical Services Regulatory Board for the Metro East and Metro West Medical Resource Communication Centers that were in operation before January 1, 2000.

(c) ARMER Debt Service

\$23,261,000 each year is transferred to the commissioner of management and budget to pay debt service on revenue bonds issued under Minnesota Statutes, section 403.275.

Any portion of this appropriation not needed to pay debt service in a fiscal year may be used by the commissioner of public safety to pay cash for any of the capital improvements for which bond proceeds were appropriated by Laws 2005, chapter 136, article 1, section 9, subdivision 8; or Laws 2007, chapter 54, article 1, section 10, subdivision 8.

(d) ARMER State Backbone Operating Costs

\$9,675,000 each year is transferred to the commissioner of transportation for costs of maintaining and operating the statewide radio system backbone.

(e) ARMER Improvements

Subd. 4. Peace Officer Training Assistance

\$3,000,000 each year is from the general fund to support and strengthen law enforcement training and implement best practices. The base for this activity is \$0 in fiscal year 2022 and thereafter.

Subd. 5. De-escalation Training

\$100,000 each year is from the peace officer training account in the special revenue fund for training state and local community safety personnel in the use of crisis de-escalation techniques. The board must ensure that training opportunities provided are reasonably distributed statewide.

Sec. 13. <u>PRIVATE DETECTIVE BOARD</u>	<u>\$</u>	<u>192,000</u>	<u>\$</u>	<u>192,000</u>
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Sec. 14. <u>HUMAN RIGHTS</u>	<u>\$</u>	<u>4,720,000</u>	<u>\$</u>	<u>4,720,000</u>
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Sec. 15. **CORRECTIONS**

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>600,299,000</u>	<u>\$</u>	<u>607,054,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Correctional Institutions</u>		<u>441,008,000</u>		<u>446,950,000</u>
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(a) Base Adjustment

To account for the base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), the general fund base is increased by \$2,342,000 in each of fiscal years 2022 and 2023.

(b) Facility Staff Positions

\$2,762,000 the first year and \$4,762,000 the second year are for additional correctional officers and other positions deemed critical to facility safety and security. The base for this activity is \$11,240,000 in fiscal year 2022 and \$11,241,000 in fiscal year 2023.

(c) Security

\$2,000,000 the first year is to upgrade critical security infrastructure and modernize critical security systems.

Subd. 3. <u>Community Services</u>	<u>130,900,000</u>	<u>131,487,000</u>
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Base Adjustment

To account for the base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), the general fund base is increased by \$168,000 in each of fiscal years 2022 and 2023.

Subd. 4. <u>Operations Support</u>	<u>28,391,000</u>	<u>28,617,000</u>
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Base Adjustment

To account for the base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), the general fund base is increased by \$64,000 in each of fiscal years 2022 and 2023.

Sec. 16. TRANSFER; DISASTER ASSISTANCE CONTINGENCY ACCOUNT.

(a) If the fiscal year 2019 final closing balance in the general fund exceeds the closing balance projected at the end of the 2019 legislative session by at least \$20,000,000, the commissioner of management and budget must transfer \$20,000,000 from the general fund to the disaster assistance contingency account established under Minnesota Statutes, section 12.221, subdivision 6.

(b) If the fiscal year 2019 final closing balance in the general fund exceeds the closing balance projected at the end of the 2019 legislative session by less than \$20,000,000, the commissioner of management and budget must transfer an amount equal to the difference between the fiscal year 2019 final closing balance and the closing balance projected at the end of the 2019 legislative session from the general fund to the disaster assistance contingency account established under Minnesota Statutes, section 12.221, subdivision 6.

(c) If a transfer is required under this section, the transfer must be completed before September 30, 2019.

Sec. 17. Minnesota Statutes 2018, section 299A.707, is amended by adding a subdivision to read:

Subd. 6. **Annual transfer.** In fiscal year 2019 and each year thereafter, the commissioner of management and budget shall transfer \$461,000 from the general fund to the community justice reinvestment account.

Sec. 18. Minnesota Statutes 2018, section 357.021, subdivision 7, is amended to read:

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

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

(2) ~~39~~ 62 percent shall be credited to the peace officers training account in the special revenue fund; and

(3) ~~60~~ 37 percent shall be credited to the general fund.

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

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

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

ARTICLE 2

PUBLIC SAFETY POLICY CHANGES RELATED TO APPROPRIATIONS

Section 1. Minnesota Statutes 2018, section 243.166, subdivision 1b, is amended to read:

Subd. 1b. **Registration required.** (a) A person shall register under this section if:

(1) the person was charged with or petitioned for a felony violation of or attempt to violate, or aiding, abetting, or conspiracy to commit, any of the following, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) murder under section 609.185, paragraph (a), clause (2);

(ii) kidnapping under section 609.25;

(iii) criminal sexual conduct under section 609.342; 609.343; 609.344; 609.345; 609.3451, subdivision 3; or 609.3453; ~~or~~

(iv) indecent exposure under section 617.23, subdivision 3; or

(v) surreptitious intrusion under the circumstances described in section 609.746, subdivision 1, paragraph (f);

(2) the person was charged with or petitioned for a violation of, or attempt to violate, or aiding, abetting, or conspiring to commit criminal abuse in violation of section 609.2325, subdivision 1, paragraph (b); false imprisonment in violation of section 609.255, subdivision 2; solicitation, inducement, or promotion of the prostitution of a minor or engaging in the sex trafficking of a minor in violation of section 609.322; a prostitution offense in violation of section 609.324, subdivision 1, paragraph (a); soliciting a minor to engage in sexual conduct in violation of section 609.352, subdivision 2 or 2a, clause (1); using a minor in a sexual performance in violation of section 617.246; or possessing pornographic work involving a minor in violation of section 617.247, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances;

(3) the person was sentenced as a patterned sex offender under section 609.3455, subdivision 3a; or

(4) the person was charged with or petitioned for, including pursuant to a court martial, violating a law of the United States, including the Uniform Code of Military Justice, similar to the offenses described in clause (1), (2), or (3), and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances.

(b) A person also shall register under this section if:

(1) the person was charged with or petitioned for an offense in another state that would be a violation of a law described in paragraph (a) if committed in this state and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances;

(2) the person enters this state to reside, work, or attend school, or enters this state and remains for 14 days or longer; and

(3) ten years have not elapsed since the person was released from confinement or, if the person was not confined, since the person was convicted of or adjudicated delinquent for the offense that triggers registration, unless the person is subject to a longer registration period under the laws of another state in which the person has been convicted or adjudicated, or is subject to lifetime registration.

If a person described in this paragraph is subject to a longer registration period in another state or is subject to lifetime registration, the person shall register for that time period regardless of when the person was released from confinement, convicted, or adjudicated delinquent.

(c) A person also shall register under this section if the person was committed pursuant to a court commitment order under Minnesota Statutes 2012, section 253B.185, chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state or the United States, regardless of whether the person was convicted of any offense.

(d) A person also shall register under this section if:

(1) the person was charged with or petitioned for a felony violation or attempt to violate any of the offenses listed in paragraph (a), clause (1), or a similar law of another state or the United States, or the person was charged with or petitioned for a violation of any of the offenses listed in paragraph (a), clause (2), or a similar law of another state or the United States;

(2) the person was found not guilty by reason of mental illness or mental deficiency after a trial for that offense, or found guilty but mentally ill after a trial for that offense, in states with a guilty but mentally ill verdict; and

(3) the person was committed pursuant to a court commitment order under section 253B.18 or a similar law of another state or the United States.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2018, section 609.341, subdivision 10, is amended to read:

Subd. 10. **Current or recent position of authority.** "Current or recent position of authority" includes but is not limited to any person who is a parent or acting in the place of a parent and charged with or assumes any of a parent's rights, duties or responsibilities to a child, or a person who is charged with or assumes any duty or responsibility for the health, welfare, or supervision of a child, either independently or through another, no matter how brief, at the time of or within 120 days immediately preceding the act. For the purposes of subdivision 11, "position of authority" includes a psychotherapist.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2018, section 609.341, subdivision 11, is amended to read:

Subd. 11. **Sexual contact.** (a) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (a) to (f), and 609.345, subdivision 1, clauses (a) to (e), and (h) to ~~(p)~~ (p), includes any of the following acts committed without the complainant's consent, except in those cases where consent is not a defense, and committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts, or

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts effected by a person in a position of authority, or by coercion, or by inducement if the complainant is under 13 years of age or mentally impaired, or

(iii) the touching by another of the complainant's intimate parts effected by coercion or by a person in a position of authority, or

(iv) in any of the cases above, the touching of the clothing covering the immediate area of the intimate parts, or

(v) the intentional touching with seminal fluid or sperm by the actor of the complainant's body or the clothing covering the complainant's body.

(b) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (g) and (h), and 609.345, subdivision 1, clauses (f) and (g), includes any of the following acts committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts;

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts;

(iii) the touching by another of the complainant's intimate parts;

(iv) in any of the cases listed above, touching of the clothing covering the immediate area of the intimate parts; or

(v) the intentional touching with seminal fluid or sperm by the actor of the complainant's body or the clothing covering the complainant's body.

(c) "Sexual contact with a person under 13" means the intentional touching of the complainant's bare genitals or anal opening by the actor's bare genitals or anal opening with sexual or aggressive intent or the touching by the complainant's bare genitals or anal opening of the actor's or another's bare genitals or anal opening with sexual or aggressive intent.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2018, section 609.342, subdivision 1, is amended to read:

Subdivision 1. **Crime defined.** A person who engages in sexual penetration with another person, or in sexual contact with a person under 13 years of age as defined in section 609.341, subdivision 11, paragraph (c), is guilty of criminal sexual conduct in the first degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(b) the complainant is at least 13 years of age but less than 16 years of age and the actor is more than 48 months older than the complainant and in a current or recent position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(c) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(d) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(e) the actor causes personal injury to the complainant, and either of the following circumstances exist:

(i) the actor uses force or coercion to accomplish sexual penetration; or

(ii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(f) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) an accomplice uses force or coercion to cause the complainant to submit; or

(ii) an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant reasonably to believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 5. Minnesota Statutes 2018, section 609.343, subdivision 1, is amended to read:

Subdivision 1. **Crime defined.** A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the second degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a current or recent position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(c) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(d) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the dangerous weapon to cause the complainant to submit;

(e) the actor causes personal injury to the complainant, and either of the following circumstances exist:

(i) the actor uses force or coercion to accomplish the sexual contact; or

(ii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(f) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) an accomplice uses force or coercion to cause the complainant to submit; or

(ii) an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2018, section 609.344, subdivision 1, is amended to read:

Subdivision 1. **Crime defined.** A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the third degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant. In any such case if the actor is no more than 120 months older

than the complainant, it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor reasonably believes the complainant to be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not be a defense. Consent by the complainant is not a defense;

(c) the actor uses force or coercion to accomplish the penetration;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a current or recent position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual penetration occurred:

(i) during the psychotherapy session; or

(ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists.

Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual penetration occurred by means of therapeutic deception. Consent by the complainant is not a defense;

(k) the actor accomplishes the sexual penetration by means of deception or false representation that the penetration is for a bona fide medical purpose. Consent by the complainant is not a defense;

(l) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:

(i) the sexual penetration occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

(ii) the sexual penetration occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private. Consent by the complainant is not a defense;

(m) the actor is an employee, independent contractor, or volunteer of a state, county, city, or privately operated adult or juvenile correctional system, or secure treatment facility, or treatment facility providing services to clients civilly committed as mentally ill and dangerous, sexually dangerous persons, or sexual psychopathic personalities, including, but not limited to, jails, prisons, detention centers, or work release facilities, and the complainant is a resident of a facility or under supervision of the correctional system. Consent by the complainant is not a defense;

(n) the actor provides or is an agent of an entity that provides special transportation service, the complainant used the special transportation service, and the sexual penetration occurred during or immediately before or after the actor transported the complainant. Consent by the complainant is not a defense; ~~or~~

(o) the actor performs massage or other bodywork for hire, the complainant was a user of one of those services, and nonconsensual sexual penetration occurred during or immediately before or after the actor performed or was hired to perform one of those services for the complainant; or

(p) the actor is a peace officer, as defined in section 626.84, and the officer physically or constructively restrains the complainant or the complainant does not reasonably feel free to leave the officer's presence. Consent by the complainant is not a defense. This paragraph does not apply to any penetration of the mouth, genitals, or anus during a lawful search.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2018, section 609.345, subdivision 1, is amended to read:

Subdivision 1. **Crime defined.** A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the fourth degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant or in a current or recent position of authority over the complainant. Consent by the complainant to the act is not a defense. In any such case, if the actor is no more than 120 months older than the complainant, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor reasonably believes the complainant to be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not be a defense;

(c) the actor uses force or coercion to accomplish the sexual contact;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a current or recent position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual contact occurred:

(i) during the psychotherapy session; or

(ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists. Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual contact occurred by means of therapeutic deception. Consent by the complainant is not a defense;

(k) the actor accomplishes the sexual contact by means of deception or false representation that the contact is for a bona fide medical purpose. Consent by the complainant is not a defense;

(l) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:

(i) the sexual contact occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

(ii) the sexual contact occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private. Consent by the complainant is not a defense;

(m) the actor is an employee, independent contractor, or volunteer of a state, county, city, or privately operated adult or juvenile correctional system, or secure treatment facility, or treatment facility providing services to clients civilly committed as mentally ill and dangerous, sexually dangerous persons, or sexual psychopathic personalities, including, but not limited to, jails, prisons, detention centers, or work release facilities, and the complainant is a resident of a facility or under supervision of the correctional system. Consent by the complainant is not a defense;

(n) the actor provides or is an agent of an entity that provides special transportation service, the complainant used the special transportation service, ~~the complainant is not married to the actor~~, and the sexual contact occurred during or immediately before or after the actor transported the complainant. Consent by the complainant is not a defense; ~~or~~

(o) the actor performs massage or other bodywork for hire, the complainant was a user of one of those services, and nonconsensual sexual contact occurred during or immediately before or after the actor performed or was hired to perform one of those services for the complainant; or

(p) the actor is a peace officer, as defined in section 626.84, and the officer physically or constructively restrains the complainant or the complainant does not reasonably feel free to leave the officer's presence. Consent by the complainant is not a defense.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2018, section 609.746, subdivision 1, is amended to read:

Subdivision 1. **Surreptitious intrusion; observation device.** (a) A person is guilty of a gross misdemeanor who:

(1) enters upon another's property;

(2) surreptitiously gazes, stares, or peeps in the window or any other aperture of a house or place of dwelling of another; and

(3) does so with intent to intrude upon or interfere with the privacy of a member of the household.

(b) A person is guilty of a gross misdemeanor who:

(1) enters upon another's property;

(2) surreptitiously installs or uses any device for observing, photographing, recording, amplifying, or broadcasting sounds or events through the window or any other aperture of a house or place of dwelling of another; and

(3) does so with intent to intrude upon or interfere with the privacy of a member of the household.

(c) A person is guilty of a gross misdemeanor who:

(1) surreptitiously gazes, stares, or peeps in the window or other aperture of a sleeping room in a hotel, as defined in section 327.70, subdivision 3, a tanning booth, or other place where a reasonable person would have an expectation of privacy and has exposed or is likely to expose their intimate

parts, as defined in section 609.341, subdivision 5, or the clothing covering the immediate area of the intimate parts; and

(2) does so with intent to intrude upon or interfere with the privacy of the occupant.

(d) A person is guilty of a gross misdemeanor who:

(1) surreptitiously installs or uses any device for observing, photographing, recording, amplifying, or broadcasting sounds or events through the window or other aperture of a sleeping room in a hotel, as defined in section 327.70, subdivision 3, a tanning booth, or other place where a reasonable person would have an expectation of privacy and has exposed or is likely to expose their intimate parts, as defined in section 609.341, subdivision 5, or the clothing covering the immediate area of the intimate parts; and

(2) does so with intent to intrude upon or interfere with the privacy of the occupant.

(e) A person is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both, if the person:

(1) violates this subdivision after a previous conviction under this subdivision or section 609.749; or

(2) violates this subdivision against a minor under the age of 18, knowing or having reason to know that the minor is present.

(f) A person is guilty of a felony and may be sentenced to imprisonment for not more than four years or to payment of a fine of not more than \$5,000, or both, if: (1) the person violates paragraph (b) or (d) against a minor victim under the age of 18; (2) the person is more than 36 months older than the minor victim; (3) the person knows or has reason to know that the minor victim is present; and (4) the violation is committed with sexual intent.

(g) Paragraphs (b) and (d) do not apply to law enforcement officers or corrections investigators, or to those acting under their direction, while engaged in the performance of their lawful duties. Paragraphs (c) and (d) do not apply to conduct in: (1) a medical facility; or (2) a commercial establishment if the owner of the establishment has posted conspicuous signs warning that the premises are under surveillance by the owner or the owner's employees.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2018, section 617.246, subdivision 2, is amended to read:

Subd. 2. **Use of minor.** (a) It is unlawful for a person to promote, employ, use or permit a minor to engage in or assist others to engage minors in posing or modeling alone or with others in any sexual performance or pornographic work if the person knows or has reason to know that the conduct intended is a sexual performance or a pornographic work.

Any person who violates this ~~subdivision~~ paragraph is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000 ~~for the first offense and \$40,000 for a second or subsequent offense~~, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$40,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.247;

(2) the violation occurs when the person is a registered predatory offender under section 243.166;
or

(3) the violation involved a minor under the age of 13 years.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2018, section 617.246, subdivision 3, is amended to read:

Subd. 3. **Operation or ownership of business.** (a) A person who owns or operates a business in which a pornographic work, as defined in this section, is disseminated to an adult or a minor or is reproduced, and who knows the content and character of the pornographic work disseminated or reproduced, is guilty of a felony and may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than \$20,000 ~~for the first offense and \$40,000 for a second or subsequent offense~~, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$40,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.247;

(2) the violation occurs when the person is a registered predatory offender under section 243.166;
or

(3) the violation involved a minor under the age of 13 years.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2018, section 617.246, subdivision 4, is amended to read:

Subd. 4. **Dissemination.** (a) A person who, knowing or with reason to know its content and character, disseminates for profit to an adult or a minor a pornographic work, as defined in this section, is guilty of a felony and may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than \$20,000 ~~for the first offense and \$40,000 for a second or subsequent offense~~, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$40,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.247;

(2) the violation occurs when the person is a registered predatory offender under section 243.166;
or

(3) the violation involved a minor under the age of 13 years.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2018, section 617.246, subdivision 7, is amended to read:

Subd. 7. **Conditional release term.** Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, when a court commits a person to the custody of the commissioner of corrections for violating this section, the court shall provide that after the person has been released from prison, the commissioner shall place the person on conditional release for five years. If the person has previously been convicted of a violation of this section, section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.3453, or 617.247, or any similar statute of the United States, this state, or any state, the commissioner shall place the person on conditional release for ~~ten~~ 15 years. The terms of conditional release are governed by section 609.3455, subdivision 8.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 13. Minnesota Statutes 2018, section 617.247, subdivision 3, is amended to read:

Subd. 3. **Dissemination prohibited.** (a) A person who disseminates pornographic work to an adult or a minor, knowing or with reason to know its content and character, is guilty of a felony and may be sentenced to imprisonment for not more than seven years ~~and or to payment of a fine of not more than \$10,000 for a first offense and for not more than 15 years and a fine of not more than \$20,000 for a second or subsequent offense, or both.~~

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$20,000, or both,
if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.246;

(2) the violation occurs when the person is a registered predatory offender under section 243.166;
or

(3) the violation involved a minor under the age of 13 years.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 14. Minnesota Statutes 2018, section 617.247, subdivision 4, is amended to read:

Subd. 4. **Possession prohibited.** (a) A person who possesses a pornographic work or a computer disk or computer or other electronic, magnetic, or optical storage system or a storage system of any other type, containing a pornographic work, knowing or with reason to know its content and character, is guilty of a felony and may be sentenced to imprisonment for not more than five years ~~and or to payment of a fine of not more than \$5,000 for a first offense and for not more than ten years and a fine of not more than \$10,000 for a second or subsequent offense, or both.~~

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$10,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.246;

(2) the violation occurs when the person is a registered predatory offender under section 243.166;
or

(3) the violation involved a minor under the age of 13 years.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 15. Minnesota Statutes 2018, section 617.247, subdivision 9, is amended to read:

Subd. 9. **Conditional release term.** Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, when a court commits a person to the custody of the commissioner of corrections for violating this section, the court shall provide that after the person has been released from prison, the commissioner shall place the person on conditional release for five years. If the person has previously been convicted of a violation of this section, section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.3453, or 617.246, or any similar statute of the United States, this state, or any state, the commissioner shall place the person on conditional release for ~~ten~~ 15 years. The terms of conditional release are governed by section 609.3455, subdivision 8.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 16. **SENTENCING GUIDELINES MODIFICATION.**

The Sentencing Guidelines Commission shall comprehensively review and consider modifying how the Sentencing Guidelines and the sex offender grid address the crimes described in Minnesota Statutes, sections 617.246 and 617.247, as compared to similar crimes, including other sex offenses and other offenses with similar maximum penalties."

Delete the title and insert:

"A bill for an act relating to public safety; appropriating money for public safety, courts, corrections, human rights, Guardian Ad Litem Board, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, Sentencing Guidelines, Peace Officer Standards and Training

(POST) Board, and Private Detective Board; increasing the maximum penalty and requiring predatory offender registration for certain invasion of privacy crimes involving minors; increasing penalties for child pornography offenses; expanding criminal sexual conduct offenses for persons in current or recent positions of authority over juveniles and for peace officers who engage in sexual activity with those in custody; amending Minnesota Statutes 2018, sections 243.166, subdivision 1b; 299A.707, by adding a subdivision; 357.021, subdivision 7; 609.341, subdivisions 10, 11; 609.342, subdivision 1; 609.343, subdivision 1; 609.344, subdivision 1; 609.345, subdivision 1; 609.746, subdivision 1; 617.246, subdivisions 2, 3, 4, 7; 617.247, subdivisions 3, 4, 9."

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

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Latz amendment to S.F. No. 802.

There were yeas 3 and nays 6, as follows:

Those who voted in the affirmative were:

Senators Dziezic, Latz, and Pappas.

Those who voted in the negative were:

Senators Anderson, B; Hall; Ingebrigtsen; Johnson; Limmer; and Relph.

The amendment was not adopted.

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Dziezic amendment to S.F. No. 802.

There were yeas 3 and nays 6, as follows:

Those who voted in the affirmative were:

Senators Dziezic, Latz, and Pappas.

Those who voted in the negative were:

Senators Anderson, B; Hall; Ingebrigtsen; Johnson; Limmer; and Relph.

The amendment was not adopted.

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Latz amendment to S.F. No. 802.

There were yeas 3 and nays 6, as follows:

Those who voted in the affirmative were:

Senators Dziedzic, Latz, and Pappas.

Those who voted in the negative were:

Senators Anderson, B; Hall; Ingebrigtsen; Johnson; Limmer; and Relph.

The amendment was not adopted.

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Dziedzic amendment to S.F. No. 802.

There were yeas 3 and nays 6, as follows:

Those who voted in the affirmative were:

Senators Dziedzic, Latz, and Pappas.

Those who voted in the negative were:

Senators Anderson, B; Hall; Ingebrigtsen; Johnson; Limmer; and Relph.

The amendment was not adopted.

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Latz amendment to S.F. No. 802.

There were yeas 3 and nays 6, as follows:

Those who voted in the affirmative were:

Senators Dziedzic, Latz, and Pappas.

Those who voted in the negative were:

Senators Anderson, B; Hall; Ingebrigtsen; Johnson; Limmer; and Relph.

The amendment was not adopted.

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Pappas amendment to S.F. No. 802.

There were yeas 4 and nays 5, as follows:

Those who voted in the affirmative were:

Senators Anderson, B; Dziedzic; Latz; and Pappas.

Those who voted in the negative were:

Senators Hall, Ingebrigtsen, Johnson, Limmer, and Relph.

The amendment was not adopted.

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the motion that S.F. No. 802, as amended, be recommended to pass and be re-referred.

There were yeas 6 and nays 3, as follows:

Those who voted in the affirmative were:

Senators Anderson, B; Hall; Ingebrigtsen; Johnson; Limmer; and Relph.

Those who voted in the negative were:

Senators Dziedzic, Latz, and Pappas.

The motion prevailed.

SECOND READING OF HOUSE BILLS

H.F. Nos. 554 and 679 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Wiger introduced--

S.F. No. 2816: A bill for an act relating to transportation; establishing a rail infrastructure and economic development program; modifying rail-related accounts; making technical changes; amending Minnesota Statutes 2018, sections 222.49; 222.50, subdivision 7; 222.57; 222.63, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 222.

Referred to the Committee on Transportation Finance and Policy.

Senators Draheim, Simonson, Isaacson, Eichorn, and Lang introduced--

S.F. No. 2817: A bill for an act relating to workforce development; mandating a biannual inventory of workforce development programs; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116L.

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

Senators Tomassoni, Bakk, Utke, Johnson, and Eichorn introduced--

S.F. No. 2818: A bill for an act relating to taxation; sustainable forest incentive program; clarifying effective date; amending Laws 2017, First Special Session chapter 1, article 10, section 4.

Referred to the Committee on Taxes.

Senators Pappas, Senjem, Newton, Hayden, and Pratt introduced--

S.F. No. 2819: A bill for an act relating to capital investment; appropriating money for a grant to Pillsbury United Communities.

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

Senator Senjem introduced--

S.F. No. 2820: A bill for an act relating to transportation; taxation; establishing a reserve account for Department of Transportation projects approved by the legislature; establishing a transportation projects reserve account tax checkoff; appropriating money; amending Minnesota Statutes 2018, section 270C.445, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 174; 290.

Referred to the Committee on Taxes.

Senator Ingebrigtsen introduced--

S.F. No. 2821: A bill for an act relating to natural resources; requiring commissioner of natural resources to increase percentage of fish for stocking purchased from private sector for five years.

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

Senator Ingebrigtsen introduced--

S.F. No. 2822: A bill for an act relating to capital investment; appropriating money for improvements to the Fergus Falls armory; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Gazelka introduced--

S.F. No. 2823: A bill for an act relating to transportation; requiring a traffic safety study on marked Trunk Highway 210 in Pillager; requiring a report.

Referred to the Committee on Transportation Finance and Policy.

Senators Anderson, P. and Hayden introduced--

S.F. No. 2824: A bill for an act relating to state government finance; appropriating money for healthy eating, here at home grants.

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

Senator Rosen introduced--

S.F. No. 2825: A bill for an act relating to economic development; appropriating money for infrastructure improvements in Waldorf.

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

MOTIONS AND RESOLUTIONS

Senator Draheim moved that the name of Senator Jensen be added as a co-author to S.F. No. 127. The motion prevailed.

Senator Marty moved that the name of Senator Dibble be added as a co-author to S.F. No. 2038. The motion prevailed.

Senator Mathews moved that the name of Senator Utke be added as a co-author to S.F. No. 2143. The motion prevailed.

Senator Newton moved that his name be stricken as a co-author to S.F. No. 2358. The motion prevailed.

Senator Anderson, B. moved that the name of Senator Wiger be added as a co-author to S.F. No. 2800. The motion prevailed.

Senator Franzen introduced --

Senate Resolution No. 84: A Senate resolution congratulating the Edina High School boys swimming and diving team on winning the 2019 State High School Class AA boys swimming and diving championship.

Referred to the Committee on Rules and Administration.

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.

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

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

Senator Chamberlain from the Committee on Taxes, to which was referred

S.F. No. 2555: A bill for an act relating to taxation; making various policy and technical changes to individual income and corporate franchise taxes, partnership taxes, sales and use taxes, special

taxes, property taxes, gross revenues taxes, fire and police state aid, and other miscellaneous taxes and tax provisions; amending Minnesota Statutes 2018, sections 6.495, subdivision 3; 144E.42, subdivision 2; 162.145, subdivision 3; 270B.08, subdivision 2; 270C.445, subdivision 6; 270C.85, subdivision 2; 270C.89, subdivisions 1, 2; 270C.91; 272.02, subdivisions 27, 81; 273.032; 273.061, subdivision 9; 273.0755; 273.113, subdivision 3; 273.119, subdivision 2; 273.1231, subdivision 3; 273.124, subdivision 13; 273.13, subdivisions 22, 34; 273.136, subdivision 2; 273.1384, subdivision 3; 273.1387, subdivision 3; 273.18; 274.14; 274.16; 275.025, subdivision 1; 289A.08, subdivision 6; 289A.25, subdivision 1; 289A.31, subdivisions 1, 2; 289A.37, subdivisions 2, 6; 289A.38, subdivisions 7, 10; 289A.42; 289A.60, subdivision 24; 290.0132, subdivision 26; 290.0137; 290.06, subdivisions 2c, 2d; 290.0802, subdivisions 2, 3; 290.091, subdivision 2; 290.31, subdivision 1; 290.92, subdivision 28; 290A.03, subdivisions 3, 4, 8; 290A.05; 290A.08; 290A.09; 290B.09, subdivision 1; 295.50, subdivisions 3, 4, 9b, 14, 15, by adding subdivisions; 295.53, subdivision 1; 295.57, subdivision 5; 295.582, subdivision 1; 297A.61, subdivision 18; 297A.67, subdivisions 6, 12; 297A.68, subdivisions 17, 42, 44; 297A.70, subdivisions 3, 4, 16; 297A.71, subdivisions 22, 45; 297A.75, subdivision 1; 297A.77, by adding a subdivision; 297A.84; 297A.85; 297B.01, subdivisions 14, 16; 297F.01, subdivisions 19, 23, by adding a subdivision; 297F.17, subdivision 6; 297G.16, subdivision 7; 297I.20, subdivision 3; 298.018, subdivision 1, by adding a subdivision; 298.282, subdivision 1; 353G.01, subdivision 9; 353G.05, subdivision 2; 353G.08, subdivisions 1, 1a; 353G.17, subdivision 2; 356.20, subdivision 4a; 356.219, subdivision 8; 423A.02, subdivisions 1b, 3; 423A.022, subdivisions 2, 4; 424A.016, subdivisions 2, 4; 424A.02, subdivisions 1, 3a, 10; 424A.03, subdivision 2; 424A.05, subdivisions 2, 3, by adding a subdivision; 424A.07; 424A.091, subdivision 3; 424A.092, subdivisions 3, 4; 424A.093, subdivision 5; 424B.09; 462D.03, subdivision 2; 469.177, subdivision 1; 469.190, subdivisions 1, 7; 469.319, subdivision 4; Laws 2017, First Special Session chapter 1, article 8, section 3; proposing coding for new law in Minnesota Statutes, chapters 289A; 297I; 424A; proposing coding for new law as Minnesota Statutes, chapters 477B; 477C; repealing Minnesota Statutes 2018, sections 69.011, subdivisions 1, 2, 2b, 2c, 3, 4; 69.021, subdivisions 1, 2, 3, 4, 5, 7, 7a, 8, 9, 10, 11; 69.022; 69.031, subdivisions 1, 3, 5; 69.041; 69.051, subdivisions 1, 1a, 1b, 2, 3, 4; 69.33; 69.80; 270C.131; 275.29; 289A.38, subdivisions 7, 8, 9; 297I.25, subdivision 2.

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

Page 8, delete article 3

Page 24, delete article 4

Page 109, delete section 4

Page 110, delete section 5

Renumber the articles and sections in sequence

Amend the title as follows:

Page 1, line 3, delete "partnership taxes,"

Amend the title numbers accordingly

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

Senator Ingebrigtsen from the Committee on Environment and Natural Resources Finance, to which was referred

S.F. No. 2314: A bill for an act relating to state government; appropriating money for environment and natural resources; modifying fees; creating accounts and providing for disposition of certain receipts; modifying public sale requirements for surplus state-owned land; modifying bough buyer provisions; modifying certain permit provisions; authorizing sales of certain surplus state land; amending Minnesota Statutes 2018, sections 85.42; 85.47; 86B.415, subdivisions 1, 1a, 2, 3, 4, 5, 7; 88.642, subdivisions 1, 3; 88.6435; 90.01, by adding a subdivision; 90.195; 94.10, subdivision 2; 97A.075, subdivision 1; 103G.301, subdivision 2; Laws 2016, chapter 189, article 3, sections 2, subdivision 2; 3, subdivision 8; Laws 2017, chapter 93, article 1, section 2, subdivision 6.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS

Section 1. **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2020" and "2021" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is fiscal years 2020 and 2021. Appropriations for the fiscal year ending June 30, 2019, are effective the day following final enactment.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2020</u>	<u>2021</u>

Sec. 2. **POLLUTION CONTROL AGENCY**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>98,352,000</u>	<u>\$</u>	<u>96,984,000</u>
<u>Appropriations by Fund</u>				
	<u>2020</u>		<u>2021</u>	
<u>General</u>	<u>1,000,000</u>		<u>1,000,000</u>	
<u>State Government</u>				
<u>Special Revenue</u>	<u>75,000</u>		<u>75,000</u>	
<u>Environmental</u>	<u>83,472,000</u>		<u>82,404,000</u>	
<u>Remediation</u>	<u>13,505,000</u>		<u>13,505,000</u>	

<u>Closed Landfill</u>		
<u>Investment fund</u>	<u>300,000</u>	<u>-0-</u>

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

The commissioner must present the agency's biennial budget for fiscal years 2022 and 2023 to the legislature in a transparent way by agency division, including the proposed budget bill and presentations of the budget to committees and divisions with jurisdiction over the agency's budget.

Subd. 2. <u>Environmental Analysis and Outcomes</u>	<u>12,961,000</u>	<u>13,051,000</u>
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	<u>Appropriations by Fund</u>	
	<u>2020</u>	<u>2021</u>
<u>Environmental</u>	<u>12,760,000</u>	<u>12,850,000</u>
<u>Remediation</u>	<u>201,000</u>	<u>201,000</u>

(a) \$89,000 the first year and \$89,000 the second year are from the environmental fund for:

(1) a municipal liaison to assist municipalities in implementing and participating in the water-quality standards rulemaking process and navigating the NPDES/SDS permitting process;

(2) enhanced economic analysis in the water-quality standards rulemaking process, including more-specific analysis and identification of cost-effective permitting;

(3) developing statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water-quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for municipalities to achieve permit requirements.

(b) \$205,000 the first year and \$205,000 the second year are from the environmental fund for a monitoring program under Minnesota Statutes, section 116.454.

(c) \$347,000 the first year and \$347,000 the second year are from the environmental fund for monitoring ambient air for hazardous pollutants.

(d) \$90,000 the first year and \$90,000 the second year are from the environmental fund for duties related to harmful chemicals in children's products under Minnesota Statutes, sections 116.9401 to 116.9407. Of this amount, \$57,000 each year is transferred to the commissioner of health.

(e) \$109,000 the first year and \$109,000 the second year are from the environmental fund for registration of wastewater laboratories.

(f) \$926,000 the first year and \$926,000 the second year are from the environmental fund to continue perfluorochemical biomonitoring in eastern-metropolitan communities, as recommended by the Environmental Health Tracking and Biomonitoring Advisory Panel, and address other environmental health risks, including air quality. The communities must include Hmong and other immigrant farming communities. Of this amount, up to \$689,000 the first year and \$689,000 the second year are for transfer to the Department of Health.

(g) \$51,000 the first year and \$51,000 the second year are from the environmental fund for impaired waters listing procedures required under this act.

Subd. 3. Industrial

15,473,000

15,213,000

Appropriations by Fund

	<u>2020</u>	<u>2021</u>
<u>Environmental</u>	<u>14,472,000</u>	<u>14,212,000</u>
<u>Remediation</u>	<u>1,001,000</u>	<u>1,001,000</u>

(a) \$1,001,000 the first year and \$1,001,000 the second year are from the remediation

fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and to the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) \$393,000 the first year is from the TCE emission response account in the environmental fund to further evaluate the use and reduction of trichloroethylene around Minnesota and identify its potential health effects on communities. Of this amount, up to \$121,000 may be transferred to the commissioner of health. This is a onetime appropriation.

Subd. 4. Municipal

7,859,000

7,859,000

(a) \$164,000 the first year and \$164,000 the second year are from the environmental fund for:

(1) a municipal liaison to assist municipalities in implementing and participating in the water-quality standards rulemaking process and navigating the NPDES/SDS permitting process;

(2) enhanced economic analysis in the water-quality standards rulemaking process, including more specific analysis and identification of cost-effective permitting;

(3) development of statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for municipalities to achieve permit requirements.

(b) \$50,000 the first year and \$50,000 the second year are from the environmental fund

for transfer to the Office of Administrative Hearings to establish sanitary districts.

(c) \$671,000 the first year and \$671,000 the second year are from the environmental fund for subsurface sewage treatment system (SSTS) program administration and community technical assistance and education, including grants and technical assistance to communities for water-quality protection. Of this amount, \$129,000 each year is for assistance to counties through grants for SSTS program administration. A county receiving a grant from this appropriation must submit the results achieved with the grant to the commissioner as part of its annual SSTS report. Any unexpended balance in the first year does not cancel but is available in the second year.

(d) \$784,000 the first year and \$784,000 the second year are from the environmental fund to address the need for continued increased activity in the areas of new technology review, technical assistance for local governments, and enforcement under Minnesota Statutes, sections 115.55 to 115.58, and to complete the requirements of Laws 2003, chapter 128, article 1, section 165.

(e) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2021, as grants or contracts for subsurface sewage treatment systems, surface water and groundwater assessments, storm water, and water-quality protection in this subdivision are available until June 30, 2024.

Subd. 5. Operations

5,036,000

5,047,000

Appropriations by Fund

	<u>2020</u>	<u>2021</u>
<u>Environmental</u>	<u>4,208,000</u>	<u>4,219,000</u>
<u>Remediation</u>	<u>828,000</u>	<u>828,000</u>

\$180,000 the first year and \$180,000 the second year are from the remediation fund for purposes of the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks, and to the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

<u>Subd. 6. Remediation</u>	<u>12,289,000</u>	<u>11,856,000</u>
<u>Appropriations by Fund</u>		
	<u>2020</u>	<u>2021</u>
<u>Environmental</u>	<u>1,048,000</u>	<u>615,000</u>
<u>Remediation</u>	<u>11,241,000</u>	<u>11,241,000</u>

(a) All money for environmental response, compensation, and compliance in the remediation fund not otherwise appropriated is appropriated to the commissioners of the Pollution Control Agency and agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (6), and (7). At the beginning of each fiscal year, the two commissioners shall jointly submit an annual spending plan to the commissioner of management and budget that maximizes the use of resources and appropriately allocates the money between the two departments. This appropriation is available until June 30, 2021.

(b) \$433,000 the first year is from the environmental fund to manage contaminated sediment projects at multiple sites identified in the St. Louis River remedial action plan to restore water quality in the St. Louis River area of concern. This is a onetime appropriation.

(c) \$3,961,000 the first year and \$3,961,000 the second year are from the remediation fund for purposes of the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks, and to

the petroleum remediation program for purposes of vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(d) \$257,000 the first year and \$257,000 the second year are from the remediation fund for transfer to the commissioner of health for private water-supply monitoring and health assessment costs in areas contaminated by unpermitted mixed municipal solid waste disposal facilities and drinking water advisories and public information activities for areas contaminated by hazardous releases.

Subd. 7. Resource Management and Assistance 33,325,000 33,349,000

<u>Appropriations by Fund</u>		
	<u>2020</u>	<u>2021</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>75,000</u>	<u>75,000</u>
<u>Environmental</u>	<u>33,250,000</u>	<u>33,274,000</u>

(a) Up to \$150,000 the first year and \$150,000 the second year may be transferred from the environmental fund to the small business environmental improvement loan account established in Minnesota Statutes, section 116.993.

(b) \$694,000 the first year and \$694,000 the second year are from the environmental fund for emission reduction activities and grants to small businesses and other nonpoint emission reduction efforts. Of this amount, \$100,000 the first year and \$100,000 the second year are to continue work with Clean Air Minnesota, and the commissioner may enter into an agreement with Environmental Initiative to support this effort. Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year.

(c) \$17,550,000 the first year and \$17,550,000 the second year are from the environmental fund for SCORE block grants

to counties under Minnesota Statutes, section 115A.557.

(d) \$119,000 the first year and \$119,000 the second year are from the environmental fund for environmental assistance grants or loans under Minnesota Statutes, section 115A.0716. Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year.

(e) \$112,000 the first year and \$112,000 the second year are from the environmental fund for subsurface sewage treatment system (SSTS) program administration and community technical assistance and education, including grants and technical assistance to communities for water-quality protection.

(f) \$169,000 the first year and \$169,000 the second year are from the environmental fund to address the need for continued increased activity in the areas of new technology review, technical assistance for local governments, and enforcement under Minnesota Statutes, sections 115.55 to 115.58, and to complete the requirements of Laws 2003, chapter 128, article 1, section 165.

(g) All money deposited in the environmental fund for the metropolitan solid waste landfill fee in accordance with Minnesota Statutes, section 473.843, and not otherwise appropriated, is appropriated for the purposes of Minnesota Statutes, section 473.844.

(h) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2021, as contracts or grants for environmental assistance awarded under Minnesota Statutes, section 115A.0716; technical and research assistance under Minnesota Statutes, section 115A.152; technical assistance under Minnesota Statutes, section 115A.52; and

pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2023.

Subd. 8. Watershed 9,635,000 9,335,000

<u>Appropriations by Fund</u>		
	<u>2020</u>	<u>2021</u>
<u>Environmental</u>	<u>8,401,000</u>	<u>8,101,000</u>
<u>Remediation</u>	<u>234,000</u>	<u>234,000</u>
<u>General</u>	<u>1,000,000</u>	<u>1,000,000</u>

(a) \$1,000,000 the first year and \$1,000,000 the second year are from the general fund and \$959,000 the first year and \$959,000 the second year are from the environmental fund for grants to delegated counties to administer the county feedlot program under Minnesota Statutes, section 116.0711, subdivisions 2 and 3. Money remaining after the first year is available for the second year.

(b) \$208,000 the first year and \$208,000 the second year are from the environmental fund for the costs of implementing general operating permits for feedlots over 1,000 animal units.

(c) \$122,000 the first year and \$122,000 the second year are from the remediation fund for purposes of the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks, and to the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(d) \$300,000 the first year is from the environmental fund for a grant to the Minnesota Association of County Feedlot Officers to develop, in coordination with the Pollution Control Agency and the University of Minnesota Extension program, an online training curriculum related to animal feedlot requirements under Minnesota Rules, chapter

7020. This is a onetime appropriation. The curriculum must be developed to:

(1) provide base-level knowledge to new and existing county feedlot pollution control officers on feedlot registration, permitting, compliance, enforcement, and program administration;

(2) provide assistance to new and existing county feedlot pollution control officers for working efficiently and effectively with producers; and

(3) reduce the incidence of manure or nutrients entering surface water or groundwater.

Subd. 9. Environmental Quality Board 1,774,000 1,274,000

<u>Appropriations by Fund</u>		
	<u>2020</u>	<u>2021</u>
<u>Environmental</u>	<u>1,474,000</u>	<u>1,274,000</u>
<u>Closed Landfill</u>		
<u>Investment Fund</u>	<u>300,000</u>	<u>-0-</u>

(a) \$200,000 the first year is from the environmental fund to begin to develop and assemble the material required under Code of Federal Regulations, title 40, section 233.10, to have the state of Minnesota assume the section 404 permitting program of the Federal Clean Water Act. The Board may execute contracts or interagency agreements to facilitate developing the required agreements and materials. By February 1, 2021, the board must submit a report on the additional funding necessary to secure section 404 assumption and the additional funding needed to fully implement the state-assumed program to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the environment and natural resources. This is a onetime appropriation.

(b) Notwithstanding Minnesota Statutes, section 115B.421, \$300,000 the first year is

Appropriations by Fund

	<u>2020</u>	<u>2021</u>
<u>General</u>	<u>1,450,000</u>	<u>1,450,000</u>
<u>Natural Resources</u>	<u>3,880,000</u>	<u>3,880,000</u>
<u>Game and Fish</u>	<u>344,000</u>	<u>344,000</u>
<u>Permanent School</u>	<u>212,000</u>	<u>212,000</u>

(a) \$200,000 the first year and \$200,000 the second year are from the minerals management account for environmental research relating to mine permitting.

(b) \$2,978,000 the first year and \$2,978,000 the second year are from the minerals management account in the natural resources fund for use as provided in Minnesota Statutes, section 93.2236, paragraph (c), for mineral resource management, projects to enhance future mineral income, and projects to promote new mineral resource opportunities.

(c) \$212,000 the first year and \$212,000 the second year are from the state forest suspense account in the permanent school fund to secure maximum long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.

(d) \$325,000 the first year and \$325,000 the second year are from the water management account in the natural resources fund for mining hydrology.

Subd. 3. Ecological and Water Resources27,695,00027,495,000Appropriations by Fund

	<u>2020</u>	<u>2021</u>
<u>General</u>	<u>11,654,000</u>	<u>11,454,000</u>
<u>Natural Resources</u>	<u>10,672,000</u>	<u>10,672,000</u>
<u>Game and Fish</u>	<u>5,369,000</u>	<u>5,369,000</u>

(a) \$3,242,000 the first year and \$3,242,000 the second year are from the invasive species account in the natural resources fund and

\$2,206,000 the first year and \$2,206,000 the second year are from the general fund for management, public awareness, assessment and monitoring research, and water access inspection to prevent the spread of invasive species; management of invasive plants in public waters; and management of terrestrial invasive species on state-administered lands.

(b) \$5,031,000 the first year and \$5,031,000 the second year are from the water management account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 103G.27, subdivision 2.

(c) \$124,000 the first year and \$124,000 the second year are for a grant to the Mississippi Headwaters Board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under the board's jurisdiction.

(d) \$10,000 the first year and \$10,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement the band's portion of the comprehensive plan for the upper Mississippi.

(e) \$264,000 the first year and \$264,000 the second year are for grants for up to 50 percent of the cost of implementation of the Red River mediation agreement.

(f) \$2,224,000 the first year and \$2,224,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(g) \$956,000 the first year and \$956,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management. Notwithstanding Minnesota Statutes, section 290.431, \$100,000 the first

year and \$100,000 the second year may be used for nongame wildlife information, education, and promotion.

(h) Notwithstanding Minnesota Statutes, section 84.943, \$13,000 the first year and \$13,000 the second year from the critical habitat private sector matching account may be used to publicize the critical habitat license plate match program.

(i) \$3,800,000 the first year and \$3,800,000 the second year are from the general fund for the following activities:

(1) financial reimbursement and technical support to soil and water conservation districts or other local units of government for groundwater level monitoring;

(2) surface water monitoring and analysis, including installation of monitoring gauges;

(3) groundwater analysis to assist with water appropriation permitting decisions;

(4) permit application review incorporating surface water and groundwater technical analysis;

(5) precipitation data and analysis to improve the use of irrigation;

(6) information technology, including electronic permitting and integrated data systems; and

(7) compliance and monitoring.

(j) \$510,000 the first year and \$510,000 the second year are from the heritage enhancement account in the game and fish fund for grants to the Minnesota Aquatic Invasive Species Research Center at the University of Minnesota to prioritize, support, and develop research-based solutions that can reduce the effects of aquatic invasive species in Minnesota by preventing spread, controlling populations,

and managing ecosystems and to advance knowledge to inspire action by others. Of the first year amount, \$100,000 is to develop, in conjunction with the commissioner of natural resources, the commissioner of the Pollution Control Agency, counties, and other stakeholders, recommendations for establishing a statewide surveillance and early detection system for aquatic invasive species. By March 1, 2020, the Minnesota Aquatic Invasive Species Research Center must submit a report and recommendations to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources policy and finance. The report must include recommendations on all of the following:

(1) the most effective structure for a statewide surveillance and early detection system for aquatic invasive species;

(2) whether to employ eco-epidemiological models, optimized decision models, or related tools as a mechanism for determining how best to deploy limited resources;

(3) how the statewide system should be funded and at what levels; and

(4) regulatory, policy, and statutory changes that would be needed to fully implement the statewide system.

(k) \$50,000 the first year is for dredging and removing sediment from the boat launch area of the Minneiska boat landing. This is a onetime appropriation and is available until June 30, 2021.

(l) \$100,000 the first year is from the general fund for a grant to Rice County for the removal of storm debris from Roberds Lake. This is a onetime appropriation and is available until June 30, 2021.

(m) \$50,000 the first year is from the general fund for a grant to Waseca County for the removal of debris and trees from land adjacent to Lake Elysian and Iosco Creek. This is a onetime appropriation and is available until June 30, 2021.

Subd. 4. Forest Management 45,022,000 45,286,000

<u>Appropriations by Fund</u>		
	<u>2020</u>	<u>2021</u>
<u>General</u>	<u>27,820,000</u>	<u>28,084,000</u>
<u>Natural Resources</u>	<u>15,832,000</u>	<u>15,832,000</u>
<u>Game and Fish</u>	<u>1,370,000</u>	<u>1,370,000</u>

(a) \$7,521,000 the first year and \$7,521,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. The amount necessary to pay for presuppression and suppression costs during the biennium is appropriated from the general fund. By January 15 of each year, the commissioner of natural resources shall submit a report to the chairs and ranking minority members of the house and senate committees and divisions having jurisdiction over environment and natural resources finance, identifying all firefighting costs incurred and reimbursements received in the prior fiscal year. These appropriations may not be transferred. Any reimbursement of firefighting expenditures made to the commissioner from any source other than federal mobilizations must be deposited into the general fund.

(b) \$13,082,000 the first year and \$13,082,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2.

(c) \$1,370,000 the first year and \$1,370,000 the second year are from the heritage enhancement account in the game and fish

fund to advance ecological classification systems (ECS) scientific management tools for forest and invasive species management.

(d) \$750,000 the first year and \$750,000 the second year are for the Forest Resources Council to implement the Sustainable Forest Resources Act.

(e) \$1,250,000 the first year and \$1,250,000 the second year are from the forest management investment account in the natural resources fund for state forest reforestation.

(f) \$1,000,000 the first year and \$1,000,000 the second year are from the forest management investment account in the natural resources fund for the Next Generation Core Forestry data system. The appropriation is available until June 30, 2023.

(g) \$500,000 the first year and \$500,000 the second year are from the forest management investment account in the natural resources fund for forest road maintenance on state forest roads.

(h) \$250,000 the first year and \$250,000 the second year are from the general fund for additional private forest management.

(i) \$312,000 the first year and \$312,000 the second year are from the general fund for administering the Sustainable Forest Incentive Act.

Subd. 5. Parks and Trails Management

81,196,000

80,371,000

Appropriations by Fund

	<u>2020</u>	<u>2021</u>
<u>General</u>	<u>21,235,000</u>	<u>21,235,000</u>
<u>Natural Resources</u>	<u>57,684,000</u>	<u>56,859,000</u>
<u>Game and Fish</u>	<u>2,277,000</u>	<u>2,277,000</u>

(a) \$1,075,000 the first year and \$1,075,000 the second year are from the water recreation account in the natural resources fund for

enhancing and maintaining public water-access facilities.

(b) \$6,396,000 the first year and \$6,396,000 the second year are from the natural resources fund for state trail, park, and recreation area operations. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (2).

(c) \$18,251,000 the first year and \$18,251,000 the second year are from the state parks account in the natural resources fund for state park and state recreation area operation and maintenance.

(d) \$1,005,000 the first year and \$1,005,000 the second year are from the natural resources fund for park and trail grants to local units of government on land to be maintained for at least 20 years for the purposes of the grants. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (4). Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) \$9,624,000 the first year and \$9,624,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for the snowmobile grants-in-aid program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) \$1,835,000 the first year and \$1,835,000 the second year are from the natural resources fund for the off-highway vehicle grants-in-aid program. Of this amount, \$1,360,000 each year is from the all-terrain vehicle account; \$150,000 each year is from the off-highway motorcycle account; and \$325,000 each year is from the off-road vehicle account. Any unencumbered balance

does not cancel at the end of the first year and is available for the second year.

(g) \$80,000 the first year and \$80,000 the second year are from the cross-country ski account in the natural resources fund for grooming and maintaining cross-country ski trails in state parks, trails, and recreation areas.

(h) \$262,000 the first year and \$262,000 the second year are from the state land and water conservation account in the natural resources fund for priorities established by the commissioner for eligible state projects and administrative and planning activities consistent with Minnesota Statutes, section 84.0264, and the federal Land and Water Conservation Fund Act. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(i) \$250,000 the first year and \$250,000 the second year are from the general fund for matching grants for local parks and outdoor recreation areas under Minnesota Statutes, section 85.019, subdivision 2.

(j) \$250,000 the first year and \$250,000 the second year are from the general fund for matching grants for local trail connections under Minnesota Statutes, section 85.019, subdivision 4c.

(k) \$600,000 the first year is from the off-road vehicle account for off-road vehicle touring routes and trails. Of this amount:

(1) \$200,000 is for a contract with a project administrator to assist the commissioner in planning, designing, and providing a system of state touring routes and trails for off-road vehicles by identifying sustainable, legal routes suitable for licensed four-wheel drive vehicles and a system of recreational trails for registered off-road vehicles. Any portion of this appropriation not used for the project administrator is available for signage or

promotion and implementation of the system.
This is a onetime appropriation.

(2) \$200,000 is for a contract and related work to prepare a comprehensive, statewide, strategic master plan for off-road vehicle touring routes and trails. This is a onetime appropriation and is available until June 30, 2022. Any portion of this appropriation not used for the master plan is returned to the off-road vehicle account. At a minimum, the plan must: identify opportunities to develop or enhance new, high-quality, comprehensive touring routes and trails for off-road vehicles in a system that serves regional and tourist destinations; enhance connectivity with touring routes and trails for off-road vehicles; provide opportunities for promoting economic development in greater Minnesota; help people connect with the outdoors in a safe and environmentally sustainable manner; create new and support existing opportunities for social, economic, and cultural benefits and meaningful and mutually beneficial relationships for users of off-road vehicles and the communities that host trails for off-road vehicles; and promote cooperation with local, state, tribal, and federal governments; organizations; and other interested partners.

(3) \$200,000 is to share the cost by reimbursing federal, tribal, state, county, and township entities for additional needs on roads under their jurisdiction when the needs are a result of increased use by off-road vehicles and are attributable to a border-to-border touring route established by the commissioner. This paragraph applies to roads that are operated by a public road authority as defined in Minnesota Statutes, section 160.02, subdivision 25. This is a onetime appropriation and is available until June 30, 2023. To be eligible for reimbursement under this paragraph, the claimant must demonstrate that: the needs result from additional traffic generated by

the border-to-border touring route; and increased use attributable to a border-to-border touring route has caused at least a 50 percent increase in maintenance costs for roads under the claimant's jurisdiction, based on a ten-year maintenance average. The commissioner may accept an alternative to the ten-year maintenance average if a jurisdiction does not have sufficient maintenance records. The commissioner has discretion to accept an alternative based on a good-faith effort by the jurisdiction. Any alternative should include baseline maintenance costs for at least two years before the year the route begins operating. The ten-year maintenance average or any alternative must be calculated from the years immediately preceding the year the route begins operating. Before reimbursing a claim under this paragraph, the commissioner must consider whether the claim is consistent with claims made by other entities that administer roads on the touring route, in terms of the amount requested for reimbursement and the frequency of claims made.

(l) \$950,000 the first year and \$950,000 the second year are from the all-terrain vehicle account in the natural resources fund for grants to St. Louis County for the Quad Cities ATV Club trail construction program for planning, design, environmental permitting, right-of-way acquisition, and construction of up to 24 miles of trail connecting the cities of Mountain Iron, Virginia, Eveleth, and Gilbert to the Laurentian Divide, County Road 303, the Taconite State Trail, and Biwabik and from Pfeiffer Lake Forest Road to County Road 361. This is a onetime appropriation.

(m) \$150,000 the first year is from the all-terrain vehicle account in the natural resources fund for a grant to Crow Wing County to plan and design a multipurpose bridge on the Mississippi River Northwoods

Trail across Sand Creek located five miles northeast of Brainerd along the Mississippi River.

(n) \$75,000 the first year is from the off-highway motorcycle account in the natural resources fund to complete a master plan for off-highway motorcycle trail planning and development.

Subd. 6. Fish and Wildlife Management

74,761,000

74,511,000

Appropriations by Fund

	<u>2020</u>	<u>2021</u>
<u>Natural Resources</u>	<u>1,924,000</u>	<u>1,924,000</u>
<u>Game and Fish</u>	<u>72,837,000</u>	<u>72,587,000</u>

(a) \$8,411,000 the first year and \$8,411,000 the second year are from the heritage enhancement account in the game and fish fund only for activities specified in Minnesota Statutes, section 297A.94, paragraph (h), clause (1). Notwithstanding Minnesota Statutes, section 297A.94, five percent of this appropriation may be used for expanding hunter and angler recruitment and retention.

(b) \$50,000 in the first year is from the wild cervidae health management account in the game and fish fund to establish a chronic wasting disease adopt-a-dumpster program to provide dumpsters dedicated to disposing of deer carcasses in areas where chronic wasting disease has been detected. The commissioner must work with solid waste haulers and other interested parties and encourage volunteer support to ensure the dumpsters are located at convenient locations with appropriate signage, lined, and maintained. The commissioner must ensure the carcasses collected are properly disposed of to minimize the spread of chronic wasting disease. The commissioner of natural resources, in consultation with the commissioners of health and the Pollution Control Agency, to develop guidelines:

(1) for hunters for handling deer in the field and transporting and disposing of carcasses to prevent the spread of chronic wasting disease and protect public health; and

(2) for solid waste facilities and solid waste haulers for proper handling, transportation, and disposal of deer carcasses to prevent the spread of chronic wasting disease and protect public health.

By January 15, 2020, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources with the results of the program developed under paragraph (a) and the guidelines developed under paragraph (b).

(c) \$500,000 the first year and \$500,000 the second year are from the game and fish fund to implement the Firearms Safety, Archery, Hunting, Trapshooting, and Angling in School Physical Education Courses program. This is a onetime appropriation.

(d) \$200,000 the first year is from the heritage enhancement account in the game and fish fund to establish and administer a program for awarding grants for high school fishing leagues and basic angling curriculum. This is a onetime appropriation.

(e) \$8,546,000 the first year and \$8,546,000 the second year are from the deer habitat improvement account in the game and fish fund for deer management programs and deer habitat improvement.

Subd. 7. Enforcement 42,845,000 43,180,000

	<u>Appropriations by Fund</u>	
	<u>2020</u>	<u>2021</u>
<u>General</u>	<u>6,142,000</u>	<u>6,185,000</u>
<u>Natural Resources</u>	<u>10,747,000</u>	<u>10,777,000</u>
<u>Game and Fish</u>	<u>25,851,000</u>	<u>26,112,000</u>

<u>Remediation</u>	<u>105,000</u>	<u>106,000</u>
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(a) \$1,218,000 the first year and \$1,218,000 the second year are from the general fund for enforcement efforts to prevent the spread of aquatic invasive species.

(b) \$1,580,000 the first year and \$1,580,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(c) \$1,082,000 the first year and \$1,082,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) \$315,000 the first year and \$315,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for grants to local law enforcement agencies for snowmobile enforcement activities. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) \$250,000 the first year and \$250,000 the second year are from the all-terrain vehicle account for grants to qualifying organizations to assist in safety and environmental education and monitoring trails on public lands under Minnesota Statutes, section 84.9011. Grants issued under this paragraph must be issued through a formal agreement with the organization. By December 15 each year, an organization receiving a grant under this paragraph shall report to the commissioner with details on expenditures and outcomes from the grant. Of this appropriation, \$25,000 each year is for administration of these grants. Any unencumbered balance does not cancel at the

end of the first year and is available for the second year.

(f) \$510,000 the first year and \$510,000 the second year are from the natural resources fund for grants to county law enforcement agencies for off-highway vehicle enforcement and public education activities based on off-highway vehicle use in the county. Of this amount, \$498,000 each year is from the all-terrain vehicle account; \$11,000 each year is from the off-highway motorcycle account; and \$1,000 each year is from the off-road vehicle account. The county enforcement agencies may use money received under this appropriation to make grants to other local enforcement agencies within the county that have a high concentration of off-highway vehicle use. Of this appropriation, \$25,000 each year is for administration of these grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(g) \$600,000 each year is for recruiting, training, and maintaining additional conservation officers.

(h) \$176,000 the first year and \$176,000 the second year are from the game and fish fund for an ice safety program.

(i) The base budget for the enforcement division for fiscal year 2022 and thereafter is: \$6,227,000 from the general fund; \$26,369,000 from the game and fish fund; \$10,809,000 from the natural resources fund; and \$107,000 from the remediation fund. These base level adjustments include pension costs as provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a).

Subd. 8. Operations Support

111,000

106,000

Appropriations by Fund

	<u>2020</u>	<u>2021</u>
<u>General Fund</u>	<u>8,000</u>	<u>24,000</u>

block grants to local governments. Grants must be matched with a combination of local cash or in-kind contributions. The base grant portion related to water planning must be matched by an amount as specified by Minnesota Statutes, section 103B.3369. The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate.

(b) \$2,116,000 the first year and \$2,116,000 the second year are for grants to soil and water conservation districts for the purposes of Minnesota Statutes, sections 103C.321 and 103C.331, and for general purposes, nonpoint engineering, and implementation and stewardship of the reinvest in Minnesota reserve program. Expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts. Any district receiving a payment under this paragraph shall maintain a Web page that publishes, at a minimum, its annual report, annual audit, annual budget, and meeting notices.

(c) \$260,000 the first year and \$260,000 the second year are for feedlot water quality cost share grants for feedlots under 300 animal units and nutrient and manure management projects in watersheds where there are impaired waters.

(d) \$1,000,000 the first year and \$1,000,000 the second year are for soil and water conservation district cost-sharing contracts for perennially vegetated riparian buffers, erosion control, water retention and treatment, and other high-priority conservation practices.

(e) \$100,000 the first year and \$100,000 the second year are for a grant to the Red River

Basin Commission for water quality and floodplain management, including administration of programs. This appropriation must be matched by nonstate funds. If the appropriation in either year is insufficient, the appropriation in the other year is available for it.

(f) \$140,000 the first year and \$140,000 the second year are for grants to Area II Minnesota River Basin Projects for floodplain management.

(g) \$125,000 the first year and \$125,000 the second year are for a grant to the Lower Minnesota River Watershed District to defray the annual cost of operating and maintaining sites for dredge spoil to sustain the state, national, and international commercial and recreational navigation on the lower Minnesota River. This is a onetime appropriation.

(h) \$3,110,000 the first year and \$3,110,000 the second year are for Board of Water and Soil Resources agency administration and operations.

(i) Notwithstanding Minnesota Statutes, section 103C.501, the board may shift cost-share funds in this section and may adjust the technical and administrative assistance portion of the grant funds to leverage federal or other nonstate funds or to address high-priority needs identified in local water management plans or comprehensive water management plans.

(j) The appropriations for grants in this section are available until June 30, 2023, except returned grants are available for two years after they are returned. If an appropriation for grants in either year is insufficient, the appropriation in the other year is available for it.

(k) Notwithstanding Minnesota Statutes, section 16B.97, the appropriations for grants

demand for technical assistance and review of municipal water infrastructure projects that will be generated by increased grant funding through the Public Facilities Authority. This is a onetime appropriation and is available until June 30, ~~2019~~ 2021.

\$115,000 the second year is for the working lands program feasibility study and program plan. This is a onetime appropriation and is available until June 30, 2018.

Sec. 11. Laws 2016, chapter 189, article 3, section 6, as amended by Laws 2017, chapter 93, article 1, section 12, is amended to read:

Sec. 6. ADMINISTRATION	\$	250,000	\$	-0-
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\$250,000 the first year is from the state forest suspense account in the permanent school fund for the school trust lands director to initiate ~~real estate development projects on~~ and complete a 25-year framework for managing school trust lands as determined by the school trust lands director described in Minnesota Statutes, section 127A.353, subdivision 4, paragraph (a), clause (11). This is a onetime appropriation and is available until June 30, ~~2019~~ 2021.

Sec. 12. Laws 2017, chapter 93, article 1, section 9, is amended to read:

Sec. 9. ADMINISTRATION	\$	800,000	\$	300,000
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(a) \$300,000 the first year and \$300,000 the second year are from the state forest suspense account in the permanent school fund for the school trust lands director. This appropriation is to be used for securing long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.

(b) \$500,000 the first year is from the state forest suspense account in the permanent school fund for the school trust lands director to initiate the ~~private sale of surplus school trust lands identified according to Minnesota Statutes, section 92.82, paragraph (d)~~

Boundary Waters Canoe Area Wilderness private forest land alternative with the United States Department of Agriculture Forest Service and a nonprofit partner. The school trust lands director may use these funds for project costs, including but not limited to environmental assessments, valuation expenses, legal fees, closing costs, and transactional staff costs. This is a onetime appropriation and is available until June 30, 2019 2021.

ARTICLE 2

ENVIRONMENT AND NATURAL RESOURCES TRUST FUND

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the environment and natural resources trust fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2020" and "2021" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is fiscal years 2020 and 2021.

APPROPRIATIONS
Available for the Year
Ending June 30
2020 **2021**

Sec. 2. **MINNESOTA RESOURCES**

Subdivision 1. **Total Appropriation** \$ **61,387,000** \$ **-0-**

The amounts that may be spent for each purpose are specified in the following subdivisions. Appropriations are available for three years beginning July 1, 2019, unless otherwise stated in the appropriation. Any unencumbered balance remaining in the first year does not cancel and is available for the second year or until the end of the appropriation.

Subd. 2. **Definition**

"Trust fund" means the Minnesota environment and natural resources trust fund established under the Minnesota Constitution, article XI, section 14.

Subd. 3. Foundational Natural Resource Data and Information

10,704,000

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(a) Minnesota Biological Survey

\$1,500,000 the first year is from the trust fund to the commissioner of natural resources for the Minnesota biological survey to complete the statewide field surveys begun in 1987 to provide a foundation for conserving biological diversity by systematically collecting, interpreting, and delivering data on native and rare species, pollinators, and native plant communities throughout Minnesota. Any revenues generated through the publication of books or other resources created through this appropriation may be reinvested as described in the work plan approved by the Legislative-Citizen Commission on Minnesota Resources according to Minnesota Statutes, section 116P.10.

(b) Restoring Native Mussels in Streams and Lakes

\$500,000 the first year is from the trust fund to the commissioner of natural resources to restore native freshwater mussel assemblages, and the ecosystem services they provide, in the Mississippi, Cedar, and Cannon Rivers and to inform the public on mussels and mussel conservation. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(c) Minnesota Trumpeter Swan Migration Ecology and Conservation

\$300,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to document the movement and habitat use of Minnesota trumpeter swans to provide foundational information necessary

for trumpeter swan management and conservation. This appropriation is available until June 30, 2023, by which time the project must be completed and final products delivered.

(d) Understanding Brainworm Transmission to Find Solutions for Minnesota Moose Decline

\$400,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to identify key habitats and vectors of brainworm transmission between deer and moose that may be targeted by resource management to mitigate moose exposure to this deadly condition.

(e) Accelerated Aggregate Resource Mapping

\$700,000 the first year is from the trust fund to the commissioner of natural resources to map the aggregate resource potential for four counties and make this information available in print and electronic format to local units of government for use in planning and zoning.

(f) Red-Headed Woodpeckers as Indicators of Oak Savanna Health

\$171,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to evaluate red-headed woodpecker survival and habitat needs and to use this data to develop and disseminate a long-term oak savanna management plan that supports red-headed woodpeckers and other oak savanna habitat-dependent species.

(g) Mapping Aquatic Habitats for Moose

\$199,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to determine key water habitats used by moose in northern forested regions of Minnesota, measure the effects of moose foraging on aquatic plant and fish diversity, and provide educational programming materials for the public.

(h) Improving Statewide GIS Data by Restoring the Public Land Survey

\$135,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Association of County Surveyors to conduct a pilot project with Grant County to remonument and certify the public land survey corners in Lawrence Township. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(i) County Geologic Atlases - Part A, Mapping Geology

\$2,000,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Minnesota Geological Survey, to continue producing county geologic atlases to inform management of surface water and groundwater resources. This appropriation is to complete Part A, which focuses on the properties and distribution of earth materials to define aquifer boundaries and the connection of aquifers to the land surface and surface water resources.

(j) Unlocking Science of Minnesota's Moose Decline

\$199,000 the first year is from the trust fund to the Minnesota Zoological Garden to develop educational displays, interactive exhibits, and engaging online programs that summarize and share scientific findings about moose decline in Minnesota. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(k) Forest and Bioeconomy Research

\$2,200,000 the first year is to the Board of Regents of the University of Minnesota for academic and applied research through MnDRIVE at the Natural Resources Research Institute to develop and

demonstrate technologies that enhance the long-term health of Minnesota's forests, extend the viability of current forest-based industries, and accelerate emerging industry opportunities. Of this amount, \$500,000 is to support development of a forest optimization tool for Minnesota forest resources, \$800,000 is for maintenance and expansion of the Natural Resource Atlas to statewide coverage, \$400,000 is to the Minnesota Forest Resource Council for continued advancement of biochar development and application to forest health, and \$500,000 is to advance emerging Minnesota technologies to produce clean syngas to drive high-value markets for forest biomass feedstocks.

(1) Minerals and Water Research

\$2,400,000 the first year is to the Board of Regents of the University of Minnesota for academic and applied research through MnDRIVE at the Natural Resources Research Institute to develop and demonstrate technologies that enhance long-term Minnesota mineral opportunities. Of this amount:

(1) \$800,000 is to support continued applied research to advance new technologies to improve water quality;

(2) \$700,000 is to initiate the characterization of western Mesabi iron resources and development of next-generation Minnesota iron products;

(3) \$500,000 is to develop emerging hydrometallurgy technology to support high-value mineral product development in Minnesota; and

(4) \$400,000 is to support efforts of the Natural Resources Research Institute to accelerate demonstration of high-capacity, cost-effective energy storage using Minnesota's historical auxiliary mine lands.

This research must be conducted in consultation with the Minerals Coordinating Committee established under Minnesota Statutes, section 93.0015.

Subd. 4. Water Resources

4,469,000

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(a) Determining Influence of Insecticides on Algal Blooms

\$350,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to quantify the occurrence of neonicotinoid insecticides in Minnesota's surface waters and groundwaters and assess if the insecticides are contributing to the formation of algal blooms.

(b) Benign Design: Environmental Studies Leading to Sustainable Pharmaceuticals

\$415,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to determine how to best remove harmful fluorinated pharmaceuticals during wastewater treatment and to develop alternate versions of these compounds that are medically useful but environmentally harmless. This appropriation is subject to Minnesota Statutes, section 116P.10.

(c) Wastewater Nutrient Reduction through Industrial Source Reduction Assistance

\$200,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to provide technical assistance for industrial facilities to optimize their processes, reduce nutrient loads to wastewater treatment facilities, and improve water quality. The economic savings and water quality improvements achieved through this work must be documented.

(d) Improving Nitrogen Removal in Greater Minnesota Wastewater Treatment Ponds

\$325,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to assess cold weather nitrogen

cycling and different aeration methods to improve the efficacy of Minnesota's underperforming wastewater treatment ponds.

(e) Improving Drinking Water for Minnesotans through Pollution Prevention

\$345,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to reduce exposure of Minnesotans to a toxic, cancer-causing chemical by identifying key pollutant precursor sources in the upper Mississippi River watershed and assessing options to reduce the formation of this chemical during drinking water treatment.

(f) Protecting Minnesota Waters by Removing Contaminants from Wastewater

\$250,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop methods for treatment plants to remove harmful polyfluoroalkyl substances and microplastics from wastewater before the wastewater is released to the environment. This appropriation is subject to Minnesota Statutes, section 116P.10.

(g) Reducing Municipal Wastewater Mercury Pollution to Lake Superior

\$250,000 the first year is from the trust fund to the commissioner of the Minnesota Pollution Control Agency to evaluate and summarize current technologies to help municipal wastewater plants in the Lake Superior basin save money and reduce mercury pollution to Lake Superior and other Minnesota waters.

(h) Accelerating Perennial Crop Production to Prevent Nitrate Leaching

\$440,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Stearns County Soil and Water Conservation District to reduce

nitrate leaching on sandy soils of central Minnesota by developing water-efficient production methods, supply chains, and end-use markets for three perennial crops: Kernza, prairie species, and alfalfa. Net income from the sale of products or assets developed or acquired through this project may be reinvested as described in the work plan approved by the Legislative-Citizen Commission on Minnesota Resources according to Minnesota Statutes, section 116P.10.

(i) Farm-Ready Cover Crops for Protecting Water Quality

\$741,000 the first year is from the trust fund to the Minnesota State Colleges and Universities System for Central Lakes College to demonstrate conservation benefits of using camelina and kura clover as continuous living cover with corn-soybean rotations and to develop secondary markets to increase farmer adoption of this practice for protecting water quality in vulnerable wellhead protection areas. This appropriation is subject to Minnesota Statutes, section 116P.10.

(j) Setting Realistic Nitrate Reduction Goals in Southeast Minnesota

\$350,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop advanced water-flow and age-dating tools to improve the ability of state agencies to assess how well nitrate reduction best management practices are working in southeastern Minnesota.

(k) Mapping Unprofitable Cropland for Water and Wildlife

\$100,000 the first year is from the trust fund to the Science Museum of Minnesota for the St. Croix Watershed Research Station to conduct the first statewide analysis that maps the extent of Minnesota's unprofitable cropland and estimates both the water-quality

and habitat benefits of converting these lands to perennial crops and vegetation. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(l) Minnesota Spring Inventory Final Phase

\$71,000 the first year is from the trust fund to the commissioner of natural resources to complete the Minnesota Spring Inventory that identifies, catalogs, and assists resource managers in monitoring, assessing, and protecting important and threatened statewide water springs. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(m) Restoring Impaired Lakes Through Citizen-Aided Carp Management

\$106,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Carver County Water Management Organization to quantify water quality improvements and the cost-effectiveness of a new citizen-aided carp management method for restoring impaired lakes in Minnesota.

(n) Spring Biological Nitrate Removal to Protect Drinking Water

\$175,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Fairmont to build and demonstrate the effectiveness of an experimental passive biological treatment system to reduce nitrates that enter the city's springtime water supply source.

(o) Degrading Chlorinated Industrial Contaminants with Bacteria

\$1,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to determine the best way to stimulate bacteria to more quickly and completely remove industrial chlorinated

pollutants from contaminated sites. On the day following final enactment, the following amounts from unobligated appropriations to the Board of Regents of the University of Minnesota are transferred and added to this appropriation: \$75,000 in Laws 2016, chapter 186, section 2, subdivision 4, paragraph (1), and \$74,000 in Laws 2016, chapter 186, section 2, subdivision 6, paragraph (b).

(p) Managed Aquifer Recharge

\$350,000 the first year is to the Board of Regents of the University of Minnesota, Water Resources Center, for a comprehensive study of the economic benefits of managed aquifer recharge and to make recommendations to enhance and replenish Minnesota's groundwater resources. The study must include, but is not limited to:

(1) examining the potential benefits of enhancing groundwater recharge in water-stressed areas;

(2) assessing the relationship to changing seasonality and intensity of precipitation on groundwater recharge rates;

(3) reviewing the approaches to manage recharge in geologically appropriate areas;

(4) identifying policy options, costs, and barriers to recharging groundwater; and

(5) assessing the economic returns of options for groundwater recharge.

In conducting the study, the Water Resources Center must convene a stakeholder group and provide for public participation.

Subd. 5. Technical Assistance, Outreach, and Environmental Education

436,000

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(a) Expanding Camp Sunrise Environmental Program

\$237,000 the first year is from the trust fund to the commissioner of natural resources for

an agreement with YouthCare Minnesota to expand camp opportunities to more school districts and implement improved hands-on environmental education programs for economically disadvantaged youth.

(b) Mississippi National River and Recreation Area Forest Restoration

\$199,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Mississippi Park Connection to work with Conservation Corps Minnesota, local communities, and volunteers to address the loss of ash trees to emerald ash borer by planting approximately 15,000 native trees and plants in affected areas in the Mississippi National River and Recreation Area.

Subd. 6. Aquatic and Terrestrial Invasive Species

3,100,000

-0-

(a) Building Knowledge and Capacity to Solve AIS Problems

\$3,000,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to support the Minnesota Aquatic Invasive Species Research Center in developing solutions to Minnesota's aquatic invasive species problems through research, control, prevention, outreach, and early detection of existing and emerging aquatic invasive species threats. This appropriation is available until June 30, 2023, by which time the project must be completed and final products delivered.

(b) Oak Wilt Suppression at its Northern Edge

\$100,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Morrison Soil and Water Conservation District to eradicate the northern-most occurrences of oak wilt in the state through mechanical means on select private properties to prevent oak wilt's spread to healthy state forest habitats.

Subd. 7. Air Quality and Renewable Energy985,000-0-**(a) Development of Clean Energy Storage Systems for Farms**

\$650,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the West Central Research and Outreach Center at Morris to develop and test novel clean energy storage systems for farms using wind-generated ammonia to displace fossil fuels and reduce greenhouse gas emissions. This appropriation is subject to Minnesota Statutes, section 116P.10.

(b) Sustainable Solar Energy from Agricultural Plant By-Products

\$185,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Morris, to use regional plant-based agricultural by-products to fabricate solar cells for creating renewable and affordable energy.

(c) Morris Energy and Environment Community Resilience Plan

\$150,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Morris to develop and begin implementing community resilience plans for energy and the environment and to create a model guide for other Minnesota communities to create and implement their own plans.

Subd. 8. Methods to Protect or Restore Land, Water, and Habitat3,518,000-0-**(a) Promoting and Restoring Oak Savanna Using Silvopasture**

\$750,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to demonstrate, evaluate, and increase adoption of the combined use of intensive tree, forage, and livestock management as a method to restore threatened oak savanna habitats.

(b) Sauk River Dam Removal and Rock Rapids Replacement

\$2,768,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Melrose to remove an existing fixed-elevation dam, construct a rock arch rapids, and conduct in-stream and shoreline habitat restoration to improve water quality and native fish passage in the Sauk River. This project requires a match of at least \$1,400,000 that must be secured before trust fund money is spent. At least \$700,000 of this match must come from the city of Melrose. City of Melrose expenses for the Sauk River dam removal and rock rapids replacement incurred before July 1, 2019, may be counted toward the match.

Subd. 9. Land Acquisition, Habitat, and Recreation

26,797,000

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(a) Grants for Local Parks, Trails, and Natural Areas

\$4,096,000 the first year is from the trust fund to the commissioner of natural resources to solicit, rank, and fund competitive matching grants for local parks, trail connections, and natural and scenic areas under Minnesota Statutes, section 85.019. The appropriation is for local nature-based recreation, connections to regional and state natural areas, and recreation facilities and not for athletic facilities such as sport fields, courts, and playgrounds.

(b) Minnesota State Trails Development

\$3,000,000 the first year is from the trust fund to the commissioner of natural resources to expand high-priority recreational opportunities on Minnesota's state trails by developing new trail segments and rehabilitating, improving, and enhancing existing state trails. High-priority trail bridges to rehabilitate or replace include, but are not limited to, those on the Arrowhead, Central Lakes, Harmony-Preston Valley, Matthew Lourey, and North Shore State Trails. High-priority trail segments to develop and

enhance include the Paul Bunyan, Gateway, Heartland, and Gitchi Gami state trails. A proposed list of trail projects on legislatively authorized state trails is required in the work plan. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(c) National Loon Center

\$4,000,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the National Loon Center Foundation, in partnership with a fiscal agent to be approved by the Legislative-Citizen Commission on Minnesota Resources, to construct an approximately 15,000-square-foot National Loon Center in Cross Lake dedicated to loon survival, loon habitat protection and research, and recreation. Of this amount, up to \$1,449,000 is for planning, design, and construction of approximately six outdoor demonstration learning kiosks, interpretive trails, boardwalks and boat docks, a fishing dock, and native landscaping along approximately 3,100 feet of shoreline. Any remaining funds are for planning, engineering, and constructing the building and indoor exhibits. A land lease commitment of at least 25 years and fiscal sponsorship must be secured before any trust fund money is spent. This project requires a match of at least \$6,000,000. At least \$2,000,000 of this match must come from nonstate sources. If naming rights will be conveyed, the National Loon Center Foundation must include a plan for this in the work plan. All matching funds must be legally committed before any trust fund money may be spent on planning activities for or construction of the building and indoor exhibits. Net income generated from admissions, naming rights, and memberships to the National Loon Center as a result of trust fund contributions may be reinvested in the center's long-term loon conservation

efforts as described in the work plan approved by the Legislative-Citizen Commission on Minnesota Resources according to Minnesota Statutes, section 116P.10.

(d) Accessible Fishing Piers

\$320,000 the first year is from the trust fund to the commissioner of natural resources to provide accessible fishing piers in locations that have a high potential to serve new angling communities, underserved populations, and anglers with physical disabilities. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(e) Mesabi Trail Extensions

\$3,000,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority for environmental assessment, permitting, right-of-way easements or other acquisition as needed, and engineering for and construction of four trail segments beginning and ending at the following approximate locations: Darwin Meyers Wildlife Management Area to County Road 21, Embarrass to Kugler, County Road 128 to the Eagles Nest Town Hall, and Wolf Creek to the Highway 169 underpass.

(f) Birch Lake Recreation Area Campground

\$350,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Babbitt to expand Birch Lake Recreation Area by adding a new campground for recreational vehicles and tent campers. This project requires a match of at least \$2,800,000 that must be secured before trust fund money is spent. At least \$800,000 of this match must come from the city of Babbitt. Net income generated from admissions to the

campground created as a result of trust fund contributions may be reinvested into the campground's long-term operations as described in the work plan approved by the Legislative-Citizen Commission on Minnesota Resources according to Minnesota Statutes, section 116P.10.

(g) Bailey Lake Trail and Fishing Pier

\$550,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Virginia to reconstruct the existing Bailey Lake Trail and construct a new fishing pier on Bailey Lake that is accessible from the trail.

(h) Vergas Long Lake Trail

\$290,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Vergas to construct a bicycle and pedestrian bridge, trail, and floating boardwalk along Long Lake including shoreline restoration and stabilization with native plants. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(i) Glacial Edge Trail and Downtown Pedestrian Bridge

\$600,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Fergus Falls to acquire easements for and construct a trail along the Otter Tail River in downtown Fergus Falls and a bicycle and pedestrian bridge crossing the river. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(j) Crane Lake to Vermilion Falls Trail

\$400,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with St. Louis County in cooperation with Voyageur Country ATV

Club to designate and improve a wooded trail from Crane Lake to Vermilion Falls to accommodate all-terrain vehicle and snowmobile users. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(k) Restoring Five Sections of Superior Hiking Trail

\$191,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Superior Hiking Trail Association to restore and repair the most damaged parts of five sections of the Superior Hiking Trail and restore an abandoned route to a natural footpath for hikers.

(l) State Park and Recreation Area Operations and Improvements

\$10,000,000 the first year is from the trust fund to the commissioner of natural resources for state park and recreation area operations and improvements, including activities directly related to and necessary for this appropriation. This appropriation is not subject to Minnesota Statutes, sections 116P.05, subdivision 2, paragraph (b), and 116P.09, subdivision 4.

Subd. 10. Administration and Contract Agreement Reimbursement

1,538,000

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(a) Contract Agreement Reimbursement

\$135,000 the first year is from the trust fund to the commissioner of natural resources, at the direction of the Legislative-Citizen Commission on Minnesota Resources, for expenses incurred for preparing and administering contracts for the agreements specified in this section. The commissioner must provide documentation to the Legislative-Citizen Commission on Minnesota Resources on the expenditure of these funds. This appropriation is available until June 30, 2021, by which time the project

must be completed and final products delivered.

(b) Legislative-Citizen Commission on Minnesota Resources (LCCMR) Administration

\$1,400,000 the first year is from the trust fund to the Legislative-Citizen Commission on Minnesota Resources for administration in fiscal years 2020 and 2021 as provided in Minnesota Statutes, section 116P.09, subdivision 5.

(c) Legislative Coordinating Commission (LCC) Administration

\$3,000 the first year is from the trust fund to the Legislative Coordinating Commission for the website required in Minnesota Statutes, section 3.303, subdivision 10.

Subd. 11. Wastewater Treatment Recommendations

9,840,000

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(a) Water Infrastructure Funding Program

\$9,340,000 the first year is from the trust fund to the Public Facilities Authority for grants for wastewater projects under the water infrastructure funding program under Minnesota Statutes, section 446A.072, to home rule and statutory cities and towns with a population under 5,000. The commissioner of the Pollution Control Agency must work with communities that receive grants under this paragraph to identify pollutant reduction opportunities related to wastewater projects funded under this paragraph. This appropriation is available until June 30, 2023, by which time projects must be completed and final products delivered.

(b) Optimizing Local Mechanical and Pond Wastewater-Treatment Plants

\$500,000 the first year is from the trust fund to the commissioner of the Pollution Control Agency for the pilot program created under Laws 2018, chapter 214, article 4, section 2, subdivision 4, paragraph (a). This appropriation is available until June 30, 2021,

by which time projects must be completed and final products delivered.

Subd. 12. Fiscal Year 2019 Appropriations

(a) Diagnostic Test for Chronic Wasting Disease

\$1,804,000 in fiscal year 2019 is from the trust fund to the Board of Regents of the University of Minnesota to develop a diagnostic test for chronic wasting disease that: (1) uses samples from living deer; and (2) uses samples in the field from hunter-harvested deer. This appropriation is subject to Minnesota Statutes, section 116P.10. This appropriation is available until June 30, 2021, by which time projects must be completed and final products delivered.

(b) Wastewater Infrastructure Funding

\$1,136,000 in fiscal year 2019 is appropriated from the trust fund to the Public Facilities Authority for grants for wastewater projects under the water infrastructure funding program under Minnesota Statutes, section 446A.072, to home rule and statutory cities and towns with a population under 5,000. The commissioner of the Pollution Control Agency must work with communities that receive grants under this paragraph to identify pollutant reduction opportunities related to wastewater projects funded under this paragraph. This is a onetime appropriation and is available until June 30, 2023, by which time projects must be completed and final products delivered.

(c) Effective Date

This subdivision is effective the day following final enactment.

Subd. 13. Availability of Appropriations

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the work plan approved by the Legislative-Citizen

Commission on Minnesota Resources. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Costs that are directly related to and necessary for an appropriation, including financial services, human resources, information services, rent, and utilities, are eligible only if the costs can be clearly justified and individually documented specific to the appropriation's purpose and would not be generated by the recipient but for receipt of the appropriation. No broad allocations for costs in either dollars or percentages are allowed. Unless otherwise provided, the amounts in this section are available until June 30, 2022, when projects must be completed and final products delivered. For acquisition of real property, the appropriations in this section are available for an additional fiscal year if a binding contract for acquisition of the real property is entered into before the expiration date of the appropriation. If a project receives a federal grant, the time period of the appropriation is extended to equal the federal grant period.

Subd. 14. Data Availability Requirements

Data collected by the projects funded under this section must conform to guidelines and standards adopted by MN.IT Services. Spatial data must also conform to additional guidelines and standards designed to support data coordination and distribution that have been published by the Minnesota Geospatial Information Office. Descriptions of spatial data must be prepared as specified in the state's geographic metadata guideline and must be submitted to the Minnesota Geospatial Information Office. All data must be accessible and free to the public unless made private under the Data Practices Act, Minnesota Statutes, chapter 13. To the extent practicable, summary data and results of projects funded under this section should be

readily accessible on the Internet and identified as having received funding from the environment and natural resources trust fund.

Subd. 15. Project Requirements

(a) As a condition of accepting an appropriation under this section, an agency or entity receiving an appropriation or a party to an agreement from an appropriation must comply with paragraphs (b) to (l) and Minnesota Statutes, chapter 116P, and must submit a work plan and annual or semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources for any project funded in whole or in part with funds from the appropriation. Modifications to the approved work plan and budget expenditures must be made through the amendment process established by the Legislative-Citizen Commission on Minnesota Resources.

(b) A recipient of money appropriated in this section that conducts a restoration using funds appropriated in this section must use native plant species according to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines and include an appropriate diversity of native species selected to provide habitat for pollinators throughout the growing season as required under Minnesota Statutes, section 84.973.

(c) For all restorations conducted with money appropriated under this section, a recipient must prepare an ecological restoration and management plan that, to the degree practicable, is consistent with the highest-quality conservation and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success and durability of the restoration project. The plan must include the proposed timetable for

implementing the restoration, including site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and take advantage of the best-available science and include innovative techniques to achieve the best restoration.

(d) An entity receiving an appropriation in this section for restoration activities must provide an initial restoration evaluation at the completion of the appropriation and an evaluation three years after the completion of the expenditure. Restorations must be evaluated relative to the stated goals and standards in the restoration plan, current science, and, when applicable, the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The evaluation must determine whether the restorations are meeting planned goals, identify any problems with implementing the restorations, and, if necessary, give recommendations on improving restorations. The evaluation must be focused on improving future restorations.

(e) All restoration and enhancement projects funded with money appropriated in this section must be on land permanently protected by a conservation easement or public ownership.

(f) A recipient of money from an appropriation under this section must give consideration to contracting with Conservation Corps Minnesota for contract restoration and enhancement services.

(g) All conservation easements acquired with money appropriated under this section must:

(1) be permanent;

(2) specify the parties to an easement in the easement;

(3) specify all of the provisions of an agreement that are permanent;

(4) be sent to the Legislative-Citizen Commission on Minnesota Resources in an electronic format at least ten business days before closing;

(5) include a long-term monitoring and enforcement plan and funding for monitoring and enforcing the easement agreement; and

(6) include requirements in the easement document to protect the quantity and quality of groundwater and surface water through specific activities such as keeping water on the landscape, reducing nutrient and contaminant loading, and not permitting artificial hydrological modifications.

(h) For any acquisition of lands or interest in lands, a recipient of money appropriated under this section must not agree to pay more than 100 percent of the appraised value for a parcel of land using this money to complete the purchase, in part or in whole, except that up to ten percent above the appraised value may be allowed to complete the purchase, in part or in whole, using this money if permission is received in advance of the purchase from the Legislative-Citizen Commission on Minnesota Resources.

(i) For any acquisition of land or interest in land, a recipient of money appropriated under this section must give priority to high-quality natural resources or conservation lands that provide natural buffers to water resources.

(j) For new lands acquired with money appropriated under this section, a recipient must prepare an ecological restoration and management plan in compliance with paragraph (c), including sufficient funding

for implementation unless the work plan addresses why a portion of the money is not necessary to achieve a high-quality restoration.

(k) To ensure public accountability for using public funds, a recipient of money appropriated under this section must, within 60 days of the transaction, provide to the Legislative-Citizen Commission on Minnesota Resources documentation of the selection process used to identify parcels acquired and provide documentation of all related transaction costs, including but not limited to appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Legislative-Citizen Commission on Minnesota Resources any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted.

(l) A recipient of an appropriation from the trust fund under this section must acknowledge financial support from the environment and natural resources trust fund in project publications, signage, and other public communications and outreach related to work completed using the appropriation. Acknowledgment may occur, as appropriate, through use of the trust fund logo or inclusion of language attributing support from the trust fund. Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must satisfy all reporting and other requirements incumbent upon constitutionally dedicated funding recipients as provided in Minnesota Statutes, section 3.303, subdivision 10, and chapter 116P.

Subd. 16. Payment Conditions and Capital-Equipment Expenditures

(a) All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures made on or after July 1, 2019, or the date the work plan is approved, whichever is later, are eligible for reimbursement unless otherwise provided in this section. Periodic payments must be made upon receiving documentation that the deliverable items articulated in the approved work plan have been achieved, including partial achievements as evidenced by approved progress reports. Reasonable amounts may be advanced to projects to accommodate cash-flow needs or match federal money. The advances must be approved as part of the work plan. No expenditures for capital equipment are allowed unless expressly authorized in the project work plan.

(b) Single-source contracts as specified in the approved work plan are allowed.

Subd. 17. Purchase of Recycled and Recyclable Materials

A political subdivision, public or private corporation, or other entity that receives an appropriation under this section must use the appropriation in compliance with Minnesota Statutes, section 16C.0725, regarding purchasing recycled, repairable, and durable materials and Minnesota Statutes, section 16C.073, regarding purchasing and using paper stock and printing.

Subd. 18. Energy Conservation and Sustainable Building Guidelines

A recipient to whom an appropriation is made under this section for a capital improvement project must ensure that the project complies with the applicable energy

conservation and sustainable building guidelines and standards contained in law, including Minnesota Statutes, sections 16B.325, 216C.19, and 216C.20, and rules adopted under those sections. The recipient may use the energy planning, advocacy, and State Energy Office units of the Department of Commerce to obtain information and technical assistance on energy conservation and alternative-energy development relating to planning and constructing the capital improvement project.

Subd. 19. Accessibility

Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.

Subd. 20. Carryforward; Extension

(a) The availability of the appropriations for the following projects is extended to June 30, 2020:

(1) Laws 2015, chapter 76, section 2, subdivision 3, paragraph (g), Minnesota Native Bee Atlas;

(2) Laws 2015, chapter 76, section 2, subdivision 4, paragraph (f), Southeast Minnesota Subsurface Drainage Impacts on Groundwater Recharge;

(3) Laws 2015, chapter 76, section 2, subdivision 10, Emerging Issues Account;

(4) Laws 2016, chapter 186, section 2, subdivision 3, paragraph (a), Data-Driven Pollinator Conservation Strategies;

(5) Laws 2016, chapter 186, section 2, subdivision 3, paragraph (c), Prairie Butterfly Conservation, Research, and Breeding - Phase II;

(6) Laws 2016, chapter 186, section 2, subdivision 4, paragraph (h), Protection of

State's Confined Drinking Water Aquifers - Phase II;

(7) Laws 2016, chapter 186, section 2, subdivision 4, paragraph (r), Morrison County Performance Drainage and Hydrology Management;

(8) Laws 2016, chapter 186, section 2, subdivision 6, paragraph (c), Advancing Microbial Invasive Species Monitoring from Ballast Discharge;

(9) Laws 2016, chapter 186, section 2, subdivision 6, paragraph (e), Elimination of Target Invasive Plant Species - Phase II;

(10) Laws 2016, chapter 186, section 2, subdivision 8, paragraph (a), Bee Pollinator Habitat Enhancement - Phase II;

(11) Laws 2016, chapter 186, section 2, subdivision 8, paragraph (b), Measuring Pollen and Seed Dispersal for Prairie Fragment Connectivity;

(12) Laws 2016, chapter 186, section 2, subdivision 8, paragraph (f), Forest Management for Mississippi River Drinking Water Protection;

(13) Laws 2016, chapter 186, section 2, subdivision 9, paragraph (b), Minnesota Point Pine Forest Scientific and Natural Area Acquisition; and

(14) Laws 2017, chapter 96, section 2, subdivision 4, paragraph (a), Assessment of Household Chemicals and Herbicides in Rivers and Lakes.

(b) The availability of the appropriation under Laws 2017, chapter 96, section 2, subdivision 7, paragraph (b), Assessment of Urban Air Quality, is extended to June 30, 2021.

Sec. 3. Laws 2015, chapter 76, section 2, subdivision 9, as amended by Laws 2018, chapter 214, article 4, section 5, is amended to read:

Subd. 9. Land Acquisition for Habitat and Recreation

14,190,000

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(a) State Parks and Trails Land Acquisitions

\$1,500,000 the first year is from the trust fund to the commissioner of natural resources to acquire at least 335 acres for authorized state trails and critical parcels within the statutory boundaries of state parks. State park land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. A list of proposed acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(b) Metropolitan Regional Park System Land Acquisition - Phase IV

\$1,000,000 the first year is from the trust fund to the Metropolitan Council for grants to acquire ~~at least 133~~ approximately 90 acres of lands within the approved park unit boundaries of the metropolitan regional park system. This appropriation may not be used to purchase habitable residential structures. A list of proposed fee title and easement acquisitions must be provided as part of the required work plan. This appropriation must be matched by at least 40 percent of nonstate money that must be committed by December 31, 2015, or the appropriation cancels. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(c) SNA Acquisition, Restoration, Enhancement, and Public Engagement

\$4,000,000 the first year is from the trust fund to the commissioner of natural resources to acquire at least 350 acres of lands with high-quality native plant communities and

rare features to be established as scientific and natural areas as provided in Minnesota Statutes, section 86A.05, subdivision 5, restore and improve at least 550 acres of scientific and natural areas, and provide technical assistance and outreach. A list of proposed acquisitions must be provided as part of the required work plan. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(d) Native Prairie Stewardship and Prairie Bank Easement Acquisition

\$3,325,000 the first year is from the trust fund to the commissioner of natural resources to acquire native prairie bank easements on at least 675 acres, prepare baseline property assessments, restore and enhance at least 1,000 acres of native prairie sites, and provide technical assistance to landowners. Of this amount, up to \$195,000 must be deposited in a conservation easement stewardship account. Deposits into the conservation easement stewardship account must be made upon closing on conservation easements or at a time otherwise approved in the work plan. A list of proposed easement acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(e) Metro Conservation Corridors - Phase VIII Coordination, Mapping, and Conservation Easements

\$515,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Land Trust for Phase VIII of the Metro Conservation Corridors partnership to provide coordination

and mapping for the partnership and to acquire permanent conservation easements on at least 120 acres of strategic ecological landscapes to protect priority natural areas in the metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2, and portions of the surrounding counties. A list of proposed easement acquisitions must be provided as part of the required work plan. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. Expenditures are limited to the identified project corridor areas as defined in the work plan. Up to \$40,000 may be used for coordination and mapping for the Metro Conservation Corridors. All conservation easements must be perpetual and have a natural resource management plan. A list of proposed easement acquisitions must be provided as part of the required work plan. This appropriation is available June 30, 2018, by which time the project must be completed and final products delivered.

(f) Metro Conservation Corridors - Phase VIII Strategic Lands Protection

\$750,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with The Trust for Public Land for Phase VIII of the Metro Conservation Corridors partnership to acquire in fee at least 35 acres of high-quality priority state and local natural areas in the metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2, and portions of the surrounding counties. A list of proposed acquisitions must be provided as part of the required work plan. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. Expenditures are limited to the identified

project corridor areas as defined in the work plan. This appropriation may not be used to purchase habitable residential structures, unless expressly approved in the work plan. A list of fee title acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(g) Metro Conservation Corridors - Phase VIII Priority Expansion of Minnesota Valley National Wildlife Refuge

\$500,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Valley National Wildlife Refuge Trust, Inc. for Phase VIII of the Metro Conservation Corridors partnership to acquire in fee at least 100 acres of priority habitat for the Minnesota Valley National Wildlife Refuge in the metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2, and portions of the surrounding counties. A list of proposed acquisitions must be provided as part of the required work plan. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards. Expenditures are limited to the identified project corridor areas as defined in the work plan. This appropriation may not be used to purchase habitable residential structures, unless expressly approved in the work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(h) Metro Conservation Corridors - Phase VIII Wildlife Management Area Acquisition

\$400,000 the first year is from the trust fund to the commissioner of natural resources for Phase VIII of the Metro Conservation Corridors partnership to acquire in fee at least

82 acres along the lower reaches of the Vermillion River in Dakota County within the Gores Pool Wildlife Management Area. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards. This appropriation may not be used to purchase habitable residential structures, unless expressly approved in the work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(i) Mesabi Trail Development Soudan to Ely - Phase II

\$1,000,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority for the right-of-way acquisition, design, and construction of segments of the Mesabi Trail, totaling approximately seven miles between Soudan and Ely. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(j) Multi-benefit Watershed Scale Conservation on North Central Lakes

\$950,000 the first year is from the trust fund to the Board of Water and Soil Resources to secure permanent conservation easements on at least 480 acres of high-quality habitat in Crow Wing and Cass Counties. Of this amount, up to \$65,000 must be deposited in a conservation easement stewardship account; and \$54,000 is for an agreement with the Leech Lake Area Watershed Foundation in cooperation with Crow Wing County Soil and Water Conservation District and Cass County Soil and Water Conservation District. Deposits into the conservation easement stewardship account must be made upon closing on conservation easements or at a time otherwise approved in the work plan. A list of proposed easement

acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(k) Conservation Easement Assessment and Valuation System Development

\$250,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to assess the effectiveness of existing conservation easements acquired through state expenditures at achieving their intended outcomes of public value and ecological benefits and to develop a standardized, objective conservation easement valuation system for guiding future state investments in conservation easements to ensure the proposed environmental benefits are being achieved in a cost-effective manner. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

Sec. 4. Laws 2017, chapter 96, section 2, subdivision 9, is amended to read:

Subd. 9. Land Acquisition, Habitat, and Recreation	999,000	13,533,000	-0-
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(a) Metropolitan Regional Parks System Land Acquisition

\$1,500,000 the first year is from the trust fund to the Metropolitan Council for grants to acquire approximately ~~497~~ 70 acres of land within the approved park boundaries of the metropolitan regional park system. This appropriation may not be used to purchase habitable residential structures. A list of proposed fee title acquisitions must be provided as part of the required work plan. This appropriation must be matched by at least 40 percent of nonstate money that must be committed by December 31, 2017. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(b) Scientific and Natural Areas Acquisition and Restoration, Citizen Science, and Engagement

\$2,500,000 the first year is from the trust fund to the commissioner of natural resources to acquire ~~at least 250 acres of~~ land with high-quality native plant communities and rare features to be established as scientific and natural areas as provided in Minnesota Statutes, section 86A.05, subdivision 5, restore and improve ~~at least 1,000 acres of~~ scientific and natural areas, and provide technical assistance and outreach, including site steward events. At least one-third of the appropriation must be spent on restoration activities. A list of proposed acquisitions and restorations must be provided as part of the required work plan. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. When feasible, consideration must be given to accommodate trails on lands acquired. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(c) Minnesota State Parks and State Trails Land Acquisition

\$1,500,000 the first year is from the trust fund to the commissioner of natural resources to acquire approximately 373 acres from willing sellers for authorized state trails and critical parcels within the statutory boundaries of state parks. State park land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. A list of proposed acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(d) Minnesota State Trails Acquisition, Development, and Enhancement

\$999,000 in fiscal year 2017 and \$39,000 the first year are from the trust fund to the commissioner of natural resources for state trail acquisition, development, and enhancement in southern Minnesota. A proposed list of trail projects on authorized state trails must be provided as part of the required work plan. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(e) Native Prairie Stewardship and Prairie Bank Easement Acquisition

\$2,675,000 the first year is from the trust fund to the commissioner of natural resources to acquire native prairie bank easements in accordance with Minnesota Statutes, section 84.96, on approximately ~~335~~ 250 acres, prepare baseline property assessments, restore and enhance ~~at least 570 acres of~~ native prairie sites, and provide technical assistance to landowners. Of this amount, up to \$132,000 may be deposited in a conservation easement stewardship account. Deposits into the conservation easement stewardship account must be made upon closing on conservation easements or at a time otherwise approved in the work plan. A list of proposed easement acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(f) Leech Lake Acquisition

\$1,500,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Leech Lake Band of Ojibwe to acquire approximately 45 acres, including 0.67 miles of shoreline of high-quality aquatic and wildlife habitat at the historic meeting place between Henry

Schoolcraft and the Anishinabe people. The land must be open to public use including hunting and fishing. The band must provide a commitment that land will not be put in a federal trust through the Bureau of Indian Affairs.

(g) Mesabi Trail Development

\$2,269,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority for engineering and constructing segments of the Mesabi Trail. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(h) Tower Trailhead Boat Landing and Habitat Improvement - Phase II

\$600,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Tower to construct a trailhead and boat landing and restore vegetative habitat on city-owned property. Plant and seed materials must follow the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(i) Land Acquisition for Voyageurs National Park Crane Lake Visitors Center

\$950,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the town of Crane Lake, in partnership with Voyageurs National Park and the Department of Natural Resources, to acquire approximately 30 acres to be used for a visitor center and campground. Income generated by the campground may be used to support the facility.

Sec. 5. **TRANSFER OF FUNDS; EXTENSION OF AVAILABILITY OF APPROPRIATIONS.**

Subdivision 1. **Transfer of unencumbered funds.** On June 30, 2019, any unencumbered money from the following appropriations is transferred to the appropriation for the grants management system under Laws 2016, chapter 186, section 2, subdivision 10, paragraph (b):

- (1) Laws 2014, chapter 226, section 2, subdivision 10, paragraph (c);
- (2) Laws 2015, chapter 76, section 2, subdivision 9, paragraph (c);
- (3) Laws 2015, chapter 76, section 2, subdivision 9, paragraph (d);
- (4) Laws 2015, chapter 76, section 2, subdivision 9, paragraph (f);
- (5) Laws 2016, chapter 186, section 2, subdivision 9, paragraph (a);
- (6) Laws 2016, chapter 186, section 2, subdivision 9, paragraph (c); and
- (7) Laws 2017, chapter 96, section 2, subdivision 10, paragraph (b).

Subd. 2. **Extension of availability of appropriations.** The availability of the appropriations for the grants management system under Laws 2016, chapter 186, section 2, subdivision 10, paragraph (b), and the funds transferred to that project under subdivision 1 are extended to June 30, 2022.

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

ARTICLE 3

STATUTORY CHANGES

Section 1. Minnesota Statutes 2018, section 17.035, subdivision 1, is amended to read:

Subdivision 1. **Reimbursement.** A meat processor holding a license under chapter 28A may apply to the commissioner of agriculture for reimbursement of ~~\$70~~ \$150 towards the processor's reasonable and documented cost of processing donated deer, as determined by the commissioner within the limits of available funding. The meat processor shall deliver the deer, processed into cuts or ground meat, to a charitable organization that is registered under chapter 309 and with the commissioner of agriculture and that operates a food assistance program. To request reimbursement, the processor shall submit an application, on a form prescribed by the commissioner of agriculture, the tag number under which the deer was taken, and a receipt for the deer from the charitable organization.

Sec. 2. Minnesota Statutes 2018, section 35.153, is amended by adding a subdivision to read:

Subd. 2a. **Commercial herd.** "Commercial herd" means a herd for which the owner manages the herd for profit or monetary gain and engages in transactions or exchanges for consideration, including sale, barter, the offer to sell, or possession with the intent to sell.

Sec. 3. Minnesota Statutes 2018, section 35.153, is amended by adding a subdivision to read:

Subd. 7. **Noncommercial herd.** "Noncommercial herd" means a herd that is managed solely for personal enjoyment and use, as determined by the board.

Sec. 4. Minnesota Statutes 2018, section 35.155, subdivision 4, is amended to read:

Subd. 4. **Fencing.** Farmed Cervidae must be confined in a manner designed to prevent escape. All perimeter fences for farmed Cervidae must be at least 96 inches in height and be constructed and maintained in a way that prevents the escape of farmed Cervidae or entry into the premises by free-roaming Cervidae. All new fencing installed after the effective date of this section shall be high tensile. By December 1, 2019, all entry areas for farmed Cervidae enclosure areas must have two redundant gates, which must be maintained to prevent the escape of animals through an open gate. If a fence deficiency allows entry or exit by farmed or wild Cervidae, the deficiency must be repaired by the owner within 48 hours of discovery of the deficiency. If a fence deficiency is detected during an inspection, the facility must be reinspected at least once in the subsequent three months. The farmed Cervidae owner must pay a reinspection fee of \$950 plus mileage for each reinspection related to a fence violation.

Sec. 5. Minnesota Statutes 2018, section 35.155, subdivision 6, is amended to read:

Subd. 6. **Identification.** (a) Farmed Cervidae must be identified by means approved by the Board of Animal Health. The identification must include a distinct number that has not been used during the previous year and must be visible to the naked eye during daylight under normal conditions at a distance of 50 yards. Newborn animals must be identified before December 31 of the year in which the animal is born or before movement from the premises, whichever occurs first. As coordinated by the board, an animal that is not identified as required under this subdivision may be destroyed by the commissioner of natural resources.

(b) The Board of Animal Health shall register farmed Cervidae. The owner must submit the registration request on forms provided by the board. The forms must include sales receipts or other documentation of the origin of the Cervidae. The board ~~shall~~ must provide copies of the registration information to the commissioner of natural resources upon request. The owner must keep written records of the acquisition and disposition of registered farmed Cervidae.

Sec. 6. Minnesota Statutes 2018, section 35.155, subdivision 7, is amended to read:

Subd. 7. **Inspection.** As coordinated by the board, the commissioner of agriculture, an enforcement officer, as defined in section 97A.015, subdivision 18, and the Board of Animal Health may inspect farmed Cervidae, farmed Cervidae facilities, and farmed Cervidae records. For each commercial herd, the owner or owners must, on or before January 1, pay an annual inspection fee equal to \$10 for each cervid in the herd as reflected in the most recent inventory submitted to the Board of Animal Health, up to a maximum fee of ~~\$100~~ \$250. For each noncommercial herd, the owner or owners must, on or before January 1, pay an annual inspection fee of \$100. The commissioner of natural resources may inspect farmed Cervidae, farmed Cervidae facilities, and farmed Cervidae records with reasonable suspicion that laws protecting native wild animals have been violated and must notify the owner in writing at the time of the inspection of the reason for the inspection and must inform the owner in writing after the inspection of whether (1) the cause of the inspection was unfounded; or (2) there will be an ongoing investigation or continuing evaluation. The board shall ensure that each farmed Cervidae facility is inspected within 12 months

of a previous inspection. The inspection by the agency authorized under this paragraph must include a physical inspection of the entire perimeter fence around the facility, and a verification that farmed Cervidae are tagged. The owner or owners of the herd must present an accurate inventory for review.

Sec. 7. Minnesota Statutes 2018, section 35.155, subdivision 9, is amended to read:

Subd. 9. **Contested case hearing.** (a) A person raising farmed Cervidae that is aggrieved with any decision regarding the farmed Cervidae may request a contested case hearing under chapter 14.

(b) A person requesting a contested case hearing regarding a registration revocation under subdivision 10, paragraph (b), must make the request within 30 days of the revocation notice.

Sec. 8. Minnesota Statutes 2018, section 35.155, subdivision 10, is amended to read:

Subd. 10. **Mandatory registration.** (a) A person may not possess live Cervidae in Minnesota unless the person is registered with the Board of Animal Health and meets all the requirements for farmed Cervidae under this section. Cervidae possessed in violation of this subdivision may be seized and destroyed by the commissioner of natural resources.

(b) If the facility experiences more than two escape incidents in any 12-month period, the board may revoke the facility's registration and the animals may be seized by the commissioner of natural resources. After investigation and review of fence deficiencies, escapes, and other program requirements, the board may revoke the registration of a person who owns farmed Cervidae, and the animals may be seized by the commissioner of natural resources. Unless it would prohibit the operator from receiving federal indemnification payments, an enforcement officer, as defined in section 97A.015, subdivision 18, may destroy seized Cervidae 30 days after the registration revocation notice or following a final decision of a contested case hearing, whichever is later.

Sec. 9. Minnesota Statutes 2018, section 35.155, subdivision 11, is amended to read:

Subd. 11. **Mandatory surveillance for chronic wasting disease.** (a) An inventory for each farmed Cervidae herd must be verified by an accredited veterinarian and filed with the Board of Animal Health every 12 months.

(b) Movement of farmed Cervidae from any premises to another location must be reported to the Board of Animal Health within 14 days of the movement on forms approved by the Board of Animal Health.

(c) All animals from farmed Cervidae herds that are over ~~46~~ 12 months of age that die or are slaughtered must be tested for chronic wasting disease.

(d) Except for a closed terminal facility in which live Cervidae are not transported out of the facility, the owner of a premises where chronic wasting disease is detected must:

(1) depopulate the premises of Cervidae after the indemnification process has been completed and federal or state funding is available for indemnification;

(2) maintain exclusionary fencing on the premises for five years after the date of detection; and

(3) not stock Cervidae species on the premises after the date of detection.

Sec. 10. Minnesota Statutes 2018, section 84.026, is amended by adding a subdivision to read:

Subd. 4. **Paying grant-eligible expenditures.** Notwithstanding section 16A.41, the commissioner may make payments for otherwise eligible grant-program expenditures that are made on or after the effective date of the appropriation that funds the payments for:

(1) grants-in-aid under sections 84.794, 84.803, 84.83, 84.927, and 85.44;

(2) local recreation grants under section 85.019; and

(3) enforcement and public education grants under sections 84.794, 84.803, 84.83, 84.927, 86B.701, 86B.705, and 87A.10.

Sec. 11. Minnesota Statutes 2018, section 84.027, is amended by adding a subdivision to read:

Subd. 14c. **Unadopted rules.** (a) The commissioner of natural resources must not enforce or attempt to enforce an unadopted rule. For purposes of this subdivision, "unadopted rule" means a guideline, bulletin, criterion, manual standard, interpretive statement, or similar pronouncement if the guideline, bulletin, criterion, manual standard, interpretive statement, or similar pronouncement meets the definition of a rule as defined under section 14.02, subdivision 4, but has not been adopted according to the rulemaking process provided under chapter 14. If an unadopted rule is challenged under section 14.381, the commissioner must overcome a presumption against the unadopted rule.

(b) If the commissioner incorporates by reference an internal guideline, bulletin, criterion, manual standard, interpretive statement, or similar pronouncement into a statute, rule, or standard, the commissioner must follow the rulemaking process provided under chapter 14 to amend or revise any such guideline, bulletin, criterion, manual standard, interpretive statement, or similar pronouncement.

Sec. 12. Minnesota Statutes 2018, section 84.027, subdivision 18, is amended to read:

Subd. 18. **Permanent school fund authority; reporting.** (a) The commissioner of natural resources has the authority and responsibility ~~for the administration of~~ to administer school trust lands under sections ~~92.121~~ 92.122 and 127A.31. The commissioner shall biannually report to the Legislative Permanent School Fund Commission and the legislature on the management of the school trust lands that shows how the commissioner has and will continue to achieve the following goals:

(1) manage the school trust lands efficiently and in a manner that reflects the undivided loyalty to the beneficiaries consistent with the commissioner's fiduciary duties;

(2) reduce the management expenditures of school trust lands and maximize the revenues deposited in the permanent school trust fund;

(3) manage the sale, exchange, and commercial leasing of school trust lands, requiring returns of not less than fair market value, to maximize the revenues deposited in the permanent school trust fund and retain the value from the long-term appreciation of the school trust lands;

(4) manage the school trust lands to maximize the long-term economic return for the permanent school trust fund while maintaining sound natural resource conservation and management principles;

(5) optimize school trust land revenues and maximize the value of the trust consistent with ~~the~~ balancing of short-term and long-term interests, so that long-term benefits are not lost in an effort to maximize short-term gains; and

(6) maintain the integrity of the trust and prevent the misapplication of its lands and its revenues.

(b) When the commissioner finds an irresolvable conflict between maximizing the long-term economic return and protecting natural resources and recreational values on school trust lands, the commissioner shall give precedence to the long-term economic return in managing school trust lands. By July 1, 2018, the permanent school fund ~~shall~~ must be compensated for all school trust lands included under a designation or policy provision that prohibits long-term economic return. The commissioner shall submit recommendations to the appropriate legislative committees and divisions on methods of funding for the compensation required under this paragraph, including recommendations for appropriations from the general fund, nongeneral funds, and the state bond fund. Any uncompensated designation or policy provision restrictions on the long-term economic return on school trust lands remaining after July 1, 2018, ~~shall~~ must be compiled and submitted to the Legislative Permanent School Fund Commission for review.

(c) By December 31, 2013, the report required under paragraph (a) ~~shall~~ must provide an inventory and identification of all school trust lands that are included under a designation or policy provision that prohibits long-term economic return. The report ~~shall~~ must include a plan to compensate the permanent school fund through the purchase or exchange of the lands or a plan to manage the school trust land to generate long-term economic return to the permanent school fund. Subsequent reports under paragraph (a) ~~shall~~ must include a status report of the commissioner's progress in maximizing the long-term economic return on lands identified in the 2013 report.

(d) When ~~future management practices, policies, or designations or policies~~ by the commissioner ~~diminish or prohibit~~ the long-term economic return on school trust land, the conflict ~~shall~~ must be resolved ~~by compensating the permanent school fund through an exchange or purchase of the lands before designation or application of the policy as provided in section 92.122.~~

Sec. 13. Minnesota Statutes 2018, section 84.0273, is amended to read:

84.0273 ESTABLISHING BOUNDARY LINES RELATING TO CERTAIN STATE LANDHOLDINGS.

(a) ~~In order~~ To resolve boundary line issues affecting the ownership interests of the state and adjacent landowners, the commissioner of natural resources may, in the name of the state upon terms the commissioner deems appropriate, convey, by a boundary line agreement, quitclaim deed, or management agreement in such form as the attorney general approves, such rights, titles, and interests of the state in state lands for such rights, titles, and interests in adjacent lands as are necessary ~~for the purpose of establishing~~ to establish boundaries. The commissioner must publish a notice of the proposed conveyance and a brief statement of the reason therefor shall be published for the conveyance once in the State Register by the commissioner between 15 and at least 30 days prior to before the conveyance. ~~The provisions of This paragraph are~~ is not intended to replace or supersede laws relating to land exchange or disposal of surplus state property.

(b) ~~In order~~ To resolve trespass issues affecting the ownership interests of the state and adjacent landowners, the commissioner of natural resources, in the name of the state, may sell surplus lands

not needed for natural resource purposes at private sale to adjoining property owners and leaseholders. The conveyance must be by quitclaim in a form approved by the attorney general for a consideration not less than the value determined according to section 94.10, subdivision 1.

(c) Paragraph (b) applies to all state-owned lands managed by the commissioner of natural resources, except school trust land as defined in section 92.025. For acquired lands, the commissioner may sell the surplus lands as provided in paragraph (b) notwithstanding the offering to public entities, public sale, and related notice and publication requirements of sections 94.09 to 94.165. For consolidated conservation lands, the commissioner may sell the surplus lands as provided in paragraph (b) notwithstanding the classification and public sale provisions of chapters 84A and 282.

Sec. 14. Minnesota Statutes 2018, section 84.0895, subdivision 2, is amended to read:

Subd. 2. **Application.** (a) Subdivision 1 does not apply to:

(1) plants on land classified for property tax purposes as class 2a or 2c agricultural land under section 273.13, ~~or on ditches and roadways~~ a ditch, or on an existing public road right-of-way as defined in section 84.92, subdivision 6a, except for ground not previously disturbed by construction or maintenance; and

(2) noxious weeds designated pursuant to sections 18.76 to 18.88 or to weeds otherwise designated as troublesome by the Department of Agriculture.

(b) If control of noxious weeds is necessary, it takes priority over the protection of endangered plant species, as long as a reasonable effort is taken to preserve the endangered plant species first.

(c) The taking or killing of an endangered plant species on land adjacent to class 3 or 3b agricultural land as a result of the application of pesticides or other agricultural chemical on the class 3 or 3b land is not a violation of subdivision 1, if reasonable care is taken in the application of the pesticide or other chemical to avoid impact on adjacent lands. For the purpose of this paragraph, class 3 or 3b agricultural land does not include timber land, waste land, or other land for which the owner receives a state paid wetlands or native prairie tax credit.

(d) The accidental taking of an endangered plant, where the existence of the plant is not known at the time of the taking, is not a violation of subdivision 1.

Sec. 15. **[84.1511] WILD RICE STEWARDSHIP COUNCIL.**

Subdivision 1. **Council created.** (a) The Wild Rice Stewardship Council is established to foster leadership, collaboration, coordination, and communication among state and tribal government bodies and wild rice stakeholders. Members of the council must represent a wide range of interests and perspectives and be able to make interdisciplinary recommendations on managing, monitoring, providing outreach for, researching, and regulating wild rice.

(b) The governor must appoint 13 members to the council. The initial appointments to the council shall include the members of the Governor's Task Force on Wild Rice established by Executive Orders 18-08 and 18-09 unless those individuals decline to be appointed. The council membership must include the following individuals:

(1) one representative nominated by the Minnesota Chippewa Tribe;

(2) one representative nominated by the four Minnesota Dakota Tribes, which include the Shakopee Mdewakanton Sioux community, Prairie Island Indian community, Lower Sioux Indian community, and Upper Sioux community;

(3) one representative nominated by Red Lake Nation;

(4) two independent scientists with expertise in wild rice research and plant-based aquatic toxicity;

(5) one nonnative wild rice harvester;

(6) one representative from the ferrous mining industry;

(7) one representative from the nonferrous mining industry;

(8) one representative from a municipal wastewater discharger;

(9) one representative of an electric utility;

(10) one representative of a statewide labor organization;

(11) two representatives from an environmental nongovernmental organization; and

(12) one representative each from the Department of Natural Resources and the Minnesota Pollution Control Agency appointed by the commissioner of each entity to serve as an ex officio member.

(c) The speaker of the house shall appoint one member of the house of representatives to the council and the minority leader of the house shall appoint one member of the house of representatives to the council.

(d) The senate majority leader shall appoint one member of the senate to the council and the senate minority leader shall appoint one member of the senate to the council.

(e) The council shall review and consider the recommendations of the Governor's Task Force on Wild Rice and the 2018 Tribal Wild Rice Task Force report, including the recommendation to utilize a committee structure that includes council members and nonmembers with relevant subject matter expertise for technical work related to management plans, monitoring, and research.

(f) The Department of Natural Resources shall provide staff support for the council to enable the council to carry out its functions.

(g) Terms, compensation, nomination, appointment, and removal of public members of the council are governed by section 15.059.

Subd. 2. Council responsibilities. (a) The council must provide the governor, chief executives of Minnesota's 11 Indian tribes, and the legislature a biennial report on the health of wild rice and policy and funding recommendations to ensure that wild rice thrives in Minnesota.

(b) The council must recommend to the commissioners of natural resources and the Pollution Control Agency a shared monitoring protocol that includes biological, chemical, and hydrological factors affecting wild rice to assess the health of wild rice populations over time. The protocol must draw on existing resources such as the monitoring protocol for wild rice developed by Minnesota Sea Grant, the lake survey and vegetation mapping methodologies of the Department of Natural Resources, and the monitoring methodologies of the 1854 Treaty Authority. The council must include recommendations on implementing the protocol and must regularly prepare a report on protocol implementation.

(c) The council must recommend to the commissioner of natural resources a comprehensive, statewide management plan for wild rice. The plan must include clear goals and indicators, activities, time frames, organizational responsibilities, and performance measures. Indicators of wild rice health must have the ability to be tracked over time to facilitate a better understanding of the impact of various stressors versus the natural variability of wild rice. The council must work with tribes to develop an understanding of natural wild rice variability through traditional ecological knowledge and lake histories. Biological, chemical, and hydrological factors must be considered.

(d) The council must identify and recommend research priorities and required funding levels. Prioritization should be given to needs identified through the monitoring protocol and management plans recommended by the council. Topics of research may include:

- (1) assessment of diverse factors impacting wild rice health and interaction among these factors;
- (2) criteria and methodology for restoring wild rice within its historic range;
- (3) seed development;
- (4) effective methods of controlling waterfowl predation; and
- (5) roles of root plaques, hydrology, landscape context, and other related factors.

(e) The council must provide a forum for scientists and managers to convene and explore research needs, approaches, and outcomes for building a shared understanding of the threats to and opportunities for fostering wild rice health and to fill data gaps.

Subd. 3. **Outreach and education.** (a) The council must advise state agencies and the legislature on statewide outreach and education on wild rice. Activities may include:

- (1) developing a statewide education and promotion campaign to raise awareness about the ecological, nutritional, and cultural value of wild rice;
- (2) coordinating an annual Wild Rice Week in which tribal chief executives and the governor declare the first week of September Wild Rice Week; and
- (3) recommending actions to raise awareness and increase enforcement of natural wild rice labeling laws, including those that require specified labeling for natural wild rice.

(b) The council must develop and recommend to the commissioner of the Pollution Control Agency a road map for protecting wild rice from harmful levels of pollutants and other stressors through a holistic approach that addresses the water quality standard for sulfate in conjunction with

enhanced monitoring, management, and education efforts and that leads to protecting wild rice and strategically using state and community resources.

(c) The council must develop and recommend to the commissioner of the Pollution Control Agency a structured approach to listing wild-rice waters and potential implementation of a water quality standard for sulfate to maximize protection of wild rice while limiting the scope and extent of burdens to Minnesota communities caused by the difficulty of treating sulfate.

Subd. 4. **Expiration.** This section expires January 1, 2029.

Sec. 16. Minnesota Statutes 2018, section 84.775, subdivision 1, is amended to read:

Subdivision 1. **Civil citation; authority to issue.** (a) A conservation officer or other licensed peace officer may issue a civil citation to a person who operates:

- (1) an off-highway motorcycle in violation of sections 84.773, subdivision 1 or 2, clause (1); 84.777; 84.788 to 84.795; or 84.90;
- (2) an off-road vehicle in violation of sections 84.773, subdivision 1 or 2, clause (1); 84.777; 84.798 to 84.804; or 84.90; or
- (3) an all-terrain vehicle in violation of sections 84.773, subdivision 1 or 2, clause (1); 84.777; 84.90; or 84.922 to 84.928.

(b) A civil citation under paragraph (a) shall require restitution for public and private property damage and impose a penalty of:

- (1) \$100 for the first offense;
- (2) \$200 for the second offense; and
- (3) \$500 for third and subsequent offenses.

(c) A conservation officer or other licensed peace officer may issue a civil citation to a person who operates an off-highway motorcycle, off-road vehicle, or all-terrain vehicle in violation of section 84.773, subdivision 2, clause (2) or (3). A civil citation under this paragraph shall require restitution for damage to wetlands and impose a penalty of:

- (1) \$100 for the first offense;
- (2) \$500 for the second offense; and
- (3) \$1,000 for third and subsequent offenses.

(d) If the peace officer determines that there is damage to property requiring restitution, the commissioner must send a written explanation of the extent of the damage and the cost of the repair by first class mail to the address provided by the person receiving the citation within 15 days of the date of the citation.

(e) An off-road vehicle ~~or all-terrain vehicle~~ that is equipped with a snorkel device and receives a civil citation under this section is subject to twice the penalty amounts in paragraphs (b) and (c).

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

Sec. 17. Minnesota Statutes 2018, section 84.788, subdivision 2, is amended to read:

Subd. 2. **Exemptions.** Registration is not required for off-highway motorcycles:

(1) owned and used by the United States, an Indian tribal government, the state, another state, or a political subdivision;

(2) registered in another state or country that have not been within this state for more than 30 consecutive days;

(3) registered under chapter 168, when operated on forest roads to gain access to a state forest campground;

~~(4) used exclusively in organized track racing events;~~

~~(5)~~ (4) operated on state or grant-in-aid trails by a nonresident possessing a nonresident off-highway motorcycle state trail pass;

~~(6)~~ (5) operated by a person participating in an event for which the commissioner has issued a special use permit; or

~~(7)~~ (6) operated on boundary trails and registered in another state or country providing equal reciprocal registration or licensing exemptions for registrants of this state.

Sec. 18. Minnesota Statutes 2018, section 84.794, subdivision 2, is amended to read:

Subd. 2. **Purposes.** (a) Subject to appropriation by the legislature, money in the off-highway motorcycle account may only be spent for:

(1) administration, enforcement, and implementation of sections 84.787 to 84.795;

(2) acquisition, maintenance, and development of off-highway motorcycle trails and use areas;
and

(3) grants-in-aid to counties and municipalities to construct and maintain off-highway motorcycle trails and use areas; and

(4) grants for enforcement and public education to local law enforcement agencies.

(b) The distribution of funds made available for grants-in-aid must be guided by the statewide comprehensive outdoor recreation plan.

Sec. 19. Minnesota Statutes 2018, section 84.83, subdivision 3, is amended to read:

Subd. 3. **Purposes for the account; allocation.** (a) The money deposited in the account and interest earned on that money may be expended only as appropriated by law for the following purposes:

(1) for a grant-in-aid program to counties and municipalities for construction and maintenance of snowmobile trails that are determined by the commissioner to be part of the state's grant-in-aid system, including maintenance of trails on lands and waters of Voyageurs National Park; on Lake of the Woods; on Rainy Lake; on the following lakes in St. Louis County: Burntside, Crane, Little Long, Mud, Pelican, Shagawa, and Vermilion; and on the following lakes in Cook County: Devil Track and Hungry Jack; The commissioner may establish a performance-based funding formula for annual grants-in-aid. The procedures and criteria for grants-in-aid are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. In administering the performance-based grants-in-aid, the commissioner must:

(i) determine annual grant amounts based on a funding formula that includes consideration of historical costs, snowfall, use, and tourism;

(ii) make grant payments based on:

(A) successful completion of performance benchmarks;

(B) reimbursement of eligible expenditures; or

(C) a combination of subitems (A) and (B); and

(iii) assess penalties to nonperforming grant-in-aid recipients, which may include withholding grant payments or making the grantee or trail system ineligible for future grant-in-aid funding.

(2) ~~for acquisition, development, and maintenance of~~ to acquire, develop, and maintain state recreational snowmobile trails;

(3) for snowmobile safety programs; and

(4) ~~for the administration and enforcement of~~ to administer and enforce sections 84.81 to 84.91 and appropriated grants to local law enforcement agencies.

(b) No less than 60 percent of revenue collected from snowmobile registration and snowmobile state trail sticker fees must be expended for grants-in-aid to develop, maintain, and groom trails and acquire easements.

Sec. 20. Minnesota Statutes 2018, section 84.86, subdivision 1, is amended to read:

Subdivision 1. **Required rules.** With a view of achieving maximum use of snowmobiles consistent with protection of the environment the commissioner of natural resources shall adopt rules in the manner provided by chapter 14, for the following purposes:

(1) Registration of snowmobiles and display of registration numbers.

(2) Use of snowmobiles insofar as game and fish resources are affected.

(3) Use of snowmobiles on public lands and waters, or on grant-in-aid trails.

(4) Uniform signs to be used by the state, counties, and cities, which are necessary or desirable to control, direct, or regulate the operation and use of snowmobiles.

(5) Specifications relating to snowmobile mufflers.

(6) A comprehensive snowmobile information and safety education and training program, including but not limited to the preparation and dissemination of snowmobile information and safety advice to the public, the training of snowmobile operators, and the issuance of snowmobile safety certificates to snowmobile operators who successfully complete the snowmobile safety education and training course. For the purpose of administering such program and to defray expenses of training and certifying snowmobile operators, the commissioner shall collect a fee from each person who receives the youth or adult training. The commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for issuing a duplicate snowmobile safety certificate. The commissioner shall establish both fees in a manner that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services. The fees are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. The fees may be established by the commissioner notwithstanding section 16A.1283. The fees, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the snowmobile trails and enforcement account in the natural resources fund and the amount thereof, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to the Enforcement Division of the Department of Natural Resources for the administration of such programs. In addition to the fee established by the commissioner, instructors may charge each person any fee paid by the instructor for the person's online training course and up to the established fee amount for class materials and expenses. The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this clause. School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of snowmobile operators.

(7) The operator of any snowmobile involved in an accident resulting in injury requiring medical attention or hospitalization to or death of any person or total damage to an extent of \$500 or more, shall forward a written report of the accident to the commissioner on such form as the commissioner shall prescribe. If the operator is killed or is unable to file a report due to incapacitation, any peace officer investigating the accident shall file the accident report within ten business days.

Sec. 21. Minnesota Statutes 2018, section 84.925, subdivision 1, is amended to read:

Subdivision 1. **Program Training and certification programs established.** (a) The commissioner shall establish:

(1) a comprehensive all-terrain vehicle environmental and safety education and training certification program, including the preparation and dissemination of vehicle information and safety advice to the public, the training of all-terrain vehicle operators, and the issuance of all-terrain

vehicle safety certificates to vehicle operators over the age of 12 years who successfully complete the all-terrain vehicle environmental and safety education and training course; and

(2) a voluntary all-terrain vehicle online training program for youth and a parent or guardian, offered at no charge for operators at least six years of age but younger than ten years of age.

(b) A parent or guardian must be present at the hands-on a training portion of the program for when the youth who are six through is under ten years of age.

~~(b)~~ (c) For the purpose of administering the program and to defray the expenses of training and certifying vehicle operators, the commissioner shall collect a fee from each person who receives the training for certification under paragraph (a), clause (1). The commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for issuing a duplicate all-terrain vehicle safety certificate. The commissioner shall establish both fees in a manner that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services. The fees are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. The fees may be established by the commissioner notwithstanding section 16A.1283. Fee proceeds, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the all-terrain vehicle account in the natural resources fund and the amount thereof, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to the Enforcement Division of the Department of Natural Resources for the administration of the programs. In addition to the fee established by the commissioner, instructors may charge each person up to the established fee amount for class materials and expenses.

~~(e)~~ (d) The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the ~~program~~ programs established under this section. School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training. The commissioner shall consult with the commissioner of public safety in regard to ~~training program~~ the subject matter of the training programs and performance testing that leads to the certification of vehicle operators. The commissioner shall incorporate a riding component in the ~~safety education and training program~~ certification programs established under this section and may incorporate a riding component in the training program established in paragraph (a), clause (2).

Sec. 22. Minnesota Statutes 2018, section 84.9256, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions on youthful operators.** (a) Except for operation on public road rights-of-way that is permitted under section 84.928 and as provided under paragraph (j), a driver's license issued by the state or another state is required to operate an all-terrain vehicle along or on a public road right-of-way.

(b) A person under 12 years of age shall not:

(1) make a direct crossing of a public road right-of-way;

(2) operate an all-terrain vehicle on a public road right-of-way in the state; or

(3) operate an all-terrain vehicle on public lands or waters, except as provided in paragraph (f).

(c) Except for public road rights-of-way of interstate highways, a person 12 years of age but less than 16 years may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate on public lands and waters or state or grant-in-aid trails, only if that person possesses a valid all-terrain vehicle safety certificate issued by the commissioner and is accompanied by a person 18 years of age or older who holds a valid driver's license.

(d) To be issued an all-terrain vehicle safety certificate, a person at least 12 years old, but less than 16 years old, must:

(1) successfully complete the safety education and training program under section 84.925, subdivision 1, including a riding component; and

(2) be able to properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

(e) A person at least ~~six~~ ten years of age may take the safety education and training program and may receive an all-terrain vehicle safety certificate under paragraph (d), but the certificate is not valid until the person reaches age 12.

(f) A person at least ten years of age but under 12 years of age may operate an all-terrain vehicle with an engine capacity up to 110cc if the vehicle is a class 1 all-terrain vehicle with straddle-style seating or up to 170cc if the vehicle is a class 1 all-terrain vehicle with side-by-side-style seating on public lands or waters if accompanied by a parent or legal guardian.

(g) A person under 15 years of age shall not operate a class 2 all-terrain vehicle.

(h) A person under the age of 16 may not operate an all-terrain vehicle on public lands or waters or on state or grant-in-aid trails if the person cannot properly reach and control:

(1) the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle with straddle-style seating; or

(2) the steering wheel and foot controls of a class 1 all-terrain vehicle with side-by-side-style seating while sitting upright in the seat with the seat belt fully engaged.

(i) Notwithstanding paragraph (c), a nonresident at least 12 years old, but less than 16 years old, may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate an all-terrain vehicle on public lands and waters or state or grant-in-aid trails if:

(1) the nonresident youth has in possession evidence of completing an all-terrain safety course offered by the ATV Safety Institute or another state as provided in section 84.925, subdivision 3; and

(2) the nonresident youth is accompanied by a person 18 years of age or older who holds a valid driver's license.

(j) A person 12 years of age but less than 16 years of age may operate an all-terrain vehicle on the roadway, bank, slope, or ditch of a public road right-of-way as permitted under section 84.928 if the person:

- (1) possesses a valid all-terrain vehicle safety certificate issued by the commissioner; and
- (2) is accompanied by a parent or legal guardian on a separate all-terrain vehicle.

Sec. 23. Minnesota Statutes 2018, section 84.928, subdivision 2, is amended to read:

Subd. 2. **Operation generally.** A person may not drive or operate an all-terrain vehicle:

- (1) at a rate of speed greater than reasonable or proper under the surrounding circumstances;
- (2) in a careless, reckless, or negligent manner so as to endanger or to cause injury or damage to the person or property of another;
- (3) without headlight and taillight lighted at all times if the vehicle is equipped with headlight and taillight;
- (4) without a functioning stoplight if so equipped;
- (5) in a tree nursery or planting in a manner that damages or destroys growing stock;
- (6) without a brake operational by either hand or foot;
- (7) with more than one person on the vehicle, except as allowed under section 84.9257;
- (8) at a speed exceeding ten miles per hour on the frozen surface of public waters within 100 feet of a person not on an all-terrain vehicle or within 100 feet of a fishing shelter; or
- ~~(9) with a snorkel device that has a raised air intake six inches or more above the vehicle manufacturer's original air intake, except within the Iron Range Off Highway Vehicle Recreation Area as described in section 85.013, subdivision 12a, or other public off-highway vehicle recreation areas; or~~
- ~~(10)~~ (9) in a manner that violates operation rules adopted by the commissioner.

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

Sec. 24. Minnesota Statutes 2018, section 84D.03, subdivision 3, is amended to read:

Subd. 3. **Bait harvest from infested waters.** (a) Taking wild animals from infested waters for bait or aquatic farm purposes is prohibited except as provided in paragraph (b) or (c) and section 97C.341.

(b) In waters that are listed as infested waters, except those listed as infested with prohibited invasive species of fish or certifiable diseases of fish, as defined under section 17.4982, subdivision 6, taking wild animals may be permitted for:

(1) commercial taking of wild animals for bait and aquatic farm purposes as provided in a permit issued under section 84D.11, subject to rules adopted by the commissioner; and

(2) bait purposes for noncommercial personal use in waters that contain Eurasian watermilfoil, when the infested waters are listed solely because they contain Eurasian watermilfoil and if the

equipment for taking is limited to cylindrical minnow traps not exceeding 16 inches in diameter and 32 inches in length.

(c) In streams or rivers that are listed as infested waters, except those listed as infested with certifiable diseases of fish, as defined under section 17.4982, subdivision 6, the harvest of bullheads, goldeyes, mooneyes, sheepshead (freshwater drum), and suckers for bait by hook and line for noncommercial personal use is allowed as follows:

(1) fish taken under this paragraph must be used on the same body of water where caught and while still on that water body. Where the river or stream is divided by barriers such as dams, the fish must be caught and used on the same section of the river or stream;

(2) fish taken under this paragraph may not be transported live from or off the water body;

(3) fish harvested under this paragraph may only be used in accordance with this section;

(4) any other use of wild animals used for bait from infested waters is prohibited;

(5) fish taken under this paragraph must meet all other size restrictions and requirements as established in rules; and

(6) all species listed under this paragraph shall be included in the person's daily limit as established in rules, if applicable.

(d) Equipment authorized for minnow harvest in a listed infested water by permit issued under paragraph (b) may not be transported to, or used in, any waters other than waters specified in the permit.

(e) Bait intended for sale may not be held in infested water after taking and before sale unless authorized under a license or permit according to Minnesota Rules, part 6216.0500.

(f) In the Minnesota River downstream of Granite Falls, the Mississippi River downstream of St. Anthony Falls, and the St. Croix River downstream of the dam at Taylors Falls, including portions described as Minnesota-Wisconsin boundary waters in Minnesota Rules, part 6266.0500, subpart 1, items A and B, harvesting gizzard shad by cast net for noncommercial personal use as bait for angling, as provided in a permit issued under section 84D.11, is allowed as follows:

(1) nontarget species must immediately be returned to the water;

(2) gizzard shad taken under this paragraph must be used on the same body of water where caught and while still on that water body. Where the river is divided by barriers such as dams, the gizzard shad must be caught and used on the same section of the river;

(3) gizzard shad taken under this paragraph may not be transported off the water body; and

(4) gizzard shad harvested under this paragraph may only be used in accordance with this section.

Sec. 25. Minnesota Statutes 2018, section 84D.03, subdivision 4, is amended to read:

Subd. 4. **Restrictions in infested and noninfested waters; commercial fishing and turtle, frog, and crayfish harvesting.** (a) All nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in an infested water that is listed because it contains invasive fish, invertebrates, aquatic plants or aquatic macrophytes other than Eurasian watermilfoil, or certifiable diseases, as defined in section 17.4982, must be tagged with tags provided by the commissioner, as specified in the commercial licensee's license or permit. Tagged gear must not be used in water bodies other than those specified in the license or permit. The license or permit may authorize department staff to remove tags after the from gear is that has been decontaminated according to a protocol specified by the commissioner if use of the decontaminated gear in other water bodies does not pose an unreasonable risk of harm to natural resources or the use of natural resources in the state. This tagging requirement does not apply to commercial fishing equipment used in Lake Superior.

(b) All nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in an infested water that is listed solely because it contains Eurasian watermilfoil must be dried for a minimum of ten days or frozen for a minimum of two days before they are used in any other waters, except as provided in this paragraph. Commercial licensees must notify the department's regional or area fisheries office or a conservation officer before removing nets or equipment from an infested water listed solely because it contains Eurasian watermilfoil and before resetting those nets or equipment in any other waters. Upon notification, the commissioner may authorize a commercial licensee to move nets or equipment to another water without freezing or drying, if that water is listed as infested solely because it contains Eurasian watermilfoil.

(c) A commercial licensee must remove all aquatic macrophytes from nets and other equipment before placing the equipment into waters of the state.

(d) The commissioner shall provide a commercial licensee with a current listing of listed infested waters at the time that a license or permit is issued.

Sec. 26. Minnesota Statutes 2018, section 84D.108, subdivision 2b, is amended to read:

Subd. 2b. **Gull Lake pilot study.** (a) The commissioner may include an additional targeted pilot study to include water-related equipment with zebra mussels attached for ~~the Gull Narrows State Water Access Site, Government Point State Water Access Site, and Gull East State Water Access Site~~ water access sites on Gull Lake (DNR Division of Waters number 11-0305) in Cass and Crow Wing Counties using the same authorities, general procedures, and requirements provided for the Lake Minnetonka pilot project in subdivision 2a. Lake service providers participating in the Gull Lake targeted pilot study place of business must be located in Cass or Crow Wing County.

(b) If an additional targeted pilot project for Gull Lake is implemented under this section, the report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over natural resources required under Laws 2016, chapter 189, article 3, section 48, must also include the Gull Lake targeted pilot study recommendations and assessments.

(c) This subdivision expires December 1, 2019.

Sec. 27. Minnesota Statutes 2018, section 84D.108, subdivision 2c, is amended to read:

Subd. 2c. **Cross Lake pilot study.** (a) The commissioner may include an additional targeted pilot study to include water-related equipment with zebra mussels attached for ~~the Cross Lake #1 State Water Access Site~~ water access sites on Cross Lake (DNR Division of Waters number 18-0312) in Crow Wing County using the same authorities, general procedures, and requirements provided for the Lake Minnetonka pilot project in subdivision 2a. The place of business of lake service providers participating in the Cross Lake targeted pilot study must be located in Cass or Crow Wing County.

(b) If an additional targeted pilot project for Cross Lake is implemented under this section, the report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over natural resources required under Laws 2016, chapter 189, article 3, section 48, must also include the Cross Lake targeted pilot study recommendations and assessments.

(c) This subdivision expires December 1, 2019.

Sec. 28. Minnesota Statutes 2018, section 85.054, subdivision 1, is amended to read:

Subdivision 1. **State Park Open House Day Days.** (a) A state park permit is not required for a motor vehicle to enter a state park, state monument, state recreation area, or state wayside; ~~on one day each calendar year at each park, which the commissioner may designate as Martin Luther King Jr. Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Christmas Eve, or New Year's Eve. These days are State Park Open House Days. The commissioner may designate one additional day each calendar year at each park as a State Park Open House Day.~~ The commissioner and may designate two consecutive days as State Park Open House Day, if the open house is held in conjunction with a special pageant described in section 85.052, subdivision 2.

(b) The commissioner shall announce the date of each State Park Open House Day at least 30 days in advance of the date it occurs.

(c) The purpose of State Park Open House Day Days is to acquaint the public with state parks, recreation areas, and waysides.

Sec. 29. Minnesota Statutes 2018, section 85.44, is amended to read:

85.44 CROSS-COUNTRY-SKI TRAIL GRANT-IN-AID PROGRAM.

The commissioner shall establish a grant-in-aid program for local units of government and special park districts ~~for the acquisition, development, and maintenance of~~ to acquire, develop, and maintain cross-country-ski trails that are determined by the commissioner to be part of the state's grant-in-aid system. Grants ~~shall be~~ are available ~~for acquisition of~~ to acquire trail easements but may not be used to acquire any lands in fee title. Local units of government and special park districts applying for and receiving grants under this section ~~shall be~~ are considered to have cross-country-ski trails for one year following the expiration of their last grant. The department shall reimburse all public sponsors of grants-in-aid cross-country-ski trails based upon criteria established by the department. ~~Prior to the use of~~ Before using any reimbursement criteria, a certain proportion of the revenues ~~shall~~ must be allocated on the basis of user fee sales location. The commissioner may establish a performance-based funding formula for annual grants-in-aid. The procedures and criteria for grants-in-aid are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. In administering the performance-based grants-in-aid, the commissioner must:

(1) determine annual grant amounts based on a funding formula that includes consideration of historical costs, snowfall, use, and tourism;

(2) make grant payments based on:

(i) successful completion of performance benchmarks;

(ii) reimbursement of eligible expenditures; or

(iii) a combination of items (i) and (ii); and

(3) assess penalties to nonperforming grant-in-aid recipients, which may include withholding grant payments or making the grantee or trail system ineligible for future grant-in-aid funding.

Sec. 30. Minnesota Statutes 2018, section 85.47, is amended to read:

85.47 SPECIAL USE PERMITS; FEES.

Fees collected for special use permits to use state trails not on state forest, state park, or state recreation area lands and for use of state water access sites must be deposited in the natural resources fund and are appropriated to the commissioner of natural resources for operating and maintaining state trails and water access sites.

Sec. 31. Minnesota Statutes 2018, section 85A.02, subdivision 17, is amended to read:

Subd. 17. **Additional powers.** (a) The board may establish a schedule of charges for admission to or for the use of the Minnesota Zoological Garden or any related facility. Notwithstanding section 16A.1283, legislative approval is not required for the board to establish a schedule of charges for admission or use of the Minnesota Zoological Garden or related facilities. ~~The board shall have a policy admitting elementary school children at a reduced charge when they are part of an organized school activity.~~

(b) Notwithstanding paragraph (a), the Minnesota Zoological Garden will must offer free admission:

(1) throughout the year to economically disadvantaged Minnesota citizens equal to ten percent of the average annual attendance;

(2) to all visitors on Martin Luther King Jr. Day, Memorial Day, Independence Day, Labor Day, or Veterans Day; and

(3) to elementary school children when they are part of an organized school activity.

~~However,~~ (c) Except on the days specified in paragraph (b), clause (2), the zoo may charge at any time for parking, special services, and for or admission to special facilities for the education, entertainment, or convenience of visitors.

~~(b)~~ (d) The board may provide for the purchase, reproduction, and sale of gifts, souvenirs, publications, informational materials, food and beverages, and grant concessions for the sale of

these items. Notwithstanding subdivision 5b, section 16C.09 does not apply to activities authorized under this paragraph.

Sec. 32. Minnesota Statutes 2018, section 86B.005, subdivision 18, is amended to read:

Subd. 18. **Watercraft.** "Watercraft" means any contrivance used or designed for navigation on water, except:

- (1) a waterfowl boat during the waterfowl-hunting seasons;
- (2) a rice boat during the harvest season; ~~or~~
- (3) a seaplane; or
- (4) a paddleboard.

Sec. 33. Minnesota Statutes 2018, section 86B.415, subdivision 1a, is amended to read:

Subd. 1a. **Canoes, kayaks, sailboards, ~~paddleboards~~, ~~paddleboats~~, or rowing shells.** The fee for a watercraft license for a canoe, kayak, sailboard, ~~paddleboard~~, paddleboat, or rowing shell over ten feet in length is \$10.50.

Sec. 34. Minnesota Statutes 2018, section 89.71, is amended by adding a subdivision to read:

Subd. 3a. **Snow removal.** The commissioner must remove snow from a state forest road, including a minimum maintenance forest road, at the request of one or more residents who use the road during winter. Nothing in this section is to be construed to amend or abrogate section 160.095, subdivision 4.

Sec. 35. Minnesota Statutes 2018, section 92.115, subdivision 1, is amended to read:

Subdivision 1. **Land valuation required.** Before offering any state land for sale under this chapter, the commissioner must establish the value of the land. The commissioner shall have the land appraised if the estimated market value is in excess of ~~\$50,000~~ \$100,000.

Sec. 36. **[92.122] COMPENSATING PERMANENT SCHOOL FUND.**

Subdivision 1. **Compensation requirements.** (a) When the revenue generated from school trust land and associated resources is diminished by management practices applied to the land and resources as determined by the commissioner of natural resources, the commissioner must compensate the permanent school fund.

(b) When generating revenue from school trust land and associated resources will be prohibited by a policy or designation applied to the land and resources as determined by the commissioner, the commissioner must compensate the permanent school fund before the policy or designation is applied.

Subd. 2. **Compensation methods.** To compensate the permanent school fund under subdivision 1, the commissioner may use compensation methods that include:

(1) exchanging other land that is compatible with the goal of the permanent school fund under section 127A.31, as allowed under sections 94.343, subdivision 1, and 94.3495; and the Minnesota Constitution, article XI, section 10;

(2) leasing under section 92.50 and according to subdivision 3, with rental payments as compensation; and

(3) condemning the land under section 92.83, with payment of the amount of the award and judgment as compensation.

Subd. 3. **Lease terms for compensating fund.** With advice from the school trust lands director according to section 127A.353, subdivision 4, the commissioner may lease school trust land to compensate the permanent school fund. Rental payments received under this subdivision:

(1) must be credited to the forest suspense account as nonqualifying revenue and not subject to cost certification under section 16A.125;

(2) must be paid in full upon executing the lease; and

(3) are determined by the commissioner and subject to review by a licensed appraiser.

Sec. 37. Minnesota Statutes 2018, section 92.50, subdivision 1, is amended to read:

Subdivision 1. **Lease terms.** (a) The commissioner of natural resources may lease land under the commissioner's jurisdiction and control:

(1) to remove sand, gravel, clay, rock, marl, peat, and black dirt;

(2) to store ore, waste materials from mines, or rock and tailings from ore milling plants;

(3) for roads or railroads;

(4) to compensate the permanent school fund according to section 92.122; or

~~(4)~~ (5) for other uses consistent with the interests of the state.

(b) The commissioner shall offer the lease at public or private sale for an amount and under terms and conditions prescribed by the commissioner. Commercial leases for more than ten years and leases for removal of peat that cover 320 or more acres must be approved by the Executive Council.

(c) The lease term may not exceed 21 years except:

(1) leases of lands for storage sites for ore, waste materials from mines, or rock and tailings from ore milling plants; or for the removal of peat for nonagricultural purposes may not exceed a term of 25 years; and

(2) leases for commercial purposes, including major resort, convention center, or recreational area purposes, may not exceed a term of 40 years.

(d) Leases must be subject to sale and leasing of the land for mineral purposes and contain a provision for cancellation for just cause at any time by the commissioner upon six months' written notice. A longer notice period, not exceeding three years, may be provided in leases for storing ore, waste materials from mines, or rock or tailings from ore milling plants. The commissioner may determine the terms and conditions, including the notice period, for cancellation of a lease for the removal of peat and commercial leases.

(e) Money received from leases under this section must be credited to the fund to which the land belongs.

Sec. 38. Minnesota Statutes 2018, section 93.25, is amended to read:

93.25 ORES OTHER THAN IRON; LEASES.

Subdivision 1. **Leases.** The commissioner may issue leases to prospect for, mine, and remove minerals and mineral commodities other than iron ore, including brines and nonfuel gases, upon any lands owned by the state, including trust fund lands, lands forfeited for nonpayment of taxes whether held in trust or otherwise, and lands otherwise acquired, and the beds of any waters belonging to the state. For purposes of this section, iron ore means iron-bearing material where the primary product is iron metal.

Subd. 2. **Lease requirements.** All leases for nonferrous metallic minerals or petroleum must be approved by the Executive Council, and any other mineral, mineral commodity, brine, or nonfuel gas lease issued pursuant to this section that covers 160 or more acres must be approved by the Executive Council. The rents, royalties, terms, conditions, and covenants of all such leases shall be fixed by the commissioner according to rules adopted by the commissioner, but no lease shall be for a longer term than 50 years, and all rents, royalties, terms, conditions, and covenants shall be fully set forth in each lease issued. No lease shall be canceled by the state for failure to meet production requirements prior to the 36th year of the lease. The rents and royalties shall be credited to the funds as provided in section 93.22.

Subd. 3. **Effect.** The provisions of this section shall not be deemed to repeal or supersede any other applicable provision of law, but shall be supplementary thereto.

Sec. 39. Minnesota Statutes 2018, section 94.09, subdivision 3, is amended to read:

Subd. 3. **Notice to agencies; determination of surplus.** The commissioner of natural resources shall send written notice to ~~all state departments, agencies and the University of Minnesota~~ the Departments of Administration and Transportation, the Board of Water and Soil Resources, the Office of School Trust Lands, the legal or land departments of the University of Minnesota and Minnesota State Colleges and Universities, the Minnesota Indian Affairs Council, and any other state department or agency that requests to receive notices describing any lands or tracts ~~which that~~ may be declared surplus. If a ~~department or agency or the University of Minnesota~~ recipient of the notice desires custody of the lands or tracts, ~~it shall~~ the recipient must submit a written request to the commissioner, no later than four calendar weeks after mailing of the notice, setting forth in detail ~~its~~ the reasons for desiring to acquire, and ~~its~~ the intended use of, the land or tract. The commissioner shall then determine whether any of the lands ~~described in the certifications of the heads of the departments or agencies so requested~~ should be declared surplus and offered for sale or otherwise disposed of by transferring custodial control to other requesting state departments or agencies or to

the Board of Regents of the University of Minnesota for educational purposes, provided however that transfer to the Board of Regents ~~shall is not be~~ determinative of tax exemption or immunity. If the commissioner determines that any of the lands are no longer needed for state purposes, the commissioner shall make findings of fact, describe the lands, declare the lands to be surplus state land, and state the reasons for the sale or disposition of the lands.

Sec. 40. Minnesota Statutes 2018, section 94.10, is amended to read:

94.10 SURVEYS, APPRAISALS, AND SALE.

Subdivision 1. **Appraisal; notice and offer to public bodies.** (a) Before offering any surplus state-owned lands for sale, the commissioner of natural resources must establish the value of the lands. The commissioner shall have the lands appraised if the estimated value is in excess of ~~\$50,000~~ \$100,000. No parcel of state-owned land shall be sold for less than \$1,000.

(b) The appraisals must be made by regularly appointed and qualified state appraisers. To be qualified, an appraiser must hold a state appraiser license issued by the Department of Commerce. The appraisal must be in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

(c) Before offering surplus state-owned lands for public sale, the lands ~~shall~~ must first be offered to the city, county, town, school district, or other public body corporate or politic in which the lands are situated for public purposes and the lands may be sold for public purposes for not less than the appraised value of the lands. To determine whether a public body desires to purchase the surplus land, the commissioner of natural resources shall give a written notice to the governing body of each political subdivision whose jurisdictional boundaries include or are adjacent to the surplus land. If a public body desires to purchase the surplus land, ~~it shall~~ the public body must submit a written offer to the commissioner no later than two weeks after receipt of notice setting forth in detail ~~its~~ the reasons for desiring to acquire and ~~its~~ the intended use of the land. ~~In the event that~~ If more than one public body tenders an offer, the commissioner shall determine which party shall receive the property and shall submit written findings regarding the decision. If lands are offered for sale for public purposes and if a public body notifies the commissioner of its desire to acquire the lands, the public body may have up to two years from the date of the accepted offer to ~~commence payment~~ begin paying for the lands in the manner provided by law.

(d) Before offering surplus state-owned lands that are located within the reservation boundary of a federally recognized Indian tribe for public sale or before offering the lands to an entity specified in paragraph (c), the lands must first be offered to the federally recognized Indian tribe with governing authority over the reservation where the lands are located. If the lands are located within the reservation boundary of a federally recognized tribe that is one of the six constituent tribes of the Minnesota Chippewa tribe, then the lands must be offered to both the Minnesota Chippewa tribe and the constituent tribe where the lands are located. The lands may be sold for not less than the appraised value of the lands. To determine whether an Indian tribe desires to purchase the lands, the commissioner of natural resources must give a written notice to the governing body of the Indian tribe, and, when applicable, if the tribe is a member of the Minnesota Chippewa tribe, the Minnesota Chippewa tribe. If the Indian tribe desires to purchase the lands, the Indian tribe must notify the commissioner, in writing, of the intent to purchase the lands no later than two weeks after receiving the notice. If the Indian tribe notifies the commissioner of its intent to acquire the lands, the Indian

tribe has up to two years from the date that the notice of intent to purchase the lands was submitted to begin paying for the lands in the manner provided by law.

Subd. 2. **Public sale requirements.** (a) After complying with subdivision 1 and before any public sale of surplus state-owned land is made and at least 30 days before the sale, the commissioner of natural resources shall publish a notice of the sale in a newspaper of general distribution in the county in which the real property to be sold is situated. The notice shall specify the time and place at which the sale will commence, a general description of the lots or tracts to be offered, and a general statement of the terms of sale. The commissioner shall ~~also~~ provide electronic notice of the sale.

(b) The minimum bid for a parcel of land must include the estimated value or appraised value of the land and any improvements and, if any of the land is valuable for merchantable timber, the value of the merchantable timber. The minimum bid may include expenses incurred by the commissioner in rendering the property salable, including survey, appraisal, legal, advertising, and other expenses.

(c) The purchaser of state land must pay recording fees and the state deed tax.

(d) Except as provided under paragraph (e), parcels remaining unsold after the offering may be sold to anyone agreeing to pay at least 75 percent of the appraised value. The sale ~~shall~~ must continue until all parcels are sold or until the commissioner orders a reappraisal or withdraws the remaining parcels from sale.

(e) The commissioner may retain the services of a licensed real estate broker to find a buyer for parcels remaining unsold after the offering. The sale price may be negotiated by the broker, but must not be less than 90 percent of the appraised value as determined by the commissioner. The broker's fee must be established by prior agreement between the commissioner and the broker and must not exceed ten percent of the sale price for sales of \$10,000 or more. The broker's fee must be paid to the broker from the proceeds of the sale.

(f) Public sales of surplus state-owned land may be conducted through online auctions.

Sec. 41. Minnesota Statutes 2018, section 97A.015, subdivision 25, is amended to read:

Subd. 25. **Game fish.** "Game fish" means ~~walleye, sauger, yellow perch, channel catfish, flathead catfish; members of the pike family, Esocidae, including muskellunge and northern pike; members of the sunfish family, Centrarchidae, including largemouth bass, smallmouth bass, sunfish, rock bass, white crappie, black crappie, members of the temperate bass family, Percichthyidae, including white bass and yellow bass; members of the salmon and trout subfamily, Salmoninae, including Atlantic salmon, chinook salmon, coho salmon, pink salmon, kokanee salmon, lake trout, brook trout, brown trout, rainbow (steelhead) trout, and splake; members of the paddlefish family, Polyodontidae; members of the sturgeon family, Acipenseridae, including lake sturgeon, and shovelnose sturgeon.~~ fish from the following families and species: Acipenseridae (lake sturgeon and shovelnose sturgeon), Anguillidae (American eel), Centrarchidae (black crappie; largemouth bass; rock bass; smallmouth bass; white crappie; and sunfishes, including bluegill, green sunfish, longear sunfish, orangespotted sunfish, pumpkinseed, and warmouth), Esocidae (muskellunge and northern pike), Gadidae (burbot), Ictaluridae (blue catfish, channel catfish, and flathead catfish), Moronidae (white bass and yellow bass), Percidae (sauger, walleye, and yellow perch), Polyodontidae

(paddlefish), and Salmonidae (Atlantic salmon, brook trout, brown trout, chinook salmon, cisco (tullibee), coho salmon, kokanee salmon, lake trout, lake whitefish, pink salmon, and rainbow trout). "Game fish" includes hybrids of game fish.

Sec. 42. Minnesota Statutes 2018, section 97A.015, subdivision 43, is amended to read:

Subd. 43. **Rough fish.** "Rough fish" means carp, buffalo, sucker, sheepshead, bowfin, ~~burbot, eisee,~~ gar, goldeye, and bullhead, except for any fish species listed as endangered, threatened, or of special concern in Minnesota Rules, chapter 6134.

Sec. 43. Minnesota Statutes 2018, section 97A.051, subdivision 2, is amended to read:

Subd. 2. **Summary of fish and game laws.** (a) The commissioner shall prepare a summary of the hunting and fishing laws and rules and deliver a sufficient supply to license vendors ~~to furnish one copy to each person obtaining a hunting, fishing, or trapping license.~~

(b) At the beginning of the summary, under the heading "Trespass," the commissioner shall summarize the trespass provisions under sections 97B.001 to 97B.945, state that conservation officers and peace officers must enforce the trespass laws, and state the penalties for trespassing.

(c) In the summary, the commissioner shall, under the heading "Duty to Render Aid," summarize the requirements under section 609.662 and state the penalties for failure to render aid to a person injured by gunshot.

Sec. 44. Minnesota Statutes 2018, section 97A.055, subdivision 4b, is amended to read:

Subd. 4b. **Citizen oversight committees.** (a) The commissioner shall appoint committees of affected persons to review the reports prepared under subdivision 4; review the proposed work plans and budgets for the coming year; propose changes in policies, activities, and revenue enhancements or reductions; review other relevant information; and make recommendations to the legislature and the commissioner for improvements in the management and use of money in the game and fish fund.

(b) The commissioner shall appoint the following committees, each comprised of at least ten affected persons:

(1) a Fisheries Oversight Committee to review fisheries funding and expenditures, including activities related to trout-and-salmon stamps and walleye stamps; and

(2) a Wildlife Oversight Committee to review wildlife funding and expenditures, including activities related to migratory waterfowl, pheasant, and wild turkey management and deer and big game management.

(c) The chairs of the Fisheries Oversight Committee and the Wildlife Oversight Committee, and four additional members from each committee, shall form a Budgetary Oversight Committee to coordinate the integration of the fisheries and wildlife oversight committee reports into an annual report to the legislature; recommend changes on a broad level in policies, activities, and revenue enhancements or reductions; and provide a forum to address issues that transcend the fisheries and wildlife oversight committees.

(d) The Budgetary Oversight Committee shall develop recommendations for a biennial budget plan and report for expenditures on game and fish activities. By August 15 of each even-numbered year, the committee shall submit the budget plan recommendations to the commissioner and to the senate and house of representatives committees with jurisdiction over natural resources finance.

(e) The chairs of the Fisheries Oversight Committee and the Wildlife Oversight Committee shall be chosen by their respective committees. The chair of the Budgetary Oversight Committee shall be appointed by the commissioner and may not be the chair of either of the other oversight committees.

(f) The Budgetary Oversight Committee may make recommendations to the commissioner and to the senate and house of representatives committees with jurisdiction over natural resources finance for outcome goals from expenditures.

(g) The committees authorized under this subdivision are not advisory councils or committees governed by section 15.059 and are not subject to section 15.059. Committee members appointed by the commissioner may request reimbursement for mileage expenses in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. Committee members must not receive daily compensation for oversight activities. The Fisheries Oversight Committee, the Wildlife Oversight Committee, and the Budgetary Oversight Committee expire June 30, ~~2020~~ 2025.

Sec. 45. Minnesota Statutes 2018, section 97A.075, subdivision 1, is amended to read:

Subdivision 1. **Deer, bear, and lifetime licenses.** (a) For purposes of this subdivision, "deer license" means a license issued under section 97A.475, subdivisions 2, clauses (5), (6), (7), (13), (14), and (15); 3, paragraph (a), clauses (2), (3), (4), (10), (11), and (12); and 8, paragraph (b), and licenses issued under section 97B.301, subdivision 4.

(b) \$16 from each annual deer license issued under section 97A.475, subdivisions 2, clauses (5), (6), and (7); 3, paragraph (a), clauses (2), (3), and (4); and 8, paragraph (b); \$2 from each annual deer license and \$2 issued under sections 97A.475, subdivisions 2, clauses (13), (14), and (15); and 3, paragraph (a), clauses (10), (11), and (12); and 97B.301, subdivision 4; \$16 annually from the lifetime fish and wildlife trust fund, established in section 97A.4742, for each license issued to a person 18 years of age or older under section 97A.473, subdivision 4; and \$2 annually from the lifetime fish and wildlife trust fund for each license issued to a person under 18 years of age shall be credited to the deer management account and is appropriated to the commissioner for deer habitat improvement or deer management programs.

(c) \$1 from each annual deer license and each bear license and \$1 annually from the lifetime fish and wildlife trust fund, established in section 97A.4742, for each license issued under section 97A.473, subdivision 4, shall be credited to the deer and bear management account and is appropriated to the commissioner for deer- and bear-management programs, including a computerized licensing system.

(d) Fifty cents from each deer license is credited to the emergency deer feeding and wild Cervidae health-management account and is appropriated for emergency deer feeding and wild Cervidae health management. Money appropriated for emergency deer feeding and wild Cervidae health management is available until expended.

When the unencumbered balance in the appropriation for emergency deer feeding and wild Cervidae health management exceeds \$2,500,000 at the end of a fiscal year, the unencumbered balance in excess of \$2,500,000 is canceled and available for deer- and bear-management programs and computerized licensing.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 46. Minnesota Statutes 2018, section 97A.126, is amended to read:

97A.126 WALK-IN ACCESS PROGRAM.

Subdivision 1. **Establishment.** A walk-in access program is established to provide public access to wildlife habitat on private land not otherwise open to the public for hunting, excluding trapping, as provided under this section. The commissioner may enter into agreements with other units of government and landowners to provide ~~private land~~ hunting access.

Subd. 2. **Use of enrolled lands.** (a) From September 1 to May 31, a person must have a walk-in access hunter validation in possession to hunt on ~~private~~ lands, including agricultural lands, that are posted as being enrolled in the walk-in access program.

(b) Hunting on ~~private~~ lands that are posted as enrolled in the walk-in access program is allowed from one-half hour before sunrise to one-half hour after sunset.

(c) Hunter access on ~~private~~ lands that are posted as enrolled in the walk-in access program is restricted to nonmotorized use, except by hunters with disabilities operating motor vehicles on established trails or field roads who possess a valid permit to shoot from a stationary vehicle under section 97B.055, subdivision 3.

(d) The general provisions for use of wildlife management areas adopted under sections 86A.06 and 97A.137, relating to overnight use, alcoholic beverages, use of motorboats, firearms and target shooting, hunting stands, abandonment of trash and property, destruction or removal of property, introduction of plants or animals, and animal trespass, apply to hunters on lands enrolled in the walk-in access program.

(e) Any use of enrolled lands other than hunting according to this section is prohibited, including:

- (1) harvesting bait, including minnows, leeches, and other live bait;
- (2) training dogs or using dogs for activities other than hunting; and
- (3) constructing or maintaining any building, dock, fence, billboard, sign, hunting blind, or other structure, unless constructed or maintained by the landowner.

Sec. 47. Minnesota Statutes 2018, section 97A.433, subdivision 4, is amended to read:

Subd. 4. **Discretionary separate selection; eligibility.** (a) The commissioner may conduct a separate selection for up to 20 percent of the elk licenses to be issued for an area. Only owners of, and tenants living on, at least 160 acres of agricultural or grazing land in the area, and their family members, are eligible for the separate selection. Persons that are unsuccessful in a separate selection must be included in the selection for the remaining licenses. Persons who obtain an elk license in a

separate selection ~~must allow public elk hunting on their land during the elk season for which the license is valid.~~ may sell their license to any Minnesota resident eligible to hunt big game for no more than the original cost of the license.

(b) The commissioner may by rule establish criteria for determining eligible family members under this subdivision.

Sec. 48. Minnesota Statutes 2018, section 97A.433, subdivision 5, is amended to read:

Subd. 5. **Mandatory separate selection.** The commissioner must conduct a separate selection for 20 percent of the elk licenses to be issued each year. Only individuals who have applied at least ten times for an elk license and who have never received a license are eligible for this separate selection. A person who is unsuccessful in a separate selection under this subdivision must be included in the selection for the remaining licenses.

Sec. 49. Minnesota Statutes 2018, section 97A.475, subdivision 4, is amended to read:

Subd. 4. **Small-game surcharge and donation.** (a) Fees for annual licenses to take small game must be increased by a surcharge of \$6.50, except licenses under subdivisions 2, clauses (18) and (19); and 3, paragraph (a), ~~clause~~ clauses (14) and (15). An additional commission may not be assessed on the surcharge and the following statement must be included in the annual small-game-hunting regulations: "This \$6.50 surcharge is being paid by hunters for the acquisition and development of wildlife lands."

(b) A person may agree to add a donation of \$1, \$3, or \$5 to the fees for annual resident and nonresident licenses to take small game. An additional commission may not be assessed on the donation. The following statement must be included in the annual small-game-hunting regulations: "The small-game license donations are being paid by hunters for administration of the walk-in access program."

Sec. 50. Minnesota Statutes 2018, section 97A.505, subdivision 8, is amended to read:

Subd. 8. **Importing hunter-harvested Cervidae.** ~~Importation into Minnesota of Importing hunter-harvested Cervidae carcasses from known chronic wasting disease endemic areas, as determined by the Board of Animal Health, into Minnesota~~ is prohibited except for cut and wrapped meat, quarters or other portions of meat with no part of the spinal column or head attached, antlers, hides, teeth, finished taxidermy mounts, and antlers attached to skull caps that are cleaned of all brain tissue. Hunter-harvested Cervidae carcasses taken ~~from chronic wasting disease endemic areas~~ outside of Minnesota may be transported on a direct route through the state by nonresidents.

Sec. 51. Minnesota Statutes 2018, section 97B.086, is amended to read:

97B.086 POSSESSING NIGHT VISION OR THERMAL IMAGING EQUIPMENT.

(a) A person may not possess night vision or thermal imaging equipment while taking wild animals or while having in possession, either individually or as one of a group of persons, a firearm, bow, or other implement that could be used to take wild animals.

(b) This section does not apply to a firearm that is:

(1) unloaded;

(2) in a gun case expressly made to contain a firearm that fully encloses the firearm by being zipped, snapped, buckled, tied, or otherwise fastened without any portion of the firearm exposed; and

(3) in the closed trunk of a motor vehicle.

(c) This section does not apply to a bow that is:

(1) completely encased or unstrung; and

(2) in the closed trunk of a motor vehicle.

(d) If the motor vehicle under paragraph (b) or (c) does not have a trunk, the firearm or bow must be placed in the rearmost location of the vehicle.

(e) This section does not apply to night vision or thermal imaging equipment possessed by:

(1) peace officers or military personnel while exercising their duties; or

(2) a person taking coyote or fox as provided under section 97B.075 and rules adopted under section 97B.605.

Sec. 52. Minnesota Statutes 2018, section 97B.106, subdivision 2, is amended to read:

Subd. 2. **Equipment requirements.** (a) A crossbow used for hunting under the provisions of this section must:

(1) be fired from the shoulder;

(2) deliver at least 42 foot-pounds of energy at a distance of ten feet;

~~(3) have a stock at least 30 inches long;~~

~~(4) have a working safety; and~~

~~(5) (4) be used with arrows or bolts at least ten inches long.~~

(b) An arrow or bolt used to take big game or turkey under the provisions of this section must meet the legal arrowhead requirements in section 97B.211, subdivision 2.

(c) An arrow or bolt used to take rough fish with a crossbow under the provisions of this section must be tethered or controlled by an attached line.

Sec. 53. Minnesota Statutes 2018, section 97B.426, is amended to read:

97B.426 BAITING BEAR; USE OF DRUM.

(a) Notwithstanding section 97B.425;

(1) a private landowner or person authorized by the private landowner may use a drum to bait bear on the person's private land; and

(2) a person may use a drum to bait bear on public land after paying a \$5 drum surcharge.

(b) The drum must be securely chained or cabled to a tree so that it cannot be moved from the site by a bear and the drum may not include a mechanical device for dispensing feed. The drum must be marked as provided in section 97B.425.

(c) For purposes of this section, "drum" means a 30 gallon or larger drum.

Sec. 54. Minnesota Statutes 2018, section 97B.516, is amended to read:

97B.516 PLAN FOR ELK MANAGEMENT.

(a) The commissioner of natural resources must adopt an elk management plan that:

(1) recognizes the value and uniqueness of elk;

(2) provides for integrated management of an elk population in harmony with the environment; and

(3) affords optimum recreational opportunities.

(b) Notwithstanding paragraph (a), the commissioner must not manage an elk herd in Kittson, Roseau, Marshall, or Beltrami Counties in a manner that would increase the size of the herd, including adoption or implementation of an elk management plan designed to increase an elk herd, unless the commissioner of agriculture verifies that crop and fence damages paid under section 3.7371 and attributed to the herd have not increased for at least two years.

(c) At least 60 days prior to implementing a plan to increase an elk herd, the commissioners of natural resources and agriculture must hold a joint public meeting in the county where the elk herd to be increased is located. At the meeting, the commissioners must present evidence that crop and fence damages have not increased in the prior two years and must detail the practices that will be used to reduce elk conflicts with area landowners.

(d) When the estimated size of a herd exceeds the range identified in an elk management plan, the commissioner must provide hunting opportunities designed to bring the size of the herd back into its planned size, including providing sufficient hunting tags and additional opportunities for unsuccessful hunters.

Sec. 55. Minnesota Statutes 2018, section 97B.722, is amended to read:

97B.722 POSSESSING FIREARMS; HUNTING TURKEY.

(a) While afield hunting turkeys, licensees may not have in possession or control:

(1) any firearm that is not a legal firearm as defined in paragraph (c); or

(2) any bow and arrow except those defined as legal for taking turkeys in rules adopted by the commissioner.

(b) Paragraph (a) does not apply to a person carrying a handgun in compliance with section 624.714.

(c) For hunting turkeys, "legal firearm" means a shotgun or muzzleloading shotgun 10 gauge or smaller using fine shot size No. 4 or smaller diameter shot.

Sec. 56. Minnesota Statutes 2018, section 97B.731, subdivision 3, is amended to read:

Subd. 3. **Crow season.** ~~The commissioner shall prescribe a 124-day open season and restrictions~~ seasons for taking crows are January 1 through January 15, March 15 through March 31, and August 1 through October 31. The open season may not be shorter than the maximum season allowed under federal law. The remainder of the year, crows may be taken as allowed by federal law.

Sec. 57. Minnesota Statutes 2018, section 97C.315, subdivision 1, is amended to read:

Subdivision 1. **Lines.** An angler may not use more than one line except:

(1) two lines may be used to take fish through the ice; ~~and~~

(2) the commissioner may, by rule, authorize the use of two lines in areas designated by the commissioner in Lake Superior; and

(3) two lines may be used on waters not subject to special regulations to take fish during the open-water season by a resident or nonresident angler who purchases a second-line endorsement for \$5. The proceeds collected from the purchases of second-line endorsements must be deposited in the Walleye Stamp Account described in section 97A.075, subdivision 6, and must be spent on walleye stocking.

EFFECTIVE DATE. This section is effective March 1, 2020.

Sec. 58. Minnesota Statutes 2018, section 97C.345, is amended by adding a subdivision to read:

Subd. 3b. **Cast nets for gizzard shad.** (a) Cast nets may be used only to take gizzard shad for use as bait for angling from July 1 to November 30 as allowed under section 84D.03, subdivision 3.

(b) Cast nets used under this subdivision must be monofilament and may not exceed five feet in radius. Mesh size must be from three-eighths-inch to five-eighths-inch bar measure. A person may use up to two cast nets at one time.

Sec. 59. Minnesota Statutes 2018, section 97C.391, subdivision 1, is amended to read:

Subdivision 1. **General restrictions.** A person may not buy or sell fish taken from the waters of this state, except:

(1) minnows;

- (2) rough fish ~~excluding ciscoes~~;
- (3) smelt taken from Lake Superior and rivers and streams that flow into Lake Superior;
- (4) fish taken under licensed commercial fishing operations;
- (5) fish that are private aquatic life; and
- (6) fish lawfully taken and subject to sale from other states and countries.

Sec. 60. Minnesota Statutes 2018, section 97C.395, subdivision 2, is amended to read:

Subd. 2. **Continuous season for certain species.** For sunfish, white crappie, black crappie, yellow perch, catfish, rock bass, white bass, yellow bass, burbot, cisco (tullibee), lake whitefish, and rough fish, the open season is continuous.

Sec. 61. Minnesota Statutes 2018, section 97C.605, subdivision 2, is amended to read:

Subd. 2. **Turtle seller's license.** (a) A person may not take, possess, buy, or transport turtles for sale; sell turtles; or take turtles for sale using commercial equipment without a turtle seller's license, except as provided in subdivision 2c.

(b) Except for renewals, no new turtle seller's licenses may be issued after August 1, 2002.

(c) A turtle seller's license is transferable by the turtle seller licensee by making application to the commissioner. A turtle seller's license may be transferred ~~only once under this paragraph and the transfer must be to a child of the person holding the turtle seller's license.~~

Sec. 62. Minnesota Statutes 2018, section 97C.815, subdivision 2, is amended to read:

Subd. 2. **Assignment.** (a) The commissioner shall assign licensed inland commercial fishing operators to commercial fishing areas and each operator shall be is obligated to fish in the area that the commissioner has assigned to them. The commissioner's assignment shall be is valid as long as the assigned operator continues to purchase a license, continues to provide an adequate removal effort in a good and professional manner, and is not convicted of two or more violations of laws or rules governing inland commercial fishing operations during any one license period. In the operator assignment, the commissioner shall consider the proximity of the operator to the area, the type and quantity of fish gear and equipment possessed, knowledge of the affected waters, and general ability to perform the work well.

(b) Area assignments must not restrict permits and contracts that the commissioner issues to governmental subdivisions and their subcontractors for invasive species control.

Sec. 63. Minnesota Statutes 2018, section 103B.3369, subdivision 5, is amended to read:

Subd. 5. **Financial assistance.** ~~A base grant may be awarded to a county that provides a match utilizing a water implementation tax or other local source. A water implementation tax that a county intends to use as a match to the base grant must be levied at a rate sufficient to generate a minimum amount determined by the board.~~ The board may award performance-based, watershed-based, or program-based grants or other financial assistance to local units of government that are responsible

for implementing elements of applicable portions of watershed management plans, comprehensive plans, local water management plans, or comprehensive watershed management plans, developed or amended, adopted and approved, according to chapter 103B, 103C, or 103D. Upon request by a local government unit, the board may also award performance-based grants to local units of government to carry out TMDL implementation plans as provided in chapter 114D, if the TMDL implementation plan has been incorporated into the local water management plan according to the procedures for approving comprehensive plans, watershed management plans, local water management plans, or comprehensive watershed management plans under chapter 103B, 103C, or 103D, or if the TMDL implementation plan has undergone a public review process. Notwithstanding section 16A.41, the board may award performance-based, watershed-based, or program-based grants or other financial assistance on an advanced basis and may prescribe the amount of local match required. ~~The fee authorized in section 40A.152 may be used as a local match or as a supplement to state funding to accomplish implementation of comprehensive plans, watershed management plans, local water management plans, or comprehensive watershed management plans under this chapter and chapter 103C or 103D.~~ The board may enter into intergovernmental agreements to provide funding for water management to local governments.

Sec. 64. Minnesota Statutes 2018, section 103B.3369, subdivision 9, is amended to read:

Subd. 9. ~~Performance-based Criteria.~~ (a) ~~The board shall~~ must develop and ~~utilize~~ use performance-based criteria for local water resources restoration, protection, and management programs and projects. The criteria may include but are not limited to science-based assessments, organizational capacity, priority resource issues, community outreach and support, partnership potential, potential for multiple benefits, and program and project delivery efficiency and effectiveness.

(b) Notwithstanding paragraph (a), the board may develop and use eligibility criteria for state grants or other financial assistance provided to local governments.

Sec. 65. Minnesota Statutes 2018, section 103B.611, subdivision 3, is amended to read:

Subd. 3. **Powers.** Subject to the provisions of chapters 97A, 103D, 103E, 103G, and 115, and the rules and regulations of the respective agencies and governing bodies vested with jurisdiction and authority under those chapters, the district has the following powers on Lake Minnetonka, excluding the area of public drainage ditches or watercourses connected to the lake:

- (1) to regulate the types of boats permitted to use the lake and set service fees;
- (2) to regulate, maintain, and police public beaches, public docks, and other public facilities for access to the lake within the territory of the municipalities, provided that a municipality may supersede the district's action under this clause by adopting an ordinance specifically referring to the district's action by one year after the district's action;
- (3) to limit by rule the use of the lake at various times and the use of various parts of the lake;
- (4) to regulate the speed of boats on the lake and the conduct of other activities on the lake to secure the safety of the public and the most general public use;
- (5) to contract with other law enforcement agencies to police the lake and its shore;

(6) to regulate the construction, installation, and maintenance of permanent and temporary docks and moorings consistent with federal and state law;

(7) to regulate the construction and use of mechanical and chemical means of deicing the lake and to regulate mechanical and chemical means of removal of weeds and algae from the lake;

(8) to regulate the construction, configuration, size, location, and maintenance of commercial marinas and their related facilities ~~including parking areas and sanitary facilities~~ that affect activity below the ordinary high-water mark. The regulation shall authority under this clause does not apply to land-based marina activities, including storage facilities, and must be consistent with the applicable state statutes, municipal building codes, and zoning ordinances where the marinas are located;

(9) to contract with other governmental bodies to perform any of the functions of the district;

(10) to undertake research to determine the condition and development of the lake and the water entering it and to transmit their studies to the Pollution Control Agency and other interested authorities, and to develop a comprehensive program to eliminate pollution;

(11) to receive financial assistance from and join in projects or enter into contracts with federal and state agencies for the study and treatment of pollution problems and demonstration programs related to them; and

(12) to petition the board of managers of a watershed district in which the lake conservation district is located for improvements under section 103D.705; a bond is not required of the lake conservation district.

For purposes of this subdivision "watercourses connected to the lake" does not include channels connecting portions of the lake to one another.

Sec. 66. Minnesota Statutes 2018, section 103B.801, subdivision 2, is amended to read:

Subd. 2. **Program purposes.** The purposes of the comprehensive watershed management plan program under section 103B.101, subdivision 14, paragraph (a), are to:

(1) align local water planning purposes and procedures under this chapter and chapters 103C and 103D on watershed boundaries to create a systematic, watershed-wide, science-based approach to watershed management;

(2) acknowledge and build off existing local government structure, water plan services, and local capacity;

(3) incorporate and make use of data and information, including watershed restoration and protection strategies under section 114D.26, which may serve to fulfill all or some of the requirements under chapter 114D;

(4) solicit input and engage experts from agencies, citizens, and stakeholder groups;

(5) focus on implementation of prioritized and targeted actions capable of achieving measurable progress; and

(6) serve as a substitute for a comprehensive plan, local water management plan, or watershed management plan developed or amended, approved, and adopted, according to this chapter or chapter 103C or 103D.

Sec. 67. Minnesota Statutes 2018, section 103B.801, subdivision 5, is amended to read:

Subd. 5. **Timelines; administration.** (a) The board shall develop and adopt, by June 30, 2016, a transition plan for development, approval, adoption, and coordination of plans consistent with section 103A.212. The transition plan must include a goal of completing statewide transition to comprehensive watershed management plans by 2025. The metropolitan area may be considered for inclusion in the transition plan. The board may amend the transition plan no more than once every two years.

(b) The board may use the authority under section 103B.3369, subdivision 9, to support development or implementation of a comprehensive watershed management plan under this section.

Sec. 68. **[103C.332] SOIL AND WATER CONSERVATION DISTRICTS; DUTIES AND SERVICES.**

Subdivision 1. **Duties.** In addition to any other duty prescribed by law, soil and water conservation districts must:

(1) respond to and provide technical and financial assistance to landowners to maintain and improve the quality, quantity, distribution, and sustainability of natural resources, including surface water, groundwater, soil, and ecological resources;

(2) provide technical assistance in implementing the soil erosion law under sections 103F.401 to 103F.48;

(3) arrange for employees to serve on technical evaluation panels to implement the wetland laws as required under section 103G.2242;

(4) locally administer the reinvest in Minnesota reserve program under section 103F.515 and rules adopted thereunder, using knowledge of local resources to manage each easement to maximize environmental benefits;

(5) participate in administering the Wetland Conservation Act as provided under sections 103G.221 to 103G.2375, either in an advisory capacity or as the designated local government unit administering the program;

(6) participate in the local water management program under chapter 103B, either in an advisory capacity or as the designated local government unit administering the program;

(7) participate, as appropriate, in the comprehensive watershed management planning program under section 103B.801;

(8) participate in disaster response efforts as provided in chapter 12A;

(9) provide technical recommendations to the Department of Natural Resources on general permit applications under section 103G.301;

(10) provide technical assistance and local administration of the agricultural water quality certification program under sections 17.9891 to 17.993;

(11) provide technical assistance for the agricultural land preservation program under chapter 40A, where applicable;

(12) maintain compliance with section 15.99 for deadlines for agency action;

(13) coordinate with appropriate county officials on matters related to electing soil and water conservation district supervisors; and

(14) cooperate to the extent possible with federal, state, and local agencies and with private organizations to avoid duplicating and to enhance implementing public and private conservation initiatives within the jurisdiction of the district.

Subd. 2. **Services provided.** To carry out the duties under subdivision 1 and implement the soil and water conservation policy of the state as stated in section 103A.206, soil and water conservation districts provide a range of services, including but not limited to:

(1) performing administrative services, including comprehensive and annual work planning, administering grants, leveraging outside funding, establishing fiscal accountability measures, reporting accomplishments, human resources management, and staff and supervisor development;

(2) enter into cooperative agreements with the United States Department of Agriculture, Natural Resources Conservation Service, and other United States Department of Agriculture agencies to leverage federal technical and financial assistance;

(3) providing technical expertise, including knowledge of local resources, performing technical evaluations and certifications, assessing concerns, and providing oversight in surveying, designing, and constructing conservation practices;

(4) providing information and education outreach, including increasing landowner awareness and knowledge of soil and water conservation program opportunities to protect soil and water resources and publicizing the benefits of soil and water conservation to the general public;

(5) facilitating regulatory processes for impacted landowners and providing technical review and comment on regulatory permits and development plans for regulations relating to soil and water conservation;

(6) administering projects and programs, including but not limited to the nonpoint source pollution abatement program; reinvest in Minnesota reserve conservation easements program; disaster response; local water management and comprehensive watershed management planning programs; and projects related to floodplains, lakes, streams and ditches, wetlands, upland resources, and groundwater resources, to maintain and improve the quality, quantity, distribution, and sustainability of natural resources, including surface water, groundwater, soil, and ecological resources;

(7) monitoring and inventorying to collect data that provide a baseline understanding of resource conditions and changes to the resources over time and analyzing and interpreting the data to support program implementation; and

(8) maintaining a modern technology infrastructure that facilitates planning and projects, including geographic information systems, modeling software, mobile workstations, survey and design equipment and software, and other technology for linking landowners with conservation plans.

Sec. 69. Minnesota Statutes 2018, section 103D.315, subdivision 8, is amended to read:

Subd. 8. **Compensation.** The compensation of managers for meetings and for performance of other necessary duties may not exceed ~~\$75~~ \$125 a day. Managers are entitled to reimbursement for traveling and other necessary expenses incurred in the performance of official duties.

Sec. 70. Minnesota Statutes 2018, section 103F.361, subdivision 2, is amended to read:

Subd. 2. **Legislative intent.** It is the intent of sections 103F.361 to 103F.377 to authorize and direct the board and ~~the counties~~ zoning authorities to implement the plan for the Mississippi headwaters area.

Sec. 71. Minnesota Statutes 2018, section 103F.363, subdivision 1, is amended to read:

Subdivision 1. **Generally.** Sections 103F.361 to 103F.377 apply to the counties of Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing, and Morrison and all other zoning authorities.

Sec. 72. Minnesota Statutes 2018, section 103F.365, is amended by adding a subdivision to read:

Subd. 5. **Zoning authority.** "Zoning authority" means counties, organized townships, local and special governmental units, joint powers boards, councils, commissions, boards, districts, and all state agencies and departments wholly or partially within the corridor defined by the plan, excluding statutory or home rule charter cities.

Sec. 73. Minnesota Statutes 2018, section 103F.371, is amended to read:

103F.371 RESPONSIBILITIES OF OTHER GOVERNMENTAL UNITS.

(a) All local and special governmental units, councils, commissions, boards and districts and all state agencies and departments must exercise their powers so as to further the purposes of sections 103F.361 to 103F.377 and the plan. Land owned by the state, its agencies, and political subdivisions shall be administered in accordance with the plan. The certification procedure under section 103F.373 applies to all zoning authorities in the corridor defined by the plan.

(b) Actions that comply with the land use ordinance are consistent with the plan. Actions that do not comply with the ordinance may not be started until the board has been notified and given an opportunity to review and comment on the consistency of the action with this section.

Sec. 74. Minnesota Statutes 2018, section 103F.373, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** To ~~assure~~ ensure that the plan is not nullified by unjustified exceptions in particular cases and to promote uniformity in the treatment of applications for exceptions, a review and certification procedure is established for the following categories of land use actions taken by ~~the counties and~~ zoning authorities directly or indirectly affecting land use within the area covered by the plan:

(1) the adoption or amendment of an ordinance regulating the use of land, including rezoning of particular tracts of land;

(2) the granting of a variance from provisions of the land use ordinance; and

(3) the approval of a plat which is inconsistent with the land use ordinance.

Sec. 75. Minnesota Statutes 2018, section 103F.373, subdivision 3, is amended to read:

Subd. 3. **Procedure for certification.** A copy of the notices of public hearings or, when a hearing is not required, a copy of the application to consider an action of a type specified in subdivision 1, clauses (1) to (3), must be forwarded to the board by the ~~county~~ zoning authority at least 15 days before the hearing or meetings to consider the actions. The ~~county~~ zoning authority shall notify the board of its final decision on the proposed action within ten days of the decision. By 30 days after the board receives the notice, the board shall notify the ~~county~~ zoning authority and the applicant of ~~its~~ the board's approval or disapproval of the proposed action.

Sec. 76. Minnesota Statutes 2018, section 103F.373, subdivision 4, is amended to read:

Subd. 4. **Disapproval of actions.** (a) If a notice of disapproval is issued by the board, the ~~county~~ zoning authority or the applicant may, within 30 days of the notice, file with the board a demand for a hearing. If a demand is not filed within the 30-day period, the disapproval becomes final.

(b) If a demand is filed within the 30-day period, a hearing must be held within 60 days of demand. The hearing must be preceded by two weeks' published notice. Within 30 days after the hearing, the board must:

(1) affirm its disapproval of the proposed action; or

(2) certify approval of the proposed action.

Sec. 77. Minnesota Statutes 2018, section 103G.2242, subdivision 14, is amended to read:

Subd. 14. **Fees established.** (a) Fees must be assessed for managing wetland bank accounts and transactions as follows:

(1) account maintenance annual fee: one percent of the value of credits not to exceed \$500;

(2) account establishment, deposit, or transfer: 6.5 percent of the value of credits not to exceed \$1,000 per establishment, deposit, or transfer; and

(3) withdrawal fee: 6.5 percent of the value of credits withdrawn.

(b) The board ~~may~~ must establish fees ~~at or~~ based on costs to the agency below the amounts in paragraph (a) for single-user or other dedicated wetland banking accounts.

(c) Fees for single-user or other dedicated wetland banking accounts established pursuant to section 103G.005, subdivision 10i, clause (4), are limited to establishment of a wetland banking account and are assessed at the rate of 6.5 percent of the value of the credits not to exceed \$1,000.

(d) The board may assess a fee to pay the costs associated with establishing conservation easements, or other long-term protection mechanisms prescribed in the rules adopted under subdivision 1, on property used for wetland replacement.

Sec. 78. Minnesota Statutes 2018, section 103G.241, subdivision 1, is amended to read:

Subdivision 1. **Conditions to affect public waters.** An agent or employee of another may not construct, reconstruct, remove, or make a change in a reservoir, dam, or waterway obstruction on a public water or in any manner change or diminish the course, current, or cross section of public waters unless the agent or employee has:

(1) obtained a signed statement from the property owner stating that the permits required for the work have been obtained or a permit is not required; and

(2) mailed or electronically transmitted a copy of the statement to the regional office of the Department of Natural Resources where the proposed work is located.

Sec. 79. Minnesota Statutes 2018, section 103G.241, subdivision 3, is amended to read:

Subd. 3. **Form for compliance.** The commissioner shall develop a form to be distributed to contractors' associations and county auditors to comply with this section. The form must include:

(1) a listing of the activities for which a permit is required;

(2) a description of the penalties for violating this chapter;

(3) the mailing addresses, electronic mail addresses, and telephone numbers of the regional offices of the Department of Natural Resources;

(4) a statement that water inventory maps completed according to section 103G.201 are on file with the auditors of the counties; and

(5) spaces for a description of the work and the names, mailing addresses, electronic mail addresses, and telephone numbers of the person authorizing the work and the agent or employee proposing to undertake it.

Sec. 80. Minnesota Statutes 2018, section 103G.271, subdivision 7, is amended to read:

Subd. 7. **Transferring permit.** (a) A water-use permit may be transferred to a successive owner of real property if the permittee conveys the real property where the source of water is located. The new owner must notify the commissioner immediately after the conveyance and request transfer of the permit. The commissioner must not deny the transfer of a permit if:

(1) the permittee is in compliance with all permit conditions, as demonstrated by:

(i) the permit being valid at the time of the real property transfer; and

(ii) the permittee has complied with the total volume allowed under the water-use permit prior to transferring the real property; and

(2) the permit meets the requirements of sections 103G.255 to 103G.301.

(b) The commissioner must not require additional conditions on the permit, reduce the appropriation, or require any testing when transferring a permit.

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

Sec. 81. Minnesota Statutes 2018, section 103G.271, is amended by adding a subdivision to read:

Subd. 8. Management plans; economic impacts. Before a management plan for appropriating water is prepared, the commissioner must provide estimates of the economic impact of any new restriction or policy on existing and future groundwater users and local governments in the affected area. Strategies to address economic impacts must be included in the plan.

Sec. 82. Minnesota Statutes 2018, section 103G.287, subdivision 1, is amended to read:

Subdivision 1. **Applications for groundwater appropriations; preliminary well-construction approval.** (a) Groundwater use permit applications are not complete until the applicant has supplied:

(1) a water well record as required by section 103I.205, subdivision 9, information on the subsurface geologic formations penetrated by the well and the formation or aquifer that will serve as the water source, and geologic information from test holes drilled to locate the site of the production well;

(2) the maximum daily, seasonal, and annual pumpage rates and volumes being requested;

(3) information on groundwater quality in terms of the measures of quality commonly specified for the proposed water use and details on water treatment necessary for the proposed use;

(4) the results of an aquifer test completed according to specifications approved by the commissioner. The test must be conducted at the maximum pumping rate requested in the application and for a length of time adequate to assess or predict impacts to other wells and surface water and groundwater resources. The permit applicant is responsible for all costs related to the aquifer test, including the construction of groundwater and surface water monitoring installations, and water level readings before, during, and after the aquifer test; and

(5) the results of any assessments conducted by the commissioner under paragraph (c).

(b) The commissioner may waive an application requirement in this subdivision if the information provided with the application is adequate to determine whether the proposed appropriation and use of water is sustainable and will protect ecosystems, water quality, and the ability of future generations to meet their own needs.

(c) The commissioner shall provide an assessment of a proposed well needing a groundwater appropriation permit. The commissioner shall evaluate the information submitted as required under section 103I.205, subdivision 1, paragraph (e), and determine whether the anticipated appropriation request is likely to meet the applicable requirements of this chapter. If the appropriation request is likely to meet applicable requirements, the commissioner shall provide the person submitting the information with a letter or electronically transmitted notice providing preliminary approval to construct the well and the requirements, including test-well information, that will be needed to obtain the permit.

(d) The commissioner must provide an applicant denied a groundwater use permit or issued a groundwater use permit that is reduced or restricted from the original request with all information the commissioner used in making the determination, including hydrographs, flow tests, aquifer tests, topographic maps, field reports, photographs, and proof of equipment calibration.

Sec. 83. Minnesota Statutes 2018, section 103G.287, subdivision 4, is amended to read:

Subd. 4. **Groundwater management areas.** (a) The commissioner may designate groundwater management areas and limit total annual water appropriations and uses within a designated area to ensure sustainable use of groundwater that protects ecosystems, water quality, and the ability of future generations to meet their own needs. Water appropriations and uses within a designated management area must be consistent with a groundwater management area plan approved by the commissioner that addresses water conservation requirements and water allocation priorities established in section 103G.261. During the development of a groundwater management plan, the commissioner and employees and agents of the department may disseminate information related to the timing, location, and agendas of meetings related to the plan, but shall otherwise limit public information disseminated related to the groundwater management area to direct factual responses to public and media inquires. At least 30 days prior to implementing or modifying a groundwater management area plan under this subdivision, the commissioner shall consult with the advisory team established in paragraph (c).

(b) Notwithstanding section 103G.271, subdivision 1, paragraph (b), and Minnesota Rules, within designated groundwater management areas, the commissioner may require general permits as specified in section 103G.271, subdivision 1, paragraph (c), for water users using less than 10,000 gallons per day or 1,000,000 gallons per year and water suppliers serving less than 25 persons for domestic purposes. The commissioner may waive the requirements under section 103G.281 for general permits issued under this paragraph, and the fee specified in section 103G.301, subdivision 2, paragraph (c), does not apply to general permits issued under this paragraph.

(c) When designating a groundwater management area, the commissioner shall assemble an advisory team to assist in developing a groundwater management area plan for the area. The advisory team members shall be selected from public and private entities that have an interest in the water resources affected by the groundwater management area. A majority of the advisory team members shall be public and private entities that currently hold water-use permits for water appropriations from the affected water resources. The commissioner shall consult with the League of Minnesota Cities, the Association of Minnesota Counties, the Minnesota Association of Watershed Districts, and the Minnesota Association of Townships in appointing the local government representatives to the advisory team. The advisory team may also include representatives from the University of Minnesota, the Minnesota State Colleges and Universities, other institutions of higher learning in

Minnesota, political subdivisions with jurisdiction over water issues, nonprofits with expertise in water, and federal agencies.

(d) Before designating a groundwater management area, the commissioner must provide estimates of the economic effect of any new restriction or policy on existing and future groundwater users and local governments in the affected area. Strategies to address economic impacts must be included in any plan.

Sec. 84. Minnesota Statutes 2018, section 103G.287, subdivision 5, is amended to read:

Subd. 5. **Sustainability standard.** (a) The commissioner may issue water-use permits for appropriation from groundwater only if the commissioner determines that the groundwater use is sustainable to supply the needs of future generations and the proposed use will not harm ecosystems, degrade water, or reduce water levels beyond the reach of public water supply and private domestic wells constructed according to Minnesota Rules, chapter 4725.

(b) For the purposes of this subdivision and subdivision 4, "sustainable" means a change in hydrologic regime of 20 percent or less relative to the August median stream flow.

Sec. 85. Minnesota Statutes 2018, section 103G.289, is amended to read:

103G.289 WELL INTERFERENCE; WELL SEALING VALIDATION; CONTESTED CASE.

(a) The commissioner shall not validate a claim for well interference ~~claim~~ if the affected well has been sealed prior to the completion of the commissioner's investigation of the complaint. If the well is sealed prior to completion of the investigation, the commissioner must dismiss the complaint.

(b) When validating a claim for well interference, the commissioner must take into account the condition of the affected well.

(c) Within 30 days after the commissioner's decision on a claim for well interference, a party ordered by the commissioner to contribute to an affected well owner may petition for a contested case hearing under sections 14.57 to 14.62. The commissioner must grant the petitioner a contested case hearing on the commissioner's decision.

Sec. 86. Minnesota Statutes 2018, section 103G.311, subdivision 2, is amended to read:

Subd. 2. **Hearing notice.** (a) The hearing notice on an application must include:

- (1) the date, place, and time fixed by the commissioner for the hearing;
- (2) the waters affected, the water levels sought to be established, or control structures proposed;
and
- (3) the matters prescribed by sections 14.57 to 14.59 and rules adopted thereunder.

(b) A summary of the hearing notice must be published by the commissioner at the expense of the applicant or, if the proceeding is initiated by the commissioner in the absence of an applicant, at the expense of the commissioner.

(c) The summary of the hearing notice must be:

(1) published once a week for two successive weeks before the day of hearing in a legal newspaper published in the county where any part of the affected waters is located; and

(2) mailed or electronically transmitted by the commissioner to the county auditor, the mayor of a municipality, the watershed district, and the soil and water conservation district affected by the application.

Sec. 87. Minnesota Statutes 2018, section 103G.311, subdivision 5, is amended to read:

Subd. 5. Demand for hearing. (a) If a hearing is waived and an order is made issuing or denying the permit, the applicant, the managers of the watershed district, the board of supervisors of the soil and water conservation district, or the governing body of the municipality may file a demand for hearing on the application. The demand for a hearing must be filed within 30 days after mailed or electronically transmitted notice of the order with the bond required by subdivision 6.

(b) The commissioner must give notice as provided in subdivision 2, hold a hearing on the application, and make a determination on issuing or denying the permit as though the previous order had not been made.

(c) The order issuing or denying the permit becomes final at the end of 30 days after mailed or electronically transmitted notice of the order to the applicant, the managers of the watershed district, the board of supervisors of the soil and water conservation district, or the governing body of the municipality, and an appeal of the order may not be taken if:

(1) the commissioner waives a hearing and a demand for a hearing is not made; or

(2) a hearing is demanded but a bond is not filed as required by subdivision 6.

Sec. 88. Minnesota Statutes 2018, section 103G.315, subdivision 8, is amended to read:

Subd. 8. Notice of permit order. Notice of orders made after hearing must be given by publication of the order once a week for two successive weeks in a legal newspaper in the county where the hearing was held and by mailing or electronically transmitting copies of the order to parties who entered an appearance at the hearing.

Sec. 89. Minnesota Statutes 2018, section 103G.408, is amended to read:

103G.408 TEMPORARY DRAWDOWN OF PUBLIC WATERS.

(a) The commissioner, upon consideration of recommendations and objections as provided in clause (2), item (iii), and paragraph (c), may issue a public-waters-work permit for the temporary drawdown of a public water when:

(1) the public water is a shallow lake to be managed for fish, wildlife, or ecological purposes by the commissioner and the commissioner has conducted a public hearing presenting a comprehensive management plan outlining how and when temporary drawdowns under this section will be conducted; or

(2) the permit applicant is a public entity and:

(i) the commissioner deems the project to be beneficial and makes findings of fact that the drawdown is in the public interest;

(ii) the permit applicant has obtained permission from at least 75 percent of the riparian landowners; and

(iii) the permit applicant has conducted a public hearing according to paragraph (d).

(b) In addition to the requirements in section 103G.301, subdivision 6, the permit applicant shall serve a copy of the application on each county, municipality, and watershed management organization, if one exists, within which any portion of the public water is located and on the lake improvement district, if one exists.

(c) A county, municipality, watershed district, watershed management organization, or lake improvement district required to be served under paragraph (b) or section 103G.301, subdivision 6, may file a written recommendation for the issuance of a permit or an objection to the issuance of a permit with the commissioner within 30 days after receiving a copy of the application.

(d) The hearing notice for a public hearing under paragraph (a), clause (2), item (iii), must:

(1) include the date, place, and time for the hearing;

(2) include the waters affected and a description of the proposed project;

(3) be mailed or electronically transmitted to the director, the county auditor, the clerk or mayor of a municipality, the lake improvement district if one exists, the watershed district or water management organization, the soil and water conservation district, and all riparian owners of record affected by the application; and

(4) be published in a newspaper of general circulation in the affected area.

(e) Periodic temporary drawdowns conducted under paragraph (a) ~~shall~~ are not ~~be~~ considered takings from riparian landowners.

(f) This section does not apply to public waters that have been designated for wildlife management under section 97A.101.

Sec. 90. Minnesota Statutes 2018, section 103G.615, subdivision 3a, is amended to read:

Subd. 3a. **Invasive aquatic plant management permit.** (a) "Invasive aquatic plant management permit" means an aquatic plant management permit as defined in rules of the Department of Natural Resources that authorizes the selective control of invasive aquatic plants to cause a significant reduction in the abundance of the invasive aquatic plant.

(b) The commissioner may waive the dated signature of approval requirement in rules of the Department of Natural Resources for invasive aquatic plant management permits if obtaining signatures would create an undue burden on the permittee or if the commissioner determines that aquatic plant control is necessary to protect natural resources.

(c) If the signature requirement is waived under paragraph (b) because obtaining signatures would create an undue burden on the permittee, the commissioner shall require an alternate form of landowner notification, including news releases or public notices in a local newspaper, a public meeting, or a mailing or electronic transmission to the most recent permanent physical or electronic mailing address of affected landowners. The notification must be given annually and must include: the proposed date of treatment, the target species, the method of control or product being used, and instructions on how the landowner may request that control not occur adjacent to the landowner's property.

(d) The commissioner may allow dated signatures of approval obtained for an invasive aquatic plant management permit to satisfy rules of the Department of Natural Resources to remain valid for three years if property ownership remains unchanged.

Sec. 91. Minnesota Statutes 2018, section 114D.15, is amended by adding a subdivision to read:

Subd. 3a. Comprehensive local water management plan. "Comprehensive local water management plan" has the meaning given under section 103B.3363, subdivision 3.

Sec. 92. Minnesota Statutes 2018, section 114D.15, is amended by adding a subdivision to read:

Subd. 3b. Comprehensive watershed management plan. "Comprehensive watershed management plan" has the meaning given under section 103B.3363, subdivision 3a.

Sec. 93. Minnesota Statutes 2018, section 114D.15, subdivision 7, is amended to read:

Subd. 7. Restoration. ~~"Restoration" means actions, including effectiveness monitoring, that are taken to pursue, achieve, and maintain water quality standards for impaired waters in accordance with a TMDL that has been approved by the United States Environmental Protection Agency under federal TMDL requirements.~~

Sec. 94. Minnesota Statutes 2018, section 114D.15, subdivision 11, is amended to read:

Subd. 11. TMDL implementation plan. "TMDL implementation plan" means a document detailing restoration strategies or activities needed to meet the approved TMDL's TMDL pollutant load allocations for point and nonpoint sources. This could include a WRAPS, a comprehensive watershed management plan, a comprehensive local water management plan, or another document or strategy that the commissioner of the Pollution Control Agency determines to be, in whole or in part, sufficient to provide reasonable assurance of achieving applicable water quality standards.

Sec. 95. Minnesota Statutes 2018, section 114D.15, subdivision 13, is amended to read:

Subd. 13. Watershed restoration and protection strategy or WRAPS. ~~"Watershed restoration and protection strategy" or "WRAPS" means a document summarizing scientific studies of a major watershed no larger than at approximately a hydrologic unit code 8 including the physical, chemical, and biological assessment of the water quality of the watershed; identification of impairments and water bodies in need of protection; identification of biotic stressors and sources of pollution, both point and nonpoint; TMDLs for the impairments; and an implementation table containing scale with strategies and actions designed to achieve and maintain water quality standards and goals.~~

Sec. 96. Minnesota Statutes 2018, section 114D.20, subdivision 2, is amended to read:

Subd. 2. **Goals for implementation.** The following goals must guide the implementation of this chapter:

(1) to identify impaired waters in accordance with federal TMDL requirements ~~within ten years after May 23, 2006, and thereafter~~ to ensure continuing evaluation of surface waters for impairments;

(2) to submit TMDLs to the United States Environmental Protection Agency ~~for all impaired waters~~ in a timely manner in accordance with federal TMDL requirements;

(3) to ~~set a reasonable time~~ inform and support strategies for implementing restoration ~~of each identified impaired water~~ and protection activities in a reasonable time period;

(4) to systematically evaluate waters, to provide assistance and incentives to prevent waters from becoming impaired, and to improve the quality of waters that are listed as impaired ~~but do not have an approved TMDL addressing the impairment;~~

(5) to promptly seek the delisting of waters from the impaired waters list when those waters are shown to achieve the designated uses applicable to the waters;

(6) to achieve compliance with federal Clean Water Act requirements in Minnesota;

(7) to support effective measures to prevent the degradation of groundwater according to the groundwater degradation prevention goal under section 103H.001; and

(8) to support effective measures to restore degraded groundwater.

Sec. 97. Minnesota Statutes 2018, section 114D.20, subdivision 3, is amended to read:

Subd. 3. **Implementation policies.** The following policies must guide the implementation of this chapter:

(1) develop regional ~~and, multiple pollutant, or watershed TMDLs and TMDL implementation plans, and TMDLs and TMDL implementation plans for multiple pollutants or WRAPSs,~~ where reasonable and feasible;

(2) maximize use of available organizational, technical, and financial resources to perform sampling, monitoring, and other activities to identify degraded groundwater and impaired waters, including use of citizen monitoring and citizen monitoring data used by the Pollution Control Agency in assessing water quality that meets the requirements ~~in Appendix D of the Volunteer Surface Water Monitoring Guide, Minnesota~~ established by the commissioner of the Pollution Control Agency (2003);

(3) maximize opportunities for restoration of degraded groundwater and impaired waters, by prioritizing and targeting of available programmatic, financial, and technical resources and by providing additional state resources to complement and leverage available resources;

(4) use existing regulatory authorities to achieve restoration for point and nonpoint sources of pollution where applicable, and promote the development and use of effective nonregulatory measures to address pollution sources for which regulations are not applicable;

(5) use restoration methods that have a demonstrated effectiveness in reducing impairments and provide the greatest long-term positive impact on water quality protection and improvement and related conservation benefits while incorporating innovative approaches on a case-by-case basis;

(6) identify for the legislature any innovative approaches that may strengthen or complement existing programs;

(7) identify and encourage implementation of measures to prevent surface waters from becoming impaired and to improve the quality of waters that are listed as impaired but have no approved TMDL addressing the impairment using the best available data and technology, and establish and report outcome-based performance measures that monitor the progress and effectiveness of protection and restoration measures;

(8) monitor and enforce cost-sharing contracts and impose monetary damages in an amount up to 150 percent of the financial assistance received for failure to comply; and

(9) identify and encourage implementation of measures to prevent groundwater from becoming degraded and measures that restore groundwater resources.

Sec. 98. Minnesota Statutes 2018, section 114D.20, subdivision 5, is amended to read:

Subd. 5. Priorities for scheduling and preparing WRAPs and TMDLs. The commissioner of the Pollution Control Agency must seek recommendations from the Clean Water Council ~~shall recommend~~, the commissioners of natural resources, health and agriculture, and the Board of Water and Soil Resources regarding priorities for scheduling and preparing WRAPs and TMDLs and TMDL implementation plans, taking into account the severity. Recommendations must consider the causes of the impairment impairments, the designated uses of those the waters, and other applicable federal TMDL requirements. In recommending priorities, the council shall also give consideration to, surface water and groundwater interactions, protection of high-quality waters, waters and watersheds with declining water quality trends, and waters used as drinking water sources. Furthermore, consideration must be given to waters and watersheds:

(1) ~~with impairments that pose~~ have the greatest potential risk to human health;

(2) ~~with impairments that pose~~ have the greatest potential risk to threatened or endangered species;

(3) ~~with impairments that pose~~ have the greatest potential risk to aquatic health;

(4) where other public agencies and participating organizations and individuals, especially local, ~~basinwide~~ basin-wide, watershed, or regional agencies or organizations, have demonstrated readiness to assist in carrying out the responsibilities, including availability and organization of human, technical, and financial resources necessary to undertake the work; and

(5) where there is demonstrated coordination and cooperation among cities, counties, watershed districts, and soil and water conservation districts in planning and implementation of activities that will assist in carrying out the responsibilities.

Sec. 99. Minnesota Statutes 2018, section 114D.20, subdivision 7, is amended to read:

Subd. 7. **Priorities for funding prevention actions.** The Clean Water Council shall apply the priorities applicable under subdivision 6, as far as practicable, when recommending priorities for funding actions to prevent groundwater and surface waters from becoming degraded or impaired and to improve the quality of surface waters that are listed as impaired ~~but do not have an approved TMDL.~~

Sec. 100. Minnesota Statutes 2018, section 114D.20, is amended by adding a subdivision to read:

Subd. 8. **Alternatives; TMDL, TMDL implementation plan, or WRAPS.** (a) If the commissioner of the Pollution Control Agency determines that a comprehensive watershed management plan or comprehensive local water management plan contains information that is sufficient and consistent with guidance from the United States Environmental Protection Agency under section 303(d) of the federal Clean Water Act, the commissioner may submit the plan to the Environmental Protection Agency according to federal TMDL requirements as an alternative to developing a TMDL.

(b) A TMDL implementation plan or a WRAPS, or portions thereof, are not needed for waters or watersheds when the commissioner of the Pollution Control Agency determines that a comprehensive watershed management plan, a comprehensive local water management plan, or a statewide or regional strategy published by the Pollution Control Agency meets the definition in section 114D.15, subdivision 11 or 13.

(c) The commissioner of the Pollution Control Agency may request that the Board of Water and Soil Resources conduct an evaluation of the implementation efforts under a comprehensive watershed management plan or comprehensive local water management plan when the commissioner makes a determination under paragraph (b). The board must conduct the evaluation in accordance with section 103B.102.

(d) The commissioner of the Pollution Control Agency may amend or revoke a determination made under paragraph (a) or (b) after considering the evaluation conducted under paragraph (c).

Sec. 101. Minnesota Statutes 2018, section 114D.20, is amended by adding a subdivision to read:

Subd. 9. **Coordinating municipal and local water quality activities.** A project, practice, or program for water quality improvement or protection that is conducted by a watershed management organization or a local government unit with a comprehensive watershed management plan or other water management plan approved according to chapter 103B, 103C, or 103D may be considered by the commissioner of the Pollution Control Agency as contributing to the requirements of a storm water pollution prevention plan (SWPPP) for a municipal separate storm sewer systems (MS4) permit unless the project, practice, or program was previously documented as contributing to a different SWPPP for an MS4 permit.

Sec. 102. Minnesota Statutes 2018, section 114D.26, is amended to read:

114D.26 WATERSHED RESTORATION AND PROTECTION STRATEGIES.

Subdivision 1. **Contents.** (a) The commissioner of the Pollution Control Agency shall develop watershed restoration and protection strategies. To ensure effectiveness and accountability in meeting the goals of this chapter, for the purposes of:

(1) summarizing the physical, chemical, and biological assessment of the water quality of the watershed;

(2) quantifying impairments and risks to water quality;

(3) describing the causes of impairments and pollution sources;

(4) consolidating TMDLs in a major watershed; and

(5) informing comprehensive local water management plans and comprehensive watershed management plans.

(b) Each WRAPS shall must:

(1) identify impaired waters and waters in need of protection;

(2) identify biotic stressors causing impairments or threats to water quality;

(3) summarize TMDLs, watershed modeling outputs, and resulting pollution load allocations, wasteload allocations, and priority areas for targeting actions to improve water quality identify areas with high pollutant-loading rates;

(4) identify point sources of pollution for which a national pollutant discharge elimination system permit is required under section 115.03;

(5) identify nonpoint sources of pollution for which a national pollutant discharge elimination system permit is not required under section 115.03, with sufficient specificity to prioritize and geographically locate watershed restoration and protection actions;

(6) describe the current pollution loading and load reduction needed for each source or source category to meet water quality standards and goals, including wasteload and load allocations from TMDLs;

(7) contain a plan for ongoing (4) in consultation with local governments and other state agencies, identify water quality monitoring needed to fill data gaps, determine changing conditions, and or gauge implementation effectiveness; and

(8) (5) contain an implementation table of strategies and actions that are capable of cumulatively achieving needed pollution load reductions for point and nonpoint sources, including identifying:

(i) water quality parameters of concern;

(ii) current water quality conditions;

(iii) water quality goals, strategies, and targets by parameter of concern; and

(iv) ~~strategies and actions by parameter of concern~~ and an example of the scale of adoptions needed for each; with a timeline to meet the water quality restoration or protection goals of this chapter.

(v) ~~a timeline for achievement of water quality targets;~~

(vi) ~~the governmental units with primary responsibility for implementing each watershed restoration or protection strategy; and~~

(vii) ~~a timeline and interim milestones for achievement of watershed restoration or protection implementation actions within ten years of strategy adoption.~~

Subd. 1a. **Coordination.** To ensure effectiveness, efficiency, and accountability in meeting the goals of this chapter, the commissioner of the Pollution Control Agency, in consultation with the Board of Water and Soil Resources and local government units, must coordinate the schedule, budget, scope, and use of a WRAPS and related documents and processes.

Subd. 2. **Reporting.** Beginning July 1, 2016, and every other year thereafter, the commissioner of the Pollution Control Agency must report on ~~its~~ the agency's website the progress toward implementation milestones and water quality goals for all adopted TMDLs and, where available, WRAPSs.

Subd. 3. **Timelines; administration.** ~~Each year,~~ (a) The commissioner of the Pollution Control Agency must complete ~~WRAPSs for at least ten percent of watershed restoration and protection strategies for the state's major watersheds. WRAPS shall be by June 30, 2023, unless the commissioner determines that a comprehensive watershed management plan or comprehensive local water management plan, in whole or in part, meets the definition in section 114D.15, subdivision 11 or 13. As needed, the commissioner must update the strategies, in whole or in part, after consulting with the Board of Water and Soil Resources and local government units.~~

(b) Watershed restoration and protection strategies are governed by the procedures for approval and notice in section 114D.25, subdivisions 2 and 4, except that ~~WRAPS~~ the strategies need not be submitted to the United States Environmental Protection Agency.

Sec. 103. Minnesota Statutes 2018, section 114D.35, subdivision 1, is amended to read:

Subdivision 1. **Public and stakeholder participation.** (a) Public agencies and private entities involved in ~~the implementation of~~ implementing this chapter ~~shall~~ must encourage participation by the public and stakeholders, including local citizens, landowners ~~and~~, land managers, and public and private organizations, ~~in identifying impaired waters, in developing TMDLs, in planning, priority setting, and implementing restoration of impaired waters, in identifying degraded groundwater, and in protecting and restoring groundwater resources.~~

(b) In particular, the commissioner of the Pollution Control Agency ~~shall~~ must make reasonable efforts to provide timely information to the public and to stakeholders about impaired waters that have been identified by the agency. ~~The agency shall seek broad and early public and stakeholder participation in scoping the activities necessary to develop a TMDL, including the scientific models,~~

methods, and approaches to be used in TMDL development, and to implement restoration pursuant to section 114D.15, subdivision 7 and to inform and consult with the public and stakeholders in developing a WRAPS or TMDL.

(c) Public agencies and private entities using public funds that are involved in implementing restoration and protection identified in a comprehensive watershed management plan or comprehensive local water management plan must make efforts to inform, consult, and involve the public and stakeholders.

(d) The commissioner of the Pollution Control Agency and the Board of Water and Soil Resources must coordinate public and stakeholder participation in consultation with local government units. To the extent practicable, implementation of this chapter must be accomplished in cooperation with local, state, federal, and tribal governments and private-sector organizations.

Sec. 104. Minnesota Statutes 2018, section 114D.35, subdivision 3, is amended to read:

Subd. 3. **Education.** The Clean Water Council ~~shall~~ must develop strategies for informing, educating, and encouraging the participation of citizens, stakeholders, and others regarding ~~the identification of impaired waters, development of TMDLs, development of TMDL implementation plans, implementation of restoration for impaired waters, identification of degraded groundwater, and protection and restoration of groundwater resources~~ this chapter. Public agencies ~~shall be~~ are responsible for implementing the strategies.

Sec. 105. [114D.47] NONPOINT FUNDING ALTERNATIVE.

Notwithstanding section 114D.50, subdivision 3a, the Board of Water and Soil Resources may, by board order, establish alternative timelines or content for the priority funding plan for nonpoint sources under section 114D.50, subdivision 3a, and may use information from comprehensive watershed management plans or comprehensive local water management plans to estimate or summarize costs.

Sec. 106. Minnesota Statutes 2018, section 115.03, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The agency is hereby given and charged with the following powers and duties:

~~(a)~~ (1) to administer and enforce all laws relating to the pollution of any of the waters of the state;

~~(b)~~ (2) to investigate the extent, character, and effect of the pollution of the waters of this state and to gather data and information necessary or desirable in the administration or enforcement of pollution laws, and to make such classification of the waters of the state as it may deem advisable;

~~(c)~~ (3) to establish and alter such reasonable pollution standards for any waters of the state in relation to the public use to which they are or may be put as it shall deem necessary for the purposes of this chapter and, with respect to the pollution of waters of the state, chapter 116;

~~(d)~~ (4) to encourage waste treatment, including advanced waste treatment, instead of stream low-flow augmentation for dilution purposes to control and prevent pollution;

~~(e)~~ (5) to adopt, issue, reissue, modify, deny, or revoke, enter into or enforce reasonable orders, permits, variances, standards, rules, schedules of compliance, and stipulation agreements, under such conditions as it may prescribe, in order to prevent, control or abate water pollution, or for the installation or operation of disposal systems or parts thereof, or for other equipment and facilities:

~~(4)~~ (i) requiring the discontinuance of the discharge of sewage, industrial waste or other wastes into any waters of the state resulting in pollution in excess of the applicable pollution standard established under this chapter;

~~(2)~~ (ii) prohibiting or directing the abatement of any discharge of sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

~~(3)~~ (iii) prohibiting the storage of any liquid or solid substance or other pollutant in a manner which does not reasonably assure proper retention against entry into any waters of the state that would be likely to pollute any waters of the state;

~~(4)~~ (iv) requiring the construction, installation, maintenance, and operation by any person of any disposal system or any part thereof, or other equipment and facilities, or the reconstruction, alteration, or enlargement of its existing disposal system or any part thereof, or the adoption of other remedial measures to prevent, control or abate any discharge or deposit of sewage, industrial waste or other wastes by any person;

~~(5)~~ (v) establishing, and from time to time revising, standards of performance for new sources taking into consideration, among other things, classes, types, sizes, and categories of sources, processes, pollution control technology, cost of achieving such effluent reduction, and any nonwater quality environmental impact and energy requirements. Said standards of performance for new sources shall encompass those standards for the control of the discharge of pollutants which reflect the greatest degree of effluent reduction which the agency determines to be achievable through application of the best available demonstrated control technology, processes, operating methods, or other alternatives, including, where practicable, a standard permitting no discharge of pollutants. New sources shall encompass buildings, structures, facilities, or installations from which there is or may be the discharge of pollutants, the construction of which is commenced after the publication by the agency of proposed rules prescribing a standard of performance which will be applicable to such source. Notwithstanding any other provision of the law of this state, any point source the construction of which is commenced after May 20, 1973, and which is so constructed as to meet all applicable standards of performance for new sources shall, consistent with and subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution Control Act, not be subject to any more stringent standard of performance for new sources during a ten-year period beginning on the date of completion of such construction or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first. Construction shall encompass any placement, assembly, or installation of facilities or equipment, including contractual obligations to purchase such facilities or equipment, at the premises where such equipment will be used, including preparation work at such premises;

~~(6)~~ (vi) establishing and revising pretreatment standards to prevent or abate the discharge of any pollutant into any publicly owned disposal system, which pollutant interferes with, passes through, or otherwise is incompatible with such disposal system;

~~(7)~~ (vii) requiring the owner or operator of any disposal system or any point source to establish and maintain such records, make such reports, install, use, and maintain such monitoring equipment or methods, including where appropriate biological monitoring methods, sample such effluents in accordance with such methods, at such locations, at such intervals, and in such a manner as the agency shall prescribe, and providing such other information as the agency may reasonably require;

~~(8)~~ (viii) notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement of more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based upon section 115.01, subdivision 13, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the agency determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the state. Prior to establishment of any such effluent limitation, the agency shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

~~(9)~~ (ix) modifying, in its discretion, any requirement or limitation based upon best available technology with respect to any point source for which a permit application is filed after July 1, 1977, upon a showing by the owner or operator of such point source satisfactory to the agency that such modified requirements will represent the maximum use of technology within the economic capability of the owner or operator and will result in reasonable further progress toward the elimination of the discharge of pollutants; and

~~(10)~~ (x) requiring that applicants for wastewater discharge permits evaluate in their applications the potential reuses of the discharged wastewater;

~~(f)~~ (6) to require to be submitted and to approve plans and specifications for disposal systems or point sources, or any part thereof and to inspect the construction thereof for compliance with the approved plans and specifications thereof;

~~(g)~~ (7) to prescribe and alter rules, not inconsistent with law, for the conduct of the agency and other matters within the scope of the powers granted to and imposed upon it by this chapter and, with respect to pollution of waters of the state, in chapter 116, provided that every rule affecting any other department or agency of the state or any person other than a member or employee of the agency shall be filed with the secretary of state;

~~(h)~~ (8) to conduct such investigations, issue such notices, public and otherwise, and hold such hearings as are necessary or which it may deem advisable for the discharge of its duties under this chapter and, with respect to the pollution of waters of the state, under chapter 116, including, but not limited to, the issuance of permits, and to authorize any member, employee, or agent appointed by it to conduct such investigations or, issue such notices and hold such hearings;

~~(i)~~ (9) for the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide waste treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan elements, procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

~~(j)~~ (10) to train water pollution control personnel; and charge such fees therefor as are for the training as necessary to cover the agency's costs. The fees under this clause are subject to legislative approval under section 16A.1283. All such fees received shall be paid into the state treasury and credited to the Pollution Control Agency training account;

~~(k)~~ (11) to impose as additional conditions in permits to publicly owned disposal systems appropriate measures to insure compliance by industrial and other users with any pretreatment standard, including, but not limited to, those related to toxic pollutants, and any system of user charges ratably as is hereby required under state law or said Federal Water Pollution Control Act, as amended, or any regulations or guidelines promulgated thereunder;

~~(l)~~ (12) to set a period not to exceed five years for the duration of any national pollutant discharge elimination system permit or not to exceed ten years for any permit issued as a state disposal system permit only;

~~(m)~~ (13) to require each governmental subdivision identified as a permittee for a wastewater treatment works to evaluate in every odd-numbered year the condition of its existing system and identify future capital improvements that will be needed to attain or maintain compliance with a national pollutant discharge elimination system or state disposal system permit; and

~~(n)~~ (14) to train subsurface sewage treatment system personnel, including persons who design, construct, install, inspect, service, and operate subsurface sewage treatment systems, and charge fees for the training as necessary to pay the agency's costs. The fees under this clause are subject to legislative approval under section 16A.1283. All fees received must be paid into the state treasury and credited to the agency's training account. Money in the account is appropriated to the agency to pay expenses related to training.

(b) The information required in paragraph (a), clause ~~(m)~~ (13), must be submitted in every odd-numbered year to the commissioner on a form provided by the commissioner. The commissioner shall provide technical assistance if requested by the governmental subdivision.

(c) The powers and duties given the agency in this subdivision also apply to permits issued under chapter 114C.

Sec. 107. Minnesota Statutes 2018, section 115.03, subdivision 5, is amended to read:

Subd. 5. **Agency authority; national pollutant discharge elimination system.** (a) Notwithstanding any other provisions prescribed in or pursuant to this chapter and, with respect to the pollution of waters of the state, in chapter 116, or otherwise, the agency shall have the authority to perform any and all acts minimally necessary including, but not limited to, the establishment and application of standards, procedures, rules, orders, variances, stipulation agreements, schedules of compliance, and permit conditions, consistent with and, therefore not less stringent than the provisions of the Federal Water Pollution Control Act, as amended, applicable to the participation by the state of Minnesota in the national pollutant discharge elimination system (NPDES); provided that this provision shall not be construed as a limitation on any powers or duties otherwise residing with the agency pursuant to any provision of law.

(b) An activity that conveys or connects waters of the state without subjecting the transferred water to intervening industrial, municipal, or commercial use does not require a national pollutant discharge elimination system permit. This exemption does not apply to pollutants introduced by the activity itself to the water being transferred.

Sec. 108. Minnesota Statutes 2018, section 115.03, is amended by adding a subdivision to read:

Subd. 5e. **Sugar beet storage.** The commissioner must not require a sugar beet company that has a current national pollutant discharge elimination system permit or state disposal system permit to install an engineered liner for a storm water runoff pond at a remote storage site for sugar beets unless a risk assessment confirms that there is significant impact on groundwater and that an engineered liner is necessary to prevent, control, or abate water pollution. For purposes of this subdivision, "remote storage site for sugar beets" means an area where sugar beets are temporarily stored before delivery to a sugar beet processing facility and that is not located on land adjacent to the processing facility.

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

Sec. 109. Minnesota Statutes 2018, section 115.035, is amended to read:

115.035 EXTERNAL PEER REVIEW OF WATER QUALITY STANDARDS.

~~(a) When the commissioner convenes an external peer review panel during the promulgation or amendment of water quality standards, the commissioner must provide notice and take public comment on the charge questions for the external peer review panel and must allow written and oral public comment as part of the external peer review panel process. Every new or revised numeric water quality standard must be supported by a technical support document that provides the scientific basis for the proposed standard and that has undergone external, scientific peer review. Numeric water quality standards in which the agency is adopting, without change, a United States Environmental Protection Agency criterion that has been through peer review are not subject to this paragraph. Documentation of the external peer review panel, including the name or names of the peer reviewer or reviewers, must be included in the statement of need and reasonableness for the water quality standard. If the commissioner does not convene an external peer review panel during the promulgation or amendment of water quality standards, the commissioner must state the reason an external peer review panel will not be convened in the statement of need and reasonableness.~~

(b) Every technical support document developed by the agency must be released in draft form for public comment before peer review and before finalizing the technical support document.

(c) The commissioner must provide public notice and information about the external peer review through the request for comments published at the beginning of the rulemaking process for the numeric water quality standard, and:

(1) the request for comments must identify the draft technical support document and where the document can be found;

(2) the request for comments must include a proposed charge for the external peer review and request comments on the charge;

(3) all comments received during the public comment period must be made available to the external peer reviewers; and

(4) if the agency is not soliciting external peer review because the agency is adopting a United States Environmental Protection Agency criterion without change, that must be noted in the request for comments.

(d) The purpose of the external peer review is to evaluate whether the technical support document and proposed standard are based on sound scientific knowledge, methods, and practices. The external peer review must be conducted according to the guidance in the most recent edition of the United States Environmental Protection Agency's Peer Review Handbook. Peer reviewers must not have participated in developing the scientific basis of the standard. Peer reviewers must disclose any activities or circumstances that could pose a conflict of interest or create an appearance of a loss of impartiality that could interfere with an objective review.

(e) The type of review and the number of peer reviewers depends on the nature of the science underlying the standard. A panel review must be used when the agency is developing significant new science or science that expands significantly beyond current documented scientific practices or principles.

(f) In response to the findings of the external peer review, the agency must revise the draft technical support document as appropriate. The findings of the external peer review must be documented and attached to the final technical support document, which must be an exhibit as part of the statement of need and reasonableness in the rulemaking to adopt the new or revised water quality standard. The agency must note changes in the final technical support document made in response to the external peer review.

~~(b)~~ (g) By December 15 each year, the commissioner ~~shall~~ must post on the agency's website a report identifying the water quality standards development work in progress or completed in the past year, the lead agency scientist for each development effort, and opportunities for public input.

Sec. 110. Minnesota Statutes 2018, section 115.44, subdivision 6, is amended to read:

Subd. 6. **Adopting and modifying standards.** The adoption, alteration, or modification of the standards of quality and purity in subdivision 4 ~~shall~~ must be made by the agency in accordance with chapter 14. Additionally, the adoption of a new standard or the alteration or modification of an existing standard that makes the standard more stringent does not take effect until the Pollution Control Agency obtains a social permit to adopt the standard, alteration, or modification. For purposes of this subdivision, the Pollution Control Agency obtains a social permit when a resolution in support

of the new or modified standard is adopted by the board of county commissioners of every county in Minnesota.

Sec. 111. Minnesota Statutes 2018, section 115.455, is amended to read:

115.455 EFFLUENT LIMITATIONS; COMPLIANCE.

To the extent allowable under federal law, for a municipality that constructs a publicly owned treatment works or for an industrial national pollutant discharge elimination system and state disposal system permit holder that constructs a treatment works facility to comply with a new or modified effluent limitation, compliance with any new or modified effluent limitation adopted after construction begins that would require additional capital investment is required no sooner than 16 years after the date the facility begins operating.

Sec. 112. Minnesota Statutes 2018, section 115.77, subdivision 1, is amended to read:

Subdivision 1. **Fees.** The agency shall collect fees in amounts necessary, but no greater than the amounts necessary, to cover the reasonable costs of reviewing applications and issuing certifications. The fees under this subdivision are subject to legislative approval under section 16A.1283.

Sec. 113. Minnesota Statutes 2018, section 115.84, subdivision 2, is amended to read:

Subd. 2. **Rules.** The agency may adopt rules to govern certification of laboratories according to this section. ~~Notwithstanding section 16A.1283, the agency may adopt rules establishing fees.~~

Sec. 114. Minnesota Statutes 2018, section 115.84, subdivision 3, is amended to read:

Subd. 3. **Fees.** (a) Until the agency adopts a rule establishing fees for certification, the agency shall collect fees from laboratories registering with the agency, but not accredited by the commissioner of health under sections 144.97 to 144.99, in amounts necessary to cover the reasonable costs of the certification program, including reviewing applications, issuing certifications, and conducting audits and compliance assistance. The fees under this paragraph are subject to legislative approval under section 16A.1283.

(b) Fees under this section must be based on the number, type, and complexity of analytical methods that laboratories are certified to perform.

(c) Revenue from fees charged by the agency for certification ~~shall~~ must be credited to the environmental fund.

Sec. 115. Minnesota Statutes 2018, section 115A.51, is amended to read:

115A.51 APPLICATION REQUIREMENTS.

(a) Applications for assistance under the program ~~shall~~ must demonstrate:

~~(a)~~ (1) that the project is conceptually and technically feasible;

~~(b)~~ (2) that affected political subdivisions are committed to implement the project, to provide necessary local financing, and to accept and exercise the government powers necessary to the project;

~~(e)~~ (3) that operating revenues from the project, considering the availability and security of sources of solid waste and of markets for recovered resources, together with any proposed federal, state, or local financial assistance, will be sufficient to pay all costs over the projected life of the project;

~~(d)~~ (4) that the applicant has evaluated the feasible and prudent alternatives to disposal, including using existing solid waste management facilities with reasonably available capacity sufficient to accomplish the goals of the proposed project, and has compared and evaluated the costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators;

(5) that the applicant has identified:

(i) waste management objectives in applicable county and regional solid waste management plans consistent with section 115A.46, subdivision 2, paragraphs (e) and (f), or 473.149, subdivision 1; and

(ii) other solid waste facilities identified in the county and regional plans; and

(6) that the applicant has conducted a comparative analysis of the project against existing public and private solid waste facilities, including an analysis of potential displacement of those facilities, to determine whether the project is the most appropriate alternative to achieve the identified waste management objectives that considers:

(i) conformity with approved county or regional solid waste management plans;

(ii) consistency with the state's solid waste hierarchy and section 115A.46, subdivision 2, paragraphs (e) and (f), or 473.149, subdivision 1; and

(iii) environmental standards related to public health, air, surface water, and groundwater.

(b) The commissioner may require completion of a comprehensive solid waste management plan conforming to the requirements of section 115A.46, before accepting an application. Within five days of filing an application with the agency, the applicant must submit a copy of the application to each solid waste management facility mentioned in the portion of the application addressing the requirements of paragraph (a), clauses (5) and (6).

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

Sec. 116. Minnesota Statutes 2018, section 115B.421, is amended to read:

115B.421 CLOSED LANDFILL INVESTMENT FUND.

The closed landfill investment fund is established in the state treasury. The fund consists of money credited to the fund, and interest and other earnings on money in the fund. ~~Beginning July 1, 2003,~~ Funds must be deposited as described in section 115B.445, and if land enrolled in the closed landfill program is leased for the purpose of locating solar photovoltaic devices on the land, the lease proceeds must be deposited in the fund. The fund shall be managed to maximize long-term gain through the State Board of Investment. Money in the fund may only be spent ~~by the~~

commissioner after fiscal year 2020 in accordance with sections 115B.39 to 115B.444 as appropriated by law.

Sec. 117. **[115B.55] TCE EMISSION RESPONSE ACCOUNT.**

Subdivision 1. Definitions. (a) For purposes of this section and section 115B.56, the terms in this subdivision have the meanings given.

(b) "Settlement" means the stipulation agreement entered into on March 1, 2019, to resolve alleged unlawful TCE emissions by Water Gremlin Company.

(c) "TCE" means trichloroethylene.

(d) "TCE area of concern" includes the area in and near White Bear Township affected by unlawful emissions of TCE, as determined by the commissioner of the Pollution Control Agency.

Subd. 2. Establishment. The TCE emission response account is established as an account in the environmental fund. The account consists of the net proceeds of the civil penalty paid to the Pollution Control Agency as part of the settlement and earnings on the investment of money in the account. Money in the account may be invested through the State Board of Investment.

Subd. 3. Expenditures. Subject to appropriation by the legislature, money in the account may be spent to assess and address the effects of unlawful emissions of TCE in the TCE area of concern.

Sec. 118. **[115B.56] TCE EMISSION STAKEHOLDERS.**

The commissioner must work with the following stakeholders to identify and recommend to the legislature projects to receive funding from the TCE emission response account: a representative of the Minnesota Department of Health; a representative of the Minnesota Pollution Control Agency; an elected official from the city of Gem Lake; an elected official from the city of White Bear Lake; an elected official from White Bear Township; three individuals appointed by the Neighborhood Concerned Citizens Group serving the White Bear Township, White Bear Lake, and Gem Lake areas; an individual who is appointed by the Neighborhood Concerned Citizens Group who lives within half of one mile of the Water Gremlin facility that was the source of the TCE emissions described in the settlement; and a representative of Ramsey County, who shall be a nonvoting member. Stakeholder recommendations may include recommendations regarding:

(1) the broad purposes or specific projects for which money in the TCE emission response account should be appropriated;

(2) the need for additional testing, investigations, or research;

(3) ways to improve communication between state and federal officials and local governments, citizens, and businesses when hazardous chemicals are actually or potentially released into a community;

(4) policy or law changes that would facilitate a better response to future releases of hazardous chemicals; and

(5) any other matter the stakeholders deem relevant.

Sec. 119. Minnesota Statutes 2018, section 116.03, subdivision 1, is amended to read:

Subdivision 1. **Office.** (a) The Office of Commissioner of the Pollution Control Agency is created and is under the supervision and control of the commissioner, who is appointed by the governor under the provisions of section 15.06.

(b) The commissioner may appoint a deputy commissioner and up to three assistant commissioners who ~~shall be~~ are in the unclassified service.

(c) The commissioner shall make all decisions on behalf of the agency.

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

Sec. 120. Minnesota Statutes 2018, section 116.03, is amended by adding a subdivision to read:

Subd. 3a. Grant administrative costs. The commissioner of the Pollution Control Agency shall use no more than three percent of any grant money for administering grant programs, delivering technical services, providing fiscal oversight, and ensuring accountability. For purposes of this subdivision, "grant money" means any money to be disbursed as a grant or administered as a grant by the Pollution Control Agency, regardless of its source.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to grants disbursed on or after that date.

Sec. 121. Minnesota Statutes 2018, section 116.07, subdivision 2, is amended to read:

Subd. 2. **Adopting standards.** (a) The Pollution Control Agency shall improve air quality by promoting, in the most practicable way possible, the use of energy sources and waste disposal methods ~~which that~~ produce or emit the least air contaminants consistent with the agency's overall goal of reducing all forms of pollution. The agency shall also adopt standards of air quality, including maximum allowable standards of emission of air contaminants from motor vehicles, recognizing that ~~due to~~ because of variable factors, no single standard of purity of air is applicable to all areas of the state. In adopting standards, the Pollution Control Agency shall give due recognition to the fact that the quantity or characteristics of air contaminants or the duration of their presence in the atmosphere, which may cause air pollution in one area of the state, may cause less or not cause any air pollution in another area of the state, and it shall take into consideration in this connection such factors, including others ~~which that~~ it may deem proper, as existing physical conditions, zoning classifications, topography, prevailing wind directions and velocities, and the fact that a standard of air quality ~~which that~~ may be proper as to an essentially residential area of the state, may not be proper as to a highly developed industrial area of the state. Such standards of air quality ~~shall~~ must be premised upon scientific knowledge of causes as well as effects based on technically substantiated criteria and commonly accepted practices. No local government unit shall set standards of air quality ~~which that~~ are more stringent than those set by the Pollution Control Agency. Consistent with this recognition of the variability of air contamination levels and conditions across the state, the agency must not apply or enforce a national or state ambient air quality standard as an applicable standard for an individual source under an individual facility permit issued according to Code of Federal Regulations, title 40, part 70, unless the permittee is a temporary source issued a permit under United States Code, title 42, section 7661c, paragraph (e).

(b) The Pollution Control Agency shall promote solid waste disposal control by encouraging the updating of collection systems, elimination of open dumps, and improvements in incinerator practices. The agency shall also adopt standards for the control of the collection, transportation, storage, processing, and disposal of solid waste and sewage sludge for the prevention and abatement of water, air, and land pollution, recognizing that ~~due to~~ because of variable factors, no single standard of control is applicable to all areas of the state. In adopting standards, the Pollution Control Agency shall give due recognition to the fact that elements of control ~~which that~~ which that may be reasonable and proper in densely populated areas of the state may be unreasonable and improper in sparsely populated or remote areas of the state, and it shall take into consideration in this connection such factors, including others ~~which that~~ which that it may deem proper, as existing physical conditions, topography, soils and geology, climate, transportation, and land use. Such standards of control ~~shall~~ must be premised on technical criteria and commonly accepted practices.

(c) The Pollution Control Agency shall also adopt standards describing the maximum levels of noise in terms of sound pressure level ~~which that~~ which that may occur in the outdoor atmosphere, recognizing that ~~due to~~ because of variable factors no single standard of sound pressure is applicable to all areas of the state. Such standards ~~shall~~ must give due consideration to such factors as the intensity of noises, the types of noises, the frequency with which noises recur, the time period for which noises continue, the times of day during which noises occur, and such other factors as could affect the extent to which noises may be injurious to human health or welfare, animal or plant life, or property, or could interfere unreasonably with the enjoyment of life or property. In adopting standards, the Pollution Control Agency shall give due recognition to the fact that the quantity or characteristics of noise or the duration of its presence in the outdoor atmosphere, which may cause noise pollution in one area of the state, may cause less or not cause any noise pollution in another area of the state, and it shall take into consideration in this connection such factors, including others ~~which that~~ which that it may deem proper, as existing physical conditions, zoning classifications, topography, meteorological conditions, and the fact that a standard ~~which that~~ which that may be proper in an essentially residential area of the state, may not be proper ~~as to~~ in a highly developed industrial area of the state. Such noise standards ~~shall~~ must be premised upon scientific knowledge as well as effects based on technically substantiated criteria and commonly accepted practices. No local governing unit shall set standards describing the maximum levels of sound pressure ~~which that~~ which that are more stringent than those set by the Pollution Control Agency.

(d) The Pollution Control Agency shall adopt standards for the identification of hazardous waste and for the management, identification, labeling, classification, storage, collection, transportation, processing, and disposal of hazardous waste, recognizing that ~~due to~~ because of variable factors, a single standard of hazardous waste control may not be applicable to all areas of the state. In adopting standards, the Pollution Control Agency shall recognize that elements of control ~~which that~~ which that may be reasonable and proper in densely populated areas of the state may be unreasonable and improper in sparsely populated or remote areas of the state. The agency shall consider existing physical conditions, topography, soils, and geology, climate, transportation, and land use. Standards of hazardous waste control ~~shall~~ must be premised on technical knowledge, and commonly accepted practices. Hazardous waste generator licenses may be issued for a term not to exceed five years. No local government unit shall set standards of hazardous waste control ~~which that~~ which that are in conflict or inconsistent with those set by the Pollution Control Agency.

(e) A person who generates less than 100 kilograms of hazardous waste per month is exempt from the following agency hazardous waste rules:

(1) rules relating to transportation, manifesting, storage, and labeling for photographic fixer and x-ray negative wastes that are hazardous solely because of silver content; and

(2) any rule requiring the generator to send to the agency or commissioner a copy of each manifest for the transportation of hazardous waste for off-site treatment, storage, or disposal, except that counties within the metropolitan area may require generators to provide manifests.

Nothing in this paragraph exempts the generator from the agency's rules relating to on-site accumulation or outdoor storage. A political subdivision or other local unit of government may not adopt management requirements that are more restrictive than this paragraph.

(f) In any rulemaking proceeding under chapter 14 to adopt standards for air quality, solid waste, or hazardous waste under this chapter; or standards for water quality under chapter 115, the statement of need and reasonableness must include:

(1) an assessment of any differences between the proposed rule and:

(i) existing federal standards adopted under the Clean Air Act, United States Code, title 42, section 7412(b)(2); the Clean Water Act, United States Code, title 33, sections 1312(a) and 1313(c)(4); and the Resource Conservation and Recovery Act, United States Code, title 42, section 6921(b)(1);

(ii) similar standards in states bordering Minnesota; and

(iii) similar standards in states within the Environmental Protection Agency Region 5; and

(2) a specific analysis of the need and reasonableness of each difference.

If the proposed standards in a rulemaking subject to this paragraph are more stringent than comparable federal standards, the statement of need and reasonableness must, in addition to the requirements of this paragraph, include documentation that the federal standard does not provide adequate protection for public health and the environment.

(g) In any rulemaking proceeding under chapter 14 to adopt standards for air quality, solid waste, or hazardous waste under this chapter or standards for water quality under chapter 115, each standard must be expressed in a standard measurement unit of milliliter (ml) for liquids and milligram (mg) for solids.

Sec. 122. Minnesota Statutes 2018, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. **Permit fees.** (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of developing, reviewing, and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees ~~shall~~ must not include the costs of litigation. The fee schedule must reflect reasonable and routine direct and indirect costs associated with permitting, implementation, and enforcement. The agency may impose an additional enforcement fee to be collected for ~~a period of~~ up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Water fees under this paragraph are subject to legislative approval under section 16A.1283. Any money collected under this paragraph ~~shall~~ must be deposited in the environmental fund.

(b) Notwithstanding paragraph (a), the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to a notification, permit, or license requirement under this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or rules adopted thereunder. The annual fee ~~shall~~ must be used to pay for all direct and indirect reasonable costs, including legal costs, required to develop and administer the notification, permit, or license program requirements of this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or rules adopted thereunder. Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; and providing information to the public about these activities.

(c) The agency shall set fees that:

(1) will result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated;

(2) may result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (1) that is regulated under this chapter or air quality rules adopted under this chapter; and

(3) shall collect, in the aggregate, from the sources listed in paragraph (b), the amount needed to match grant funds received by the state under United States Code, title 42, section 7405 (section 105 of the federal Clean Air Act).

The agency must not include in the calculation of the aggregate amount to be collected under clauses (1) and (2) any amount in excess of 4,000 tons per year of each air pollutant from a source. The increase in air permit fees to match federal grant funds ~~shall be~~ is a surcharge on existing fees. The commissioner may not collect the surcharge after the grant funds become unavailable. In addition, the commissioner shall use nonfee funds to the extent practical to match the grant funds so that the fee surcharge is minimized.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph, the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 ~~shall~~ must be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Permit applicants who wish to construct, reconstruct, or modify a project may offer to reimburse the agency for the costs of staff time or consultant services needed to expedite the preapplication process and permit development process through the final decision on the permit, including the analysis of environmental review documents. The reimbursement ~~shall be~~ is in addition to permit application fees imposed by law. When the agency determines that it needs additional resources to develop the permit application in an expedited manner, and that expediting the development is consistent with permitting program priorities, the agency may accept the reimbursement. The commissioner must give the applicant an estimate of costs to be incurred by the commissioner. The estimate must include a brief description of the tasks to be performed, a schedule for completing the tasks, and the estimated cost for each task. The applicant and the commissioner must enter into a written agreement detailing the estimated costs for the expedited permit decision-making process to be incurred by the agency. The agreement must also identify staff anticipated to be assigned to the project. The commissioner must not issue a permit until the applicant has paid all fees in full. The commissioner must refund any unobligated balance of fees paid. Reimbursements accepted by the agency are appropriated to the agency for the purpose of developing the permit or analyzing environmental review documents. Reimbursement by a permit applicant ~~shall~~ must precede and not be contingent upon issuance of a permit; ~~shall~~ must not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations; and ~~shall~~ must not affect final decisions regarding environmental review.

(g) The fees under this subdivision are exempt from section 16A.1285.

Sec. 123. Minnesota Statutes 2018, section 116.07, is amended by adding a subdivision to read:

Subd. 13. Unadopted rules. (a) The commissioner of the Pollution Control Agency must not enforce or attempt to enforce an unadopted rule. For purposes of this subdivision, "unadopted rule" means a guideline, bulletin, criterion, manual standard, interpretive statement, or similar pronouncement if the guideline, bulletin, criterion, manual standard, interpretive statement, or similar pronouncement meets the definition of a rule as defined under section 14.02, subdivision 4, but has not been adopted according to the rulemaking process provided under chapter 14. If an unadopted rule is challenged under section 14.381, the commissioner must overcome a presumption against the unadopted rule.

(b) If the commissioner incorporates by reference an internal guideline, bulletin, criterion, manual standard, interpretive statement, or similar pronouncement into a statute, rule, or standard, the commissioner must follow the rulemaking process provided under chapter 14 to amend or revise any such guideline, bulletin, criterion, manual standard, interpretive statement, or similar pronouncement.

Sec. 124. Minnesota Statutes 2018, section 116.0714, is amended to read:

116.0714 NEW OPEN-AIR SWINE BASINS.

(a) The commissioner of the Pollution Control Agency or a county board shall not approve any permits for the construction of new open-air swine basins, except that existing facilities may use

one basin of less than 1,000,000 gallons as part of a permitted waste treatment program for resolving pollution problems or to allow conversion of an existing basin of less than 1,000,000 gallons to a different animal type, provided all standards are met. This section expires June 30, 2022.

(b) This section does not apply to basins used solely for wastewater from truck-washing facilities.

Sec. 125. Minnesota Statutes 2018, section 116.993, subdivision 2, is amended to read:

Subd. 2. **Eligible borrower.** To be eligible for a loan under this section, a borrower must:

- (1) be a small business corporation, sole proprietorship, partnership, or association;
- (2) be a potential emitter of pollutants to the air, ground, or water;
- (3) need capital for equipment purchases that will meet or exceed environmental regulations or need capital for site investigation and cleanup;
- (4) have less than ~~50~~ 100 full-time equivalent employees; and
- (5) have an after tax profit of less than \$500,000; ~~and~~
- ~~(6) have a net worth of less than \$1,000,000.~~

Sec. 126. Minnesota Statutes 2018, section 116.993, subdivision 6, is amended to read:

Subd. 6. **Loan conditions.** A loan made under this section must include:

- (1) an interest rate that is ~~four percent or~~ at or below one-half the prime rate, ~~whichever is greater~~ not to exceed five percent;
- (2) a term of payment of not more than seven years; and
- (3) an amount not less than \$1,000 or exceeding ~~\$50,000~~ \$75,000.

Sec. 127. Minnesota Statutes 2018, section 116D.04, subdivision 2a, is amended to read:

Subd. 2a. **When prepared.** (a) Where there is potential for significant environmental effects resulting from any major governmental action, the action ~~shall~~ must be preceded by a detailed environmental impact statement prepared by the responsible governmental unit. The environmental impact statement ~~shall~~ must be an analytical rather than an encyclopedic document ~~which~~ that describes the proposed action in detail, analyzes its significant environmental impacts, discusses appropriate alternatives to the proposed action and their impacts, and explores methods by which adverse environmental impacts of an action could be mitigated. The environmental impact statement ~~shall~~ must also analyze those economic, employment, and sociological effects that cannot be avoided should the action be implemented. To ensure its use in the decision-making process, the environmental impact statement ~~shall~~ must be prepared as early as practical in the formulation of an action.

(b) The board shall by rule establish categories of actions for which environmental impact statements and for which environmental assessment worksheets ~~shall~~ must be prepared as well as categories of actions for which no environmental review is required under this section. A mandatory

environmental assessment worksheet is not required for the expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a biobutanol facility as defined in section 41A.15, subdivision 2d, based on the capacity of the expanded or converted facility to produce alcohol fuel, but must be required if the ethanol plant or biobutanol facility meets or exceeds thresholds of other categories of actions for which environmental assessment worksheets must be prepared. The responsible governmental unit for an ethanol plant or biobutanol facility project for which an environmental assessment worksheet is prepared is the state agency with the greatest responsibility for supervising or approving the project as a whole.

(c) A mandatory environmental impact statement is not required for a facility or plant located outside the seven-county metropolitan area that produces less than 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less than 400,000 tons of chemicals annually, if the facility or plant is: an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b); a biobutanol facility, as defined in section 41A.15, subdivision 2d; or a cellulosic biofuel facility. A facility or plant that only uses a cellulosic feedstock to produce chemical products for use by another facility as a feedstock is not considered a fuel conversion facility as used in rules adopted under this chapter.

(d) The responsible governmental unit shall promptly publish notice of the completion of an environmental assessment worksheet by publishing the notice in at least one newspaper of general circulation in the geographic area where the project is proposed, by posting the notice on a website that has been designated as the official publication site for publication of proceedings, public notices, and summaries of a political subdivision in which the project is proposed, or in any other manner determined by the board and shall provide copies of the environmental assessment worksheet to the board and its member agencies. Comments on the need for an environmental impact statement may be submitted to the responsible governmental unit during a 30-day period following publication of the notice that an environmental assessment worksheet has been completed. The 30-day comment period may not be extended unless approved by the project's proposer. The responsible governmental unit's decision on the need for an environmental impact statement ~~shall~~ must be based on the environmental assessment worksheet and the comments received during the comment period, and ~~shall~~ must be made within 15 days after the close of the comment period. The board's chair may extend the 15-day period by not more than 15 additional days upon the request of the responsible governmental unit.

(e) An environmental assessment worksheet ~~shall~~ must also be prepared for a proposed action whenever material evidence accompanying a petition by not less than 100 individuals who reside or own property in the state, submitted before the proposed project has received final approval by the appropriate governmental units, demonstrates that, because of the nature or location of a proposed action, there may be potential for significant environmental effects. Petitions requesting the preparation of an environmental assessment worksheet ~~shall~~ must be submitted to the board. The chair of the board shall determine the appropriate responsible governmental unit and forward the petition to it. A decision on the need for an environmental assessment worksheet ~~shall~~ must be made by the responsible governmental unit within 15 days after the petition is received by the responsible governmental unit. The board's chair may extend the 15-day period by not more than 15 additional days upon request of the responsible governmental unit.

(f) Except in an environmentally sensitive location where Minnesota Rules, part 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental review under this chapter and rules of the board, if:

(1) the proposed action is:

(i) an animal feedlot facility with a capacity of less than 1,000 animal units; or

(ii) an expansion of an existing animal feedlot facility with a total cumulative capacity of less than 1,000 animal units;

(2) the application for the animal feedlot facility includes a written commitment by the proposer to design, construct, and operate the facility in full compliance with Pollution Control Agency feedlot rules; and

(3) the county board holds a public meeting for citizen input at least ten business days before the Pollution Control Agency or county issuing a feedlot permit for the animal feedlot facility unless another public meeting for citizen input has been held with regard to the feedlot facility to be permitted. The exemption in this paragraph is in addition to other exemptions provided under other law and rules of the board.

(g) The board may, before final approval of a proposed project, require preparation of an environmental assessment worksheet by a responsible governmental unit selected by the board for any action where environmental review under this section has not been specifically provided for by rule or otherwise initiated.

(h) An early and open process ~~shall~~ must be ~~utilized~~ used to limit the scope of the environmental impact statement to a discussion of those impacts that, because of the nature or location of the project, have the potential for significant environmental effects. The same process ~~shall~~ must be ~~utilized~~ used to determine the form, content, and level of detail of the statement as well as the alternatives that are appropriate for consideration in the statement. In addition, the permits that will be required for the proposed action ~~shall~~ must be identified during the scoping process. Further, the process ~~shall~~ must identify those permits for which information will be developed concurrently with the environmental impact statement. The board shall provide in its rules for the expeditious completion of the scoping process. The determinations reached in the process ~~shall~~ must be incorporated into the order requiring the preparation of an environmental impact statement.

(i) The responsible governmental unit shall, to the extent practicable, avoid duplication and ensure coordination between state and federal environmental review and between environmental review and environmental permitting. Whenever practical, information needed by a governmental unit for making final decisions on permits or other actions required for a proposed project ~~shall~~ must be developed in conjunction with the preparation of an environmental impact statement. When an environmental impact statement is prepared for a project requiring multiple permits for which two or more agencies' decision processes include either mandatory or discretionary hearings before a hearing officer before the agencies' decision on the permit, the agencies may, notwithstanding any law or rule to the contrary, conduct the hearings in a single consolidated hearing process if requested by the proposer. All agencies having jurisdiction over a permit that is included in the consolidated hearing shall participate. The responsible governmental unit shall establish appropriate procedures for the consolidated hearing process, including procedures to ensure that the consolidated hearing

process is consistent with the applicable requirements for each permit regarding the rights and duties of parties to the hearing, and shall ~~utilize~~ use the earliest applicable hearing procedure to initiate the hearing. All agencies having jurisdiction over a permit identified in the draft environmental assessment worksheet scoping document must begin reviewing any permit application upon publication of the notice of preparation of the environmental impact statement.

(j) An environmental impact statement ~~shall~~ must be prepared and its adequacy determined within 280 days after notice of its preparation unless the time is extended by consent of the parties or by the governor for good cause. The responsible governmental unit shall determine the adequacy of an environmental impact statement, unless within 60 days after notice is published that an environmental impact statement will be prepared, the board chooses to determine the adequacy of an environmental impact statement. If an environmental impact statement is found to be inadequate, the responsible governmental unit ~~shall have~~ has 60 days to prepare an adequate environmental impact statement.

(k) The proposer of a specific action may include in the information submitted to the responsible governmental unit a preliminary draft environmental impact statement under this section on that action for review, modification, and determination of completeness and adequacy by the responsible governmental unit. A preliminary draft environmental impact statement prepared by the project proposer and submitted to the responsible governmental unit ~~shall~~ must identify or include as an appendix all studies and other sources of information used to substantiate the analysis contained in the preliminary draft environmental impact statement. The responsible governmental unit shall require additional studies, if needed, and obtain from the project proposer all additional studies and information necessary for the responsible governmental unit to perform its responsibility to review, modify, and determine the completeness and adequacy of the environmental impact statement.

Sec. 128. Minnesota Statutes 2018, section 216G.01, subdivision 3, is amended to read:

Subd. 3. **Pipeline.** "Pipeline" means a pipeline owned or operated by a condemning authority, as defined in section 117.025, subdivision 4, located in this state ~~which~~ that is used to transport natural or synthetic gas at a pressure of more than 90 pounds per square inch, or to transport crude petroleum or petroleum fuels or oil or their derivatives, coal, anhydrous ammonia or any mineral slurry to a distribution center or storage facility ~~which~~ that is located within or outside of this state. "Pipeline" does not include a pipeline owned or operated by a natural gas public utility as defined in section 216B.02, subdivision 4.

Sec. 129. Minnesota Statutes 2018, section 282.01, subdivision 4, is amended to read:

Subd. 4. **Sale; method; requirements; effects.** (a) The sale authorized under subdivision 3 must be conducted by the county auditor at the county seat of the county in which the parcels lie, except that in St. Louis and Koochiching Counties, the sale may be conducted in any ~~county~~ designated facility within the county. The sale must not be for less than the appraised value except as provided in subdivision 7a. The parcels must be sold for cash only, unless the county board of the county has adopted a resolution providing for their sale on terms, in which event the resolution controls with respect to the sale. When the sale is made on terms other than for cash only (1) a payment of at least ten percent of the purchase price must be made at the time of purchase, and the balance must be paid in no more than ten equal annual installments, or (2) the payments must be made in accordance with county board policy, but in no event may the board require more than 12

installments annually, and the contract term must not be for more than ten years. Standing timber or timber products must not be removed from these lands until an amount equal to the appraised value of all standing timber or timber products on the lands at the time of purchase has been paid by the purchaser. If a parcel of land bearing standing timber or timber products is sold at public auction for more than the appraised value, the amount bid in excess of the appraised value must be allocated between the land and the timber in proportion to their respective appraised values. In that case, standing timber or timber products must not be removed from the land until the amount of the excess bid allocated to timber or timber products has been paid in addition to the appraised value of the land. The purchaser is entitled to immediate possession, subject to the provisions of any existing valid lease made in behalf of the state.

(b) For sales occurring on or after July 1, 1982, the unpaid balance of the purchase price is subject to interest at the rate determined pursuant to section 549.09. The unpaid balance of the purchase price for sales occurring after December 31, 1990, is subject to interest at the rate determined in section 279.03, subdivision 1a. The interest rate is subject to change each year on the unpaid balance in the manner provided for rate changes in section 549.09 or 279.03, subdivision 1a, whichever, is applicable. Interest on the unpaid contract balance on sales occurring before July 1, 1982, is payable at the rate applicable to the sale at the time that the sale occurred.

(c) Notwithstanding subdivision 7, a county board may by resolution provide for the listing and sale of individual parcels by other means, including through a real estate broker. However, if the buyer under this paragraph could have repurchased a parcel of property under section 282.012 or 282.241, that buyer may not purchase that same parcel of property at the sale under this subdivision for a purchase price less than the sum of all taxes, assessments, penalties, interest, and costs due at the time of forfeiture computed under section 282.251, and any special assessments for improvements certified as of the date of sale. This subdivision shall be liberally construed to encourage the sale and utilization of tax-forfeited land in order to eliminate nuisances and dangerous conditions and to increase compliance with land use ordinances.

Sec. 130. Laws 2012, chapter 236, section 28, subdivision 2, as amended by Laws 2016, chapter 154, section 9, is amended to read:

Subd. 2. **Method of sale.** (a) The leaseholder of a leased parcel may purchase at private sale the leased parcel and any other lands allocated to the parcel by the county under subdivision 6 that is offered for sale under this section. The purchase price is the appraised value of the land under subdivision 3 exclusive of improvements on it. To purchase a parcel, a leaseholder must pay in cash to the county an amount equal to the appraised value of the land within 180 days from the date of mailing to or service of notice of appraised value to the leaseholder by the county. The 180-day period runs from the date of mailing of a copy of the appraisal to the leaseholder at the address shown upon the most recent lease agreement between the parties, exclusive of the date of mailing or service. The county may use any alternative method of notice under the Minnesota Rules of Civil Procedure for the service of a summons and complaint.

(b) If the leaseholder does not purchase the parcel so offered, the county may offer the lands for sale under the provisions of Minnesota Statutes, section 282.01, subdivision 7. If a person other than the leaseholder purchases the parcel, the purchaser must make payment in full to the leaseholder in the manner provided in Minnesota Statutes, section 92.06, subdivision 4, for the value of any

improvements as determined under subdivision 3 or for the value of any improvements as determined through negotiations.

(c) Failure of a purchaser to comply with the terms of payment voids the sale and the property may be reoffered for sale.

Sec. 131. Laws 2012, chapter 236, section 28, subdivision 9, as amended by Laws 2016, chapter 154, section 11, is amended to read:

Subd. 9. **Sunset.** This section expires ~~seven~~ ten years after the effective date.

Sec. 132. Laws 2013, chapter 114, article 4, section 105, as amended by Laws 2017, chapter 93, article 2, section 148, is amended to read:

Sec. 105. **RULES; SILICA SAND.**

(a) The commissioner of the Pollution Control Agency may adopt rules pertaining to the control of particulate emissions from silica sand projects. The rulemaking is exempt from Minnesota Statutes, section 14.125.

(b) The commissioner of natural resources shall ~~adopt rules~~ develop a model ordinance pertaining to the reclamation of silica sand mines. ~~The rulemaking is exempt from Minnesota Statutes, section 14.125~~ commissioner shall publish the model ordinance in the State Register.

(c) By January 1, 2014, the Department of Health shall adopt an air quality health-based value for silica sand.

(d) The Environmental Quality Board may amend its rules for environmental review, adopted under Minnesota Statutes, chapter 116D, for silica sand mining and processing to take into account the increased activity in the state and concerns over the size of specific operations. The Environmental Quality Board shall consider whether the requirements of Minnesota Statutes, section 116C.991, should remain part of the environmental review requirements for silica sand and whether the requirements should be different for different geographic areas of the state. The rulemaking is exempt from Minnesota Statutes, section 14.125.

Sec. 133. Laws 2017, chapter 93, article 2, section 155, as amended by Laws 2018, chapter 186, section 7, is amended to read:

Sec. 155. **SAND DUNES STATE FOREST MANAGEMENT.**

Subdivision 1. **Forest management.** When managing ~~the~~ Sand Dunes State Forest, the commissioner of natural resources must:

(1) ~~not convert additional land to oak savanna or convert oak savanna to nonforest land unless it is done as a result of a contract entered into before the effective date of this section~~ not convert land within the forest to nonforest land and shall, to the extent practicable, manage the forest to maximize forest cover and forest habitats. Forest stands must consist of multiple ages and multiple species to maximize forest health and resiliency;

(2) manage rare features by focusing on species associated with forest habitats, wetlands, and small forest openings;

~~(2)~~ (3) require all prairie seeds planted to be from native species of a local ecotype to Sherburne or Benton County; and

~~(3)~~ (4) comply with the Minnesota Forest Resources Council's guidelines for aesthetics in residential areas.

Subd. 2. **Prescribed burns; notification.** At least 40 days before conducting a prescribed burn, the commissioner must:

- (1) publish a notice in a newspaper of general circulation in the area;
- (2) notify the county and township in writing; and
- (3) notify residents within a quarter mile of the prescribed burn in writing.

Subd. 3. **School trust lands.** Nothing in this section restricts the ability of the commissioner or the school trust lands director from managing school trust lands within ~~the~~ Sand Dunes State Forest for long-term economic return.

~~Subd. 4. **Township road.** If the commissioner of natural resources finds that any portion of 233rd Avenue within the Sand Dunes State Forest is not owned by the township, the commissioner must convey an easement over and across state-owned lands administered by the commissioner to the township under Minnesota Statutes, section 84.63, for the width of 233rd Avenue. Notwithstanding the fee and market value payment requirements in Minnesota Statutes, section 84.63, the commissioner shall convey easements to the township at no cost, for existing roads currently maintained by the township across state-owned land administered by the commissioner, located in Township 34N, Range 27W, Sections 15, 17, 20, 29, and 35 of Sherburne County, if the township lacks easements for the roads. In addition, notwithstanding the fee and market value payment requirements in Minnesota Statutes, section 84.63, the commissioner shall convey an easement to the township at no cost for the existing road maintained by the township in the Northeast Quarter of the Southeast Quarter, Section 36, Township 34N, Range 27W, Sherburne County, if the township lacks an easement for such road. The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.~~

Subd. 4a. **Annual meetings.** The commissioner of natural resources must hold annual meetings with local residents, stakeholders, and interested parties, including the school trust lands director, to discuss upcoming plans for Sand Dunes State Forest. The meetings must be informative and elicit input on proposed actions, including management options for school trust lands located within the boundaries of Sand Dunes State Forest.

Subd. 5. **Sunset.** This section expires ~~two years from the day following final enactment~~ January 1, 2025.

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

Sec. 134. **ADDITION TO STATE PARK.**

[85.012] [Subd. 23a.] Glendalough State Park, Otter Tail County.

The following areas are added to Glendalough State Park, Otter Tail County:

(1) Government Lot 2, Section 12, Township 133 North, Range 40 West, Otter Tail County, Minnesota, subject to an existing conservation easement; and

(2) the West Half of the Southeast Quarter and Government Lots 2 and 3, Section 11, Township 133 North, Range 40 West, Otter Tail County, Minnesota, except that part of said Government Lot 2 platted as Walvatne Addition. Subject to an existing conservation easement.

Sec. 135. DELETION FROM STATE PARK.

[85.012] [Subd. 49.] St. Croix State Park, Pine County. The following area is deleted from St. Croix State Park, Pine County: that part of the North Half of the Northwest Quarter of Section 29 and that part of the Northeast Quarter of the Northeast Quarter of Section 30, Township 41 North, Range 17 West, Pine County, Minnesota, lying north of County Road 48.

Sec. 136. PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; CARLTON COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Carlton County and is described as: Government Lot 6, Section 1, Township 48 North, Range 19 West.

(d) The land borders Perch Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would be best served if the land were sold to a federally recognized Indian tribe for land consolidation purposes.

Sec. 137. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; CASS COUNTY.

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Cass County and is described as: Lot 7, Block 1, Dell's Sleepy Hollow, located in Section 22, Township 140 North, Range 29 West.

(d) The land borders Woman Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and

that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 138. PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; HUBBARD COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus lands bordering public water that is described in paragraph (c) to Hubbard County for no consideration.

(b) The commissioner may make necessary changes to the legal descriptions to correct errors and ensure accuracy.

(c) The lands that may be conveyed are located in Hubbard County and are described as:

(1) the East 285.00 feet of the West 660.00 feet of Government Lot 4 of Section 27, Township 141 North, Range 34 West. Including all riparian rights to the contained 2.3 acres, more or less; and

(2) that part of Government Lot 2 of Section 34, Township 141 North, Range 34 West, described as follows:

Commencing at the northwest corner of said Government Lot 2; thence South 89 degrees 27 minutes 15 seconds East, bearing assumed, along the north line of said Section 34 a distance of 375.18 feet to the point of beginning; thence continuing South 89 degrees 27 minutes 15 seconds East along said north line a distance of 285.13 feet; thence South 02 degrees 01 minutes 46 seconds East along a line parallel with and 660.00 feet from the west line of said Government Lot 2 a distance of 77.98 feet; thence North 88 degrees 14 minutes 48 seconds East a distance of 65.77 feet along a line which if continued 550.00 feet would intersect an angle iron previously used as the northeast corner of said Government Lot 2; thence South 01 degrees 45 minutes 12 seconds East along a line parallel with and 550.00 feet west of a previously established survey line a distance of 650.18 feet to the boundary line as established by that certain agreement between Richard Dusbabek and Jean Dusbabek, husband and wife, and Donald S. Olson and Betty Jane Olson, husband and wife, and filed for record on May 10, 1982, in the office of the county recorder in Book 146 of Deeds, page 806; thence South 88 degrees 12 minutes 12 seconds West along said boundary line a distance of 179.39 feet; thence North 12 degrees 07 minutes 46 seconds West a distance of 663.07 feet; thence North 32 degrees 35 minutes 05 seconds West a distance of 101.91 feet to the point of beginning; containing 4.1 acres.

(d) The lands border Big Sand Lake. The Department of Natural Resources has determined that the lands are not needed for natural resource purposes and that the state's land management interests would best be served if the lands were conveyed to Hubbard County.

Sec. 139. PRIVATE SALE OF TAX-FORFEITED LAND; ITASCA COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Itasca County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Itasca County and is described as: the East 660 feet of the West 990 feet of the South 660 feet of the Southwest Quarter of the Southeast Quarter, Section 7, Township 55 North, Range 24 West.

(d) The county has determined that the county's land management interests would best be served if the lands were used for a new broadcast tower, transmitter, and transmission building.

Sec. 140. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; KANABEC COUNTY.

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Kanabec County and is described as: that part of the West 200 feet of the Northwest Quarter of Section 13, Township 42 North, Range 23 West, Kanabec County, Minnesota, lying northerly of the centerline of the Snake River.

(d) The land borders the Snake River and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 141. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; OTTER TAIL COUNTY.

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Otter Tail County and is described as:

Lots 25, 26, and 27 in Block 2 of Jackson and Mckee's Addition, according to the plat thereof, on file and of record in the Office of the Recorder, Otter Tail County, Minnesota, less and except that part of said Lot 27 in Block 2 of Jackson and Mckee's Addition, Otter Tail County, Minnesota, South of the line between Government Lots 2 and 3, Section 14, Township 136, Range 38.

(d) The land borders Big Pine Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 142. CONVEYANCE OF STATE LAND; STEARNS COUNTY.

(a) Notwithstanding Minnesota Statutes, section 222.63, or any other law to the contrary, the commissioner of transportation may convey and quitclaim to a private party all right, title, and interest of the state of Minnesota, in the land described in paragraph (e).

(b) The conveyance may take place only upon conditions determined by the commissioner or transportation and is not subject to restrictions on disposition, sale, lease, or otherwise contained in Minnesota Statutes, section 222.63.

(c) The consideration for a conveyance made under this section shall be the fair market value of the land conveyed hereunder. Proceeds from the sale of real estate or buildings under this section shall be deposited in the rail bank maintenance account established in Minnesota Statutes, section 222.63, subdivision 8.

(d) The conveyance may reduce the width of the rail bank corridor to less than 100 feet, provided the conveyance does not reduce the width of the rail bank corridor to less than ten feet.

(e) The land to be conveyed is located in Stearns County and is described as:

That part of Tract A described below:

Tract A. Outlot "A," Railroad Ridge, according to the plat thereof on file and of record in the Office of the County Recorder in and for Stearns County, Minnesota; which lies northerly of a line run parallel with and distant 33 feet southerly of the northerly line of said Outlot "A" and westerly of the southerly extension of westerly right of way line of 5th Street as shown on said Railroad Ridge; together with that part of Tract A, herein before described, adjoining and southerly of the above described strip which lies northerly of a line run parallel with and distant 40 feet southerly of the northerly line of said Outlot "A" and westerly of the following described line: beginning at a point on the southerly line of said Outlot "A," distant 436.36 feet easterly of the southwest corner thereof; thence northerly at right angles from said southerly line for 50 feet and there terminating; containing 29,925 square feet, more or less.

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

Sec. 143. **LEASE; TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 282.04, or other law to the contrary, St. Louis County may enter into a lease for the tax-forfeited lands described in paragraph (b) for consideration of more than \$12,000 per year.

(b) The lands to be leased are located in St. Louis County and are described as:

(1) a 10.0-acre site in the Southeast Quarter, Section 15, Township 56 North, Range 17 West, to be used for a telecommunications tower and a 33-foot-wide strip of land, 16.5 feet on either side of the centerline in the Southeast Quarter, Section 15, and in the Southwest Quarter, Section 14, Township 56 North, Range 17 West, to be used for an access road to the tower site; and

(2) a 10.0-acre site in the West Half, Section 32, Township 60 North, Range 21 West, to be used for a telecommunications tower and a 33-foot-wide strip of land, 16.5 feet on either side of the

centerline in the West Half, Section 32, Township 60 North, Range 21 West, to be used for an access road to the tower site.

Sec. 144. **ACCESS TO TIMBER ON TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 160.83, or other law to the contrary, St. Louis County or its agents or assigns may operate vehicles used for timber harvesting and hauling or for transporting equipment and appurtenances incidental to timber harvesting, gravel, and other road-building materials for timber haul roads on designated rustic roads to access tax-forfeited lands for sustainable forest management.

(b) The tax-forfeited lands to be accessed are located in St. Louis County in Sections 26, 27, and 35, Township 53 North, Range 12 West.

(c) The rustic roads used for forest management must be immediately repaired if damaged and must be maintained in their preharvest condition.

(d) The county has determined that the county's sustainable forest management responsibilities would best be served by using existing public roads to access tax-forfeited land rather than building new roads.

Sec. 145. **PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) that part of the Southwest Quarter of the Southwest Quarter lying North of Norton Road and West of Howard Gnesen Road, except the easterly 95 feet of the westerly 890 feet and except the westerly 300 feet, Section 3, Township 50, Range 14 (parcel identification number 010-2710-00549);

(2) Lot 5, except the northerly three feet and except the southerly ten feet, West Duluth Fifth Division, Section 7, Township 49, Range 14 (parcel identification number 010-4510-06740);

(3) the Southeast Quarter of the Northeast Quarter, except 4.24 acres for the highway and except the part platted as Clayton Acres and except the highway right-of-way and except 6.44 acres of the adjacent plat and except the part North of Highway 169, Section 28, Township 57, Range 21 (parcel identification number 141-0050-05470);

(4) that part of the West 420 feet of the Southeast Quarter of the Northwest Quarter lying South of the northerly line of Government Lot 6, except that part beginning at the southwest corner; thence easterly along the southerly boundary 420 feet to a point; thence northerly and parallel with the westerly boundary of said Southeast Quarter of the Northwest Quarter 177.95 feet to a point; thence North 67 degrees 38 minutes 35 seconds West to a point on the westerly boundary of said Southeast Quarter of the Northwest Quarter; thence southerly along said westerly boundary approximately

364.12 feet to the point of beginning, Section 26, Township 57, Range 18 (parcel identification number 295-0017-00326);

(5) the South Half of the Northwest Quarter, Section 15, Township 56, Range 18 (parcel identification number 435-0010-02590);

(6) part of the East 400 feet of the Southeast Quarter, Section 14, Township 63, Range 12 (part of parcel identification number 465-0020-01965);

(7) part of the Northeast Quarter of the Southwest Quarter, Lots 2 and 3, Section 20, Township 54, Range 13 (part of parcel identification number 620-0010-03130); and

(8) Lots 2, 3, 4, and 5, inclusive auditor's plat of Chandler Addition to Ely, Section 28, Township 63, Range 12 (parcel identification number 030-0030-03530).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 146. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; WABASHA COUNTY.

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Wabasha County and is described as: Lot 4, Section 8, Township 109, Range 12, lying and being in the county of Wabasha, State of Minnesota.

(d) The land borders the Zumbro River and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 147. PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; YELLOW MEDICINE COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c) to the United States for no consideration.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Yellow Medicine County and is described as: the South 33.00 feet of the Northwest Quarter of the Northwest Quarter and that part of Government Lot 1, Section 22, Township 114 North, Range 41 West, Yellow Medicine County, Minnesota, described as follows:

Beginning at the southwest corner of said Government Lot 1; thence on an assumed bearing of North 01 degrees 09 minutes 07 seconds West along the west line of said Government Lot 1 a distance of 33.00 feet; thence North 89 degrees 42 minutes 02 seconds East parallel with the south line of said Government Lot 1 a distance of 150.00 feet; thence North 00 degrees 17 minutes 58 seconds West 267.00 feet; thence North 89 degrees 42 minutes 02 seconds East 754 feet more or less, to the water's edge of Spellman Lake; thence southwesterly along said water's edge 760 feet, more or less, to the south line of said Government Lot 1; thence South 89 degrees 42 minutes 02 seconds West along the south line of said Government Lot 1 a distance of 288 feet, more or less, to the point of beginning; including all riparian rights to the contained 4.1 acres, more or less.

(d) The land borders Spellman Lake and is not contiguous to other state lands but is adjacent to a waterfowl production area. The Department of Natural Resources has determined that the land would best be managed by the United States Fish and Wildlife Services as part of a waterfowl production area.

Sec. 148. **APPLICATION OF STORM WATER RULES TO TOWNSHIPS.**

Until the Pollution Control Agency amends rules for storm water, Minnesota Rules, part 7090.1010, subpart 1, item B, subitem (1), only applies to the portions of a city, town, and unorganized areas of counties that are designated as urbanized under Code of Federal Regulations, title 40, section 122.26(2)(9)(i)(A), and other platted areas within that jurisdiction.

Sec. 149. **REINVEST IN FISH HATCHERIES CITIZEN-LEGISLATIVE ADVISORY GROUP.**

Subdivision 1. **Advisory group established; duties.** (a) A 12-member Reinvest in Fish Hatcheries Citizen-Legislative Advisory Group is created to study the status of Minnesota's fish hatchery system, the commissioner of natural resources' programs on stocking walleye and other fish, and natural fish reproduction.

(b) The advisory group must study the public priorities and life cycle of Minnesota's fish hatchery system and a cost-benefit analysis, consider issues of accountability and transparency, and examine reviews and analyses of:

(1) the economics of Minnesota's fish- and angling-related activities and the tax revenue to the state's general fund;

(2) any Department of Natural Resources surveys and polling of Minnesota angler priorities;

(3) past and present fisheries long-range plans, legislative auditor reports, and other fisheries plans; and

(4) the status of the following proposed, closed, and currently operating Minnesota fish hatchery systems: Lanesboro, Crystal Springs, Bemidji, Brainerd, Detroit Lakes, French River, Glenwood, Grand Rapids, New London, Park Rapids, Peterson, Pike River, Spire Valley, St. Paul, Walker Lake, and Waterville.

(c) The advisory group must prepare a plan and select fish hatchery sites for on-site visits and reviews.

(d) The advisory group must implement an action plan, develop priorities for fish hatcheries, and review and recommend priorities of species for fish stocking to maximize statewide opportunities for angling.

(e) The advisory group must study alternatives to current fish hatchery stocking, including private-sector stocking vendors.

Subd. 2. **Consultation required.** (a) The advisory group must consult with advisory committees of the commissioner of natural resources, game and fish oversight committees, and fishery-related interests, including but not limited to counties, lake associations, small businesses, resort owners, guides, and other industry-related interests.

(b) In developing recommendations, the advisory group must consult with the commissioner of natural resources, experts in managing a fishery, and affected stakeholders.

Subd. 3. **Membership; appointments.** (a) The Reinvest in Fish Hatcheries Citizen-Legislative Advisory Group has the following 12 members:

(1) the chair of the house of representatives Environment and Natural Resources Finance Division or a designee; a minority member of the Environment and Natural Resources Finance Division appointed by the minority leader of the house of representatives; two public members appointed by the speaker of the house; and two public members appointed by the minority leader of the house of representatives; and

(2) the chair of the senate Environment and Natural Resources Finance Committee or a designee; a minority member of the Environment and Natural Resources Finance Committee appointed by the minority leader of the senate; two public members appointed by the majority leader of the senate; and two public members appointed by the minority leader of the senate.

(b) Appointments to the advisory group must be made by November 1, 2019. If a vacancy occurs, the leader of the caucus in the body that appointed the vacating member or to which the member belonged must fill the vacancy.

Subd. 4. **Meetings; staff assistance.** (a) The chair of the senate committee with jurisdiction over environment and natural resources finance must convene the first meeting of the Reinvest in Fish Hatcheries Citizen-Legislative Advisory Group by December 15, 2019. The advisory group must elect cochairs, one who is a legislator and one who is a public member, from among the members at the first meeting. The authority to convene meetings shall alternate between the cochairs after each meeting. The Reinvest in Fish Hatcheries Citizen-Legislative Advisory Group must meet periodically.

(b) The Legislative Coordinating Commission must provide technical and administrative assistance to the advisory group upon request.

Subd. 5. **Compensation and expense reimbursement.** Public members of the advisory group shall be compensated and reimbursed for expenses as provided in Minnesota Statutes, section 15.059, subdivision 3.

Subd. 6. **Open meetings.** Meetings of the advisory group are subject to Minnesota Statutes, section 3.055.

Subd. 7. **Report to legislature.** The Reinvest in Fish Hatcheries Citizen-Legislative Advisory Group must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources policy and finance no later than January 31, 2021, describing its work and recommendations. The advisory group is encouraged to identify and include in the report any draft legislation, including statutory changes and appropriations from any fund, needed to implement the advisory group's recommendations.

Subd. 8. **Expiration.** This section expires June 30, 2021.

Sec. 150. **NO NEW ANTLER POINT RESTRICTIONS.**

The commissioner of natural resources may not impose an antler point restriction, other than that imposed by the definition of a "legal buck" in Minnesota Rules, part 6232.0200, subpart 6, unless the legislature approves the antler point restriction.

Sec. 151. **REDUCING APPROPRIATIONS FOR UNFILLED POSITIONS.**

Subdivision 1. **Reduction required.** The commissioner of management and budget must reduce general fund and nongeneral fund appropriations to the Department of Natural Resources, the Pollution Control Agency, and the Board of Water and Soil Resources for agency operations for the biennium ending June 30, 2021, for salary and benefits savings that result from any positions that have not been filled within 180 days of the posting of the position. This section applies only to positions that are posted in fiscal years 2019, 2020, and 2021. Reductions made under this section must be reflected as reductions in agency base budgets for fiscal years 2022 and 2023. This section does not apply to seasonal employees and any positions that require law enforcement training.

Subd. 2. **Reporting.** The commissioner of management and budget must report to the chairs and ranking minority members of the senate and the house of representatives environment finance committees regarding the amount of reductions in spending by each agency under this section.

Sec. 152. **WETLAND REPLACEMENT; FRAMEWORKS FOR IN-LIEU FEE PROGRAM.**

The Board of Water and Soil Resources, in cooperation with the United States Army Corps of Engineers, may complete the planning frameworks and other program application requirements necessary for federal approval of an in-lieu fee program, as authorized under Minnesota Statutes, section 103G.2242, in the Red River basin and the greater than 80 percent area. The planning frameworks must contain a prioritization strategy for selecting and implementing mitigation activities based on a watershed approach that includes consideration of historic resource loss within watersheds and the extent to which mitigation can address priority watershed needs. The board must consider the recommendations of the report "Siting of Wetland Mitigation in Northeast Minnesota," dated March 7, 2014, and implementation of Minnesota Statutes, section 103B.3355, paragraphs (e) and

(f), in developing proposed planning frameworks for applicable watersheds. When completing the work and pursuing approval of an in-lieu fee program, the board must do so consistent with the applicable requirements, stakeholder and agency review processes, and approval time frames in Code of Federal Regulations, title 33, part 332. Upon receiving federal approval, the board must submit any completed planning frameworks to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources.

Sec. 153. FIRST APPOINTMENTS AND FIRST MEETING FOR THE WILD RICE STEWARDSHIP COUNCIL.

Appointing authorities must make appointments to the Wild Rice Stewardship Council under Minnesota Statutes, section 84.1511, by September 1, 2019. The commissioner of natural resources shall convene the first meeting by October 15, 2019. The council shall select a chair at the first meeting.

Sec. 154. HILL-ANNEX MINE STATE PARK; MANAGEMENT AND OPERATION.

(a) The commissioner of natural resources must operate the Hill-Annex Mine State Park for the purposes it was established through June 30, 2021, and must during that time maintain at fiscal year 2016 levels, the level of service and hours of operation at the park. The commissioner must work with the group established under Laws 2017, chapter 93, article 2, section 156, to review park activities and the alternate operating model developed and identify options for sustainable and viable operation of the park site. The commissioner must submit recommendations to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources by January 15, 2021.

(b) The commissioner of natural resources must work with the city of Calumet, other neighboring cities and townships, and other local units of government to identify and coordinate volunteers to supplement the Department of Natural Resources' park operations to the extent allowable under state law and rules.

Sec. 155. AGGREGATE RECLAMATION GUIDANCE.

The commissioner of natural resources shall update the Department of Natural Resources aggregate reclamation handbook as recommended by the Aggregate Resources Task Force Final Report dated January 15, 2018.

Sec. 156. SOLAR GENERATION ON CLOSED LANDFILL PROPERTIES; STUDY.

(a) The Environmental Quality Board may contract with one or more independent consultants to conduct a study on the feasibility of locating solar photovoltaic devices on land that is enrolled in the Pollution Control Agency's closed landfill program established under Minnesota Statutes, section 115B.39 to 115B.445. The board, in collaboration with the Pollution Control Agency and the consultants, must create a subset of approximately two dozen closed landfill project sites displaying a variety of relevant legal and physical characteristics to be analyzed. For each site, the study must:

(1) examine the legal status of the site and any constraints that may prohibit or limit the installation of privately owned solar photovoltaic devices on the site as a result of law or the use of specific funding mechanisms to acquire or remediate the properties, including:

(i) general obligation bonds;

(ii) revenue from the remediation fund established in Minnesota Statutes, section 116.155; and

(iii) settlements from landfill-related insurance coverage;

(2) assess any other tax or financial barriers to the installation of solar photovoltaic devices on closed landfill properties;

(3) develop and evaluate strategies to overcome any barriers to the installation of solar photovoltaic devices identified in clauses (1) and (2);

(4) evaluate the extent to which the physical characteristics of the landfill and the contained waste may restrict the siting of solar photovoltaic devices and associated equipment;

(5) assess the potential and logistics for solar energy generation, including but not limited to:

(i) solar insolation potential;

(ii) proximity to substations; and

(iii) proximity of the electricity generated to potential consumers, including public agencies, low-income communities, and areas where environmental justice concerns are present;

(6) describe the regulatory processes of local units of government that must issue approvals and permits for the project, in order to develop a successful strategy to obtain local approvals and permits; and

(7) develop a cost-benefit analysis of installing solar photovoltaic devices whose generated electricity is to be consumed by the adjacent community.

(b) By January 15, 2021, the Environmental Quality Board must submit the study containing findings and recommendations for subsequent action to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy and finance.

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

Sec. 157. **GRANT PROGRAM; FIREARMS SAFETY, ARCHERY, HUNTING, AND ANGLING IN SCHOOL PHYSICAL EDUCATION COURSES.**

Subdivision 1. **Program.** (a) The commissioner of natural resources must create a grant program to increase firearms safety, trap shooting, archery, hunting, and angling activities in physical education courses in Minnesota school districts. A school must ensure that activities funded under the program are consistent with required state standards for physical education.

(b) In developing the program, the commissioner must consult with members from each of the following groups: Leech Lake Band, Minnesota Chippewa Tribe; Red Lake Band of Chippewa Indians; Lower Sioux Indian Reservation; Prairie Island Sioux Indian Reservation; Shakopee Mdewakanton Sioux Indian Reservation; and Upper Sioux Indian Reservation. As practicable, the commissioner must incorporate recommendations from these groups in the grant program design.

Subd. 2. **Eligibility.** (a) A school district or American Indian-controlled tribal contract or grant school may apply to the commissioner of natural resources to participate in the program in the form and manner determined by the commissioner.

(b) The commissioner must seek geographic balance among schools selected for participation.

Subd. 3. **Report.** No later than January 15, 2021, the commissioner must report on program outcomes to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over education and natural resources policy and finance. The report must be in writing.

Sec. 158. GRANTS FOR HIGH-SCHOOL FISHING LEAGUES; BASIC ANGLING CURRICULUM.

Subdivision 1. **Grant program; high-school fishing leagues.** The commissioner of natural resources must establish and administer a program to provide grants to nonprofit organizations operating fishing leagues for high schools to develop, expand, and increase youth participation in fishing leagues for high schools.

Subd. 2. **Developing basic angling curriculum.** The commissioner of natural resources must develop a basic angling curriculum that includes basic fishing techniques and information about aquatic invasive species, tournament etiquette, conservation, water safety, and related matters. The commissioner must make the basic angling curriculum available without cost to nonprofit organizations operating fishing leagues for high schools.

Sec. 159. STAMP DESIGN; RULE AMENDMENT.

The commissioner of natural resources shall amend Minnesota Rules, part 6290.0400, subpart 3, to:

- (1) allow a contest entry to be created using nonphotographic digital media; and
- (2) require a person submitting a contest entry to list all media used in the creation of the entry.

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

Sec. 160. REVISOR INSTRUCTION.

The revisor of statutes must change the reference in Minnesota Statutes, sections 127A.30, subdivision 2, and 287.22 from "section 92.121" to "section 92.122."

Sec. 161. REVISOR INSTRUCTION.

The revisor of statutes must change the reference in Minnesota Statutes, section 446A.073, subdivision 1, from "section 115.03, subdivision 1, paragraph (e), clause (8)" to "section 115.03, subdivision 1, paragraph (a), clause (5), item (viii)" and in Minnesota Statutes, section 446A.073, subdivision 2, from "section 115.03, subdivision 1, paragraph (f)" to "section 115.03, subdivision 1, paragraph (a), clause (6)."

Sec. 162. **REPEALER.**

(a) Minnesota Statutes 2018, section 92.121, is repealed.

(b) Minnesota Rules, part 6232.0350, is repealed."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for environment and natural resources and tourism; modifying programs; creating accounts and providing for disposition of certain receipts; modifying certain natural resources fee and permit conditions; authorizing sales of certain state land; establishing the Wild Rice Stewardship Council; creating the Reinvest in Fish Hatcheries Citizen-Legislative Advisory Group; providing appointments; requiring reports; making technical corrections; amending Minnesota Statutes 2018, sections 17.035, subdivision 1; 35.153, by adding subdivisions; 35.155, subdivisions 4, 6, 7, 9, 10, 11; 84.026, by adding a subdivision; 84.027, subdivision 18, by adding a subdivision; 84.0273; 84.0895, subdivision 2; 84.775, subdivision 1; 84.788, subdivision 2; 84.794, subdivision 2; 84.83, subdivision 3; 84.86, subdivision 1; 84.925, subdivision 1; 84.9256, subdivision 1; 84.928, subdivision 2; 84D.03, subdivisions 3, 4; 84D.108, subdivisions 2b, 2c; 85.054, subdivision 1; 85.44; 85.47; 85A.02, subdivision 17; 86B.005, subdivision 18; 86B.415, subdivision 1a; 89.71, by adding a subdivision; 92.115, subdivision 1; 92.50, subdivision 1; 93.25; 94.09, subdivision 3; 94.10; 97A.015, subdivisions 25, 43; 97A.051, subdivision 2; 97A.055, subdivision 4b; 97A.075, subdivision 1; 97A.126; 97A.433, subdivisions 4, 5; 97A.475, subdivision 4; 97A.505, subdivision 8; 97B.086; 97B.106, subdivision 2; 97B.426; 97B.516; 97B.722; 97B.731, subdivision 3; 97C.315, subdivision 1; 97C.345, by adding a subdivision; 97C.391, subdivision 1; 97C.395, subdivision 2; 97C.605, subdivision 2; 97C.815, subdivision 2; 103B.3369, subdivisions 5, 9; 103B.611, subdivision 3; 103B.801, subdivisions 2, 5; 103D.315, subdivision 8; 103F.361, subdivision 2; 103F.363, subdivision 1; 103F.365, by adding a subdivision; 103F.371; 103F.373, subdivisions 1, 3, 4; 103G.2242, subdivision 14; 103G.241, subdivisions 1, 3; 103G.271, subdivision 7, by adding a subdivision; 103G.287, subdivisions 1, 4, 5; 103G.289; 103G.311, subdivisions 2, 5; 103G.315, subdivision 8; 103G.408; 103G.615, subdivision 3a; 114D.15, subdivisions 7, 11, 13, by adding subdivisions; 114D.20, subdivisions 2, 3, 5, 7, by adding subdivisions; 114D.26; 114D.35, subdivisions 1, 3; 115.03, subdivisions 1, 5, by adding a subdivision; 115.035; 115.44, subdivision 6; 115.455; 115.77, subdivision 1; 115.84, subdivisions 2, 3; 115A.51; 115B.421; 116.03, subdivision 1, by adding a subdivision; 116.07, subdivisions 2, 4d, by adding a subdivision; 116.0714; 116.993, subdivisions 2, 6; 116D.04, subdivision 2a; 216G.01, subdivision 3; 282.01, subdivision 4; Laws 2012, chapter 236, section 28, subdivisions 2, as amended, 9, as amended; Laws 2013, chapter 114, article 4, section 105, as amended; Laws 2015, chapter 76, section 2, subdivision 9, as amended; Laws 2016, chapter 189, article 3, sections 2, subdivision 2; 6, as amended; Laws 2017, chapter 93, article 1, section 9; article 2, section 155, as amended; Laws 2017, chapter 96, section 2, subdivision 9; proposing coding for new law in Minnesota Statutes, chapters 84; 92; 103C; 114D; 115B; repealing Minnesota Statutes 2018, section 92.121; Minnesota Rules, part 6232.0350."

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

Senator Nelson from the Committee on E-12 Finance and Policy, to which was referred

S.F. No. 7: A bill for an act relating to school safety; increasing revenue for the safe schools program; requiring a report; appropriating money; amending Minnesota Statutes 2018, sections 123B.61; 126C.44.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 2018, section 120A.20, subdivision 2, is amended to read:

Subd. 2. **Education, residence, and transportation of homeless.** (a) Notwithstanding subdivision 1, a district must not deny free admission to a homeless pupil solely because the district cannot determine that the pupil is a resident of the district.

(b) The school district of residence for a homeless pupil shall be the school district in which the parent or legal guardian resides, unless: (1) parental rights have been terminated by court order; (2) the parent or guardian is not living within the state; or (3) the parent or guardian having legal custody of the child is an inmate of a Minnesota correctional facility or is a resident of a halfway house under the supervision of the commissioner of corrections. If any of clauses (1) to (3) apply, the school district of residence shall be the school district in which the pupil resided when the qualifying event occurred. If no other district of residence can be established, the school district of residence shall be the school district in which the pupil currently resides. If there is a dispute between school districts regarding residency, the district of residence is the district designated by the commissioner of education.

(c) Except as provided in paragraph (d), the serving district is responsible for transporting a homeless pupil to and from the pupil's district of residence. The district may transport from a permanent home in another district but only through the end of the academic school year. When a pupil is enrolled in a charter school, the district or school that provides transportation for other pupils enrolled in the charter school is responsible for providing transportation. When a homeless student with or without an individualized education program attends a public school other than an independent or special school district or charter school, the district of residence is responsible for transportation.

(d) For a homeless pupil with an individualized education plan enrolled in a program authorized by an intermediate school district, special education cooperative, service cooperative, or education district, the serving district at the time of the pupil's enrollment in the program remains responsible for transporting that pupil for the remainder of the school year, unless the initial serving district and the current serving district mutually agree that the current serving district is responsible for transporting the homeless pupil.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 2. Minnesota Statutes 2018, section 123B.41, subdivision 2, is amended to read:

Subd. 2. **Textbook.** (a) "Textbook" means any book or book substitute, including electronic books as well as other printed materials delivered electronically, which a pupil uses as a text or text substitute in a particular class or program in the school regularly attended and a copy of which is expected to be available for the individual use of each pupil in this class or program. Textbook includes an online book with an annual subscription cost. Textbook includes a teacher's edition, teacher's guide, or other materials that accompany a textbook that a pupil uses when the teacher's edition, teacher's guide, or other teacher materials are packaged physically or electronically with textbooks for student use.

(b) For purposes of calculating the annual nonpublic pupil aid entitlement for textbooks, the term shall be limited to books, workbooks, or manuals, whether bound or in loose-leaf form, as well as electronic books and other printed materials delivered electronically, intended for use as a principal source of study material for a given class or a group of students.

(c) For purposes of sections 123B.40 to 123B.48, the terms "textbook" and "software or other educational technology" include only such secular, neutral, and nonideological materials as are available, used by, or of benefit to Minnesota public school pupils.

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

Sec. 3. Minnesota Statutes 2018, section 123B.41, subdivision 5, is amended to read:

Subd. 5. **Individualized instructional or cooperative learning materials.** (a) "Individualized instructional or cooperative learning materials" means educational materials which:

~~(a)~~ (1) are designed primarily for individual pupil use or use by pupils in a cooperative learning group in a particular class or program in the school the pupil regularly attends, including teacher materials that accompany materials that a pupil uses;

~~(b)~~ (2) are secular, neutral, nonideological and not capable of diversion for religious use; and

~~(c)~~ (3) are available, used by, or of benefit to Minnesota public school pupils.

(b) Subject to the requirements in ~~clauses (a), (b), and (c)~~ paragraph (a), "individualized instructional or cooperative learning materials" include, but are not limited to, the following if they do not fall within the definition of "textbook" in subdivision 2: published materials; periodicals; documents; pamphlets; photographs; reproductions; pictorial or graphic works; prerecorded video programs; prerecorded tapes, cassettes and other sound recordings; manipulative materials; desk charts; games; study prints and pictures; desk maps; models; learning kits; blocks or cubes; flash cards; individualized multimedia systems; prepared instructional computer software programs; choral and band sheet music; electronic books and other printed materials delivered electronically; and CD-Rom.

(c) "Individualized instructional or cooperative learning materials" do not include instructional equipment, instructional hardware, or ordinary daily consumable classroom supplies.

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

Sec. 4. Minnesota Statutes 2018, section 123B.42, subdivision 3, is amended to read:

Subd. 3. **Cost; limitation.** (a) The cost per pupil of the textbooks, individualized instructional or cooperative learning materials, software or other educational technology, and standardized tests provided for in this section for each school year must not exceed the statewide average expenditure per pupil, adjusted pursuant to ~~clause paragraph~~ (b), by the Minnesota public elementary and secondary schools for textbooks, individualized instructional materials and standardized tests as computed and established by the department by February 1 of the preceding school year from the most recent public school year data then available.

(b) The cost computed in ~~clause paragraph~~ (a) shall be increased by an inflation adjustment equal to the percent of increase in the formula allowance, pursuant to section 126C.10, subdivision 2, from the second preceding school year to the current school year. ~~Notwithstanding the amount of the formula allowance for fiscal years 2015 and 2016 in section 126C.10, subdivision 2, the commissioner shall use the amount of the formula allowance for the current year minus \$414 in determining the inflation adjustment for fiscal years 2015 and 2016.~~

(c) The commissioner shall allot to the districts or intermediary service areas the total cost for each school year of providing or loaning the textbooks, individualized instructional or cooperative learning materials, software or other educational technology, and standardized tests for the pupils in each nonpublic school. The allotment shall not exceed the product of the statewide average expenditure per pupil, according to ~~clause paragraph~~ (a), adjusted pursuant to ~~clause paragraph~~ (b), multiplied by the number of nonpublic school pupils who make requests pursuant to this section and who are enrolled as of September 15 of the current school year.

Sec. 5. Minnesota Statutes 2018, section 123B.44, subdivision 1, is amended to read:

Subdivision 1. **Provided services.** The commissioner of education shall promulgate rules under the provisions of chapter 14 requiring each district or other intermediary service area: (a) to provide each year upon formal request by a specific date by or on behalf of a nonpublic school pupil enrolled in a nonpublic school located in that district or area, the same specific health services as are provided for public school pupils by the district where the nonpublic school is located; and (b) to provide guidance and counseling services each year upon formal request by a specific date by or on behalf of a nonpublic school secondary pupil enrolled in a nonpublic school located in that district or area; ~~the same specific guidance and counseling services as are provided for public school secondary pupils by the district where the nonpublic school is located~~ or an elementary or secondary pupil enrolled in an American-Indian-controlled tribal contract or grant school. The district where the nonpublic school is located must provide the necessary transportation within the district boundaries between the nonpublic school and a public school or neutral site for nonpublic school pupils who are provided pupil support services under this section if the district elects to provide pupil support services at a site other than the nonpublic school. Each request for pupil support services must set forth the guidance and counseling or health services requested by or on behalf of all eligible nonpublic school pupils enrolled in a given nonpublic school. No district or intermediary service area must not expend an amount for these pupil support services which exceeds the amount allotted to it under this section.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2020 and later.

Sec. 6. Minnesota Statutes 2018, section 123B.44, subdivision 5, is amended to read:

Subd. 5. **Guidance and counseling services; allotment.** Each school year the commissioner shall allot to the school districts or intermediary service areas for the provision of guidance and counseling services pursuant to this section the actual cost of the services provided for the pupils in each respective nonpublic school for that school year. The allotment for guidance and counseling services for the elementary pupils enrolled in an American-Indian-controlled tribal contract or grant school must not exceed the average expenditure per public school elementary pupil for these services by those Minnesota public schools that provide these services to their elementary pupils, multiplied by the number of elementary pupils in that particular American-Indian-controlled tribal contract or grant school who request these services and who are enrolled as of September 15 of the current school year. The allotment for guidance and counseling services for the secondary pupils in each nonpublic school and American-Indian-controlled tribal contract or grant school must not exceed the average expenditure per public school secondary pupil for these services by those Minnesota public schools ~~which~~ that provide these services to their secondary pupils, multiplied by the number of secondary pupils in that particular nonpublic school and American-Indian-controlled tribal contract or grant school who request these services and who are enrolled as of September 15 of the current school year.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2020 and later.

Sec. 7. Minnesota Statutes 2018, section 123B.44, subdivision 6, is amended to read:

Subd. 6. **Computation of maximum allotments.** For purposes of computing maximum allotments for each school year pursuant to this section, the average public school expenditure per pupil for health services and the average public school expenditure per elementary and secondary pupil for guidance and counseling services shall be computed and established by the department by February 1 of the preceding school year from the most recent public school year data then available.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2020 and later.

Sec. 8. Minnesota Statutes 2018, section 123B.49, subdivision 4, is amended to read:

Subd. 4. **Board control of extracurricular activities.** (a) The board ~~may~~ must take charge of and control all extracurricular activities of the teachers and children of the public schools in the district. Extracurricular activities means all direct and personal services for pupils for their enjoyment that are managed and operated under the guidance of an adult or staff member. The board shall allow all resident pupils receiving instruction in a home school as defined in section 123B.36, subdivision 1, paragraph (a), to be eligible to fully participate in extracurricular activities on the same basis as public school students.

(b) Extracurricular activities have all of the following characteristics:

(1) they are not offered for school credit nor required for graduation;

(2) they are generally conducted outside school hours, or if partly during school hours, at times agreed by the participants, and approved by school authorities;

(3) the content of the activities is determined primarily by the pupil participants under the guidance of a staff member or other adult.

~~(c) If the board does not take charge of and control extracurricular activities, these activities shall be self-sustaining with all expenses, except direct salary costs and indirect costs of the use of school facilities, met by dues, admissions, or other student fund-raising events. The general fund must reflect only those salaries directly related to and readily identified with the activity and paid by public funds. Other revenues and expenditures for extra-curricular activities must be recorded according to the Manual for Activity Fund Accounting. Extracurricular activities not under board control must have an annual financial audit and must also be audited annually for compliance with this section.~~

~~(d) If the board takes charge of and controls extracurricular activities,~~ (c) Any or all costs of these activities may be provided from school revenues and all revenues and expenditures for these activities shall be recorded in the same manner as other revenues and expenditures of the district.

~~(e) If the board takes charge of and controls extracurricular activities,~~ (d) The teachers or pupils in the district must not participate in such activity, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board.

(e) A school district must reserve revenue raised for extracurricular activities and spend the revenue only for extracurricular activities.

Sec. 9. Minnesota Statutes 2018, section 124D.09, subdivision 4, is amended to read:

Subd. 4. **Alternative pupil.** (a) "Alternative pupil" means ~~an~~ a 10th, 11th, or 12th grade student, subject to paragraph (b), who is not enrolled in a public school district, and includes. Alternative pupil includes students attending nonpublic schools and students who are home schooled. An alternative pupil is considered a pupil for purposes of this section only. An alternative pupil must register with the commissioner of education before participating in the postsecondary enrollment options program. The commissioner ~~shall~~ must prescribe the form and manner of the registration, in consultation with the Nonpublic Education Council under section 123B.445, and may request any necessary information from the alternative pupil.

(b) A 10th grade student qualifies as an alternative pupil if the student: (1) is enrolled in a career or technical education course offered by an eligible institution; and (2) received a passing score on the 8th grade Minnesota Comprehensive Assessment, or another reading assessment accepted by the enrolling postsecondary institution. A career or technical education course must meet the requirements under subdivision 5a. If an alternative pupil in 10th grade receives a grade of "C" or better in the career or technical education course taken under this subdivision, the postsecondary institution must allow the student to take additional postsecondary courses for credit at that institution, not to exceed the limits in subdivision 8.

EFFECTIVE DATE. This section is effective for applications submitted on or after July 1, 2019.

Sec. 10. Minnesota Statutes 2018, section 124D.09, subdivision 7, is amended to read:

Subd. 7. **Dissemination of information; notification of intent to enroll.** By the earlier of (1) three weeks prior to the date by which a student must register for district courses for the following school year, or (2) March 1 of each year, a district must provide up-to-date information on the district's website and in materials that are distributed to parents and students about the program, including information about enrollment requirements and the ability to earn postsecondary credit to all pupils in grades 8, 9, 10, and 11. To assist the district in planning, a pupil ~~shall~~ must inform the district by May 30 of each year of the pupil's intent to enroll in postsecondary courses during the following school year. A pupil is bound by notifying or not notifying the district by May 30.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 11. Minnesota Statutes 2018, section 124D.09, subdivision 9, is amended to read:

Subd. 9. **Enrollment priority.** (a) A postsecondary institution ~~shall~~ must give priority to its postsecondary students when enrolling ~~10th, 11th, and 12th grade~~ pupils in grades 10, 11, and 12 in its courses. A postsecondary institution may provide information about its programs to a secondary school or to a pupil or parent and it may advertise or otherwise recruit or solicit a secondary pupil to enroll in its programs on educational and programmatic grounds only except, notwithstanding other law to the contrary, and for the 2014-2015 through 2019-2020 school years only, an eligible postsecondary institution may advertise or otherwise recruit or solicit a secondary pupil residing in a school district with 700 students or more in grades 10, 11, and 12, to enroll in its programs on educational, programmatic, or financial grounds.

(b) An institution must not enroll secondary pupils, for postsecondary enrollment options purposes, in remedial, developmental, or other courses that are not college level except when a student eligible to participate and enrolled in the graduation incentives program under section 124D.68 enrolls full time in a middle or early college program. A middle or early college program must be specifically designed to allow the student to earn dual high school and college credit with a well-defined pathway to allow the student to earn a postsecondary degree or credential. In this case, the student ~~shall~~ must receive developmental college credit and not college credit for completing remedial or developmental courses.

(c) Once a pupil has been enrolled in any postsecondary course under this section, the pupil ~~shall~~ must not be displaced by another student.

(d) If a postsecondary institution enrolls a secondary school pupil in a course under this section, the postsecondary institution also must enroll in the same course an otherwise enrolled and qualified postsecondary student who qualifies as a veteran under section 197.447, and demonstrates to the postsecondary institution's satisfaction that the institution's established enrollment timelines were not practicable for that student.

(e) A postsecondary institution must allow secondary pupils to enroll in online courses under this section consistent with the institution's policy regarding postsecondary pupil enrollment in online courses.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 12. Minnesota Statutes 2018, section 124D.09, subdivision 10, is amended to read:

Subd. 10. **Courses according to agreements.** (a) An eligible pupil, according to subdivision 5, may enroll in a nonsectarian course taught by a secondary teacher or a postsecondary faculty member and offered at a secondary school, or another location, according to an agreement between a public school board and the governing body of an eligible public postsecondary system or an eligible private postsecondary institution, as defined in subdivision 3. All provisions of this section shall apply to a pupil, public school board, district, and the governing body of a postsecondary institution, except as otherwise provided.

(b) To encourage students, especially American Indian students and students of color, to consider teaching as a profession, participating schools, school districts, and postsecondary institutions are encouraged to develop and offer an "Introduction to Teaching" or "Introduction to Education" course under this subdivision. ~~An institution that receives a~~ For the purpose of applying for grants under this paragraph, "eligible institution" includes schools and districts that partner with an accredited college or university in addition to postsecondary institutions identified in subdivision 3, paragraph (a). Grant to develop a course recipients under this paragraph must annually report to the commissioner in a form and manner determined by the commissioner on the participation rates of students in courses under this paragraph, including the number of students who apply for admission to colleges or universities with teacher preparation programs and the number of students of color and American Indian students who earned postsecondary credit. Grant recipients must also describe recruiting efforts intended to ensure that the percentage of participating students who are of color or American Indian meets or exceeds the overall percentage of students of color or American Indian students in the school.

Sec. 13. Minnesota Statutes 2018, section 124D.09, subdivision 22, is amended to read:

Subd. 22. **Transportation.** (a) A parent or guardian of a pupil enrolled in a course for secondary credit may apply to the pupil's district of residence for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled or the pupil's home and the postsecondary institution that the pupil attends. The state shall provide state aid to a district in an amount sufficient to reimburse the parent or guardian for the necessary transportation costs when the ~~family's or guardian's income is at or below the poverty level, as determined by the federal government~~ pupil is eligible for a free or reduced-price meal. The reimbursement shall be the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week. However, if the nearest postsecondary institution is more than 25 miles from the pupil's resident secondary school, the weekly reimbursement may not exceed the reimbursement rate per mile times the actual distance between the secondary school or the pupil's home and the nearest postsecondary institution times ten. The state must pay aid to the district according to this subdivision.

(b) A parent or guardian of an alternative pupil enrolled in a course for secondary credit may apply to the pupil's postsecondary institution for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled or the pupil's home and the postsecondary institution in an amount sufficient to reimburse the parent or guardian for the necessary transportation costs when the ~~family's or guardian's income is at or below the poverty level, as determined by the federal government~~ pupil is eligible for a free or reduced-price meal. The amount of the reimbursement shall be determined as in paragraph (a). The state must pay aid to the postsecondary institution according to this subdivision.

(c) "Necessary transportation costs" under this subdivision includes the costs of transportation in a private vehicle, bus, taxi, or other shared vehicle.

EFFECTIVE DATE. This section is effective for fiscal year 2020 and later.

Sec. 14. Minnesota Statutes 2018, section 124E.20, subdivision 1, is amended to read:

Subdivision 1. **Revenue calculation.** (a) General education revenue must be paid to a charter school as though it were a district. The general education revenue for each adjusted pupil unit is the state average general education revenue per pupil unit, plus the referendum equalization aid allowance and first tier local optional aid allowance in the pupil's district of residence, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without declining enrollment revenue, local optional revenue, basic skills revenue, extended time revenue, pension adjustment revenue, transition revenue, and transportation sparsity revenue, plus declining enrollment revenue, basic skills revenue, pension adjustment revenue, and transition revenue as though the school were a school district.

(b) For a charter school operating an extended day, extended week, or summer program, the general education revenue in paragraph (a) is increased by an amount equal to 25 percent of the statewide average extended time revenue per adjusted pupil unit.

(c) Notwithstanding paragraph (a), the general education revenue for an eligible special education charter school as defined in section 124E.21, subdivision 2, equals the sum of the amount determined under paragraph (a) and the school's unreimbursed cost as defined in section 124E.21, subdivision 2, for educating students not eligible for special education services.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2021 and later.

Sec. 15. Minnesota Statutes 2018, section 126C.10, subdivision 2, is amended to read:

Subd. 2. **Basic revenue.** The basic revenue for each district equals the formula allowance times the adjusted pupil units for the school year. ~~The formula allowance for fiscal year 2017 is \$6,067. The formula allowance for fiscal year 2018 is \$6,188.~~ The formula allowance for fiscal year 2019 ~~and later~~ is \$6,312. The formula allowance for fiscal year 2020 is \$6,343 The formula allowance for fiscal year 2021 and later is \$6,375.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2020 and later.

Sec. 16. Minnesota Statutes 2018, section 126C.10, subdivision 2e, is amended to read:

Subd. 2e. **Local optional revenue.** (a) For fiscal year 2020, local optional revenue for a school district equals \$424 times the adjusted pupil units of the district for that school year. For fiscal year 2021 and later, local optional revenue for a school district equals the sum of the district's first tier local optional revenue and second tier local optional revenue. A district's first tier local optional revenue equals \$300 times the adjusted pupil units of the district for that school year. A district's second tier local optional revenue equals \$424 times the adjusted pupil units of the district for that school year.

(b) For fiscal year 2020, a district's local optional levy equals its local optional revenue times the lesser of one or the ratio of its referendum market value per resident pupil unit to \$510,000. For fiscal year 2021 and later, a district's local optional levy equals the sum of the first tier local optional levy and the second tier local optional levy. A district's first tier local optional levy equals the district's first tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$880,000. A district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$510,000. The local optional revenue levy must be spread on referendum market value. A district may levy less than the permitted amount.

(c) A district's local optional aid equals its local optional revenue less minus its local optional levy, times the ratio of the actual amount levied to the permitted levy. If a district's actual levy for first or second tier local optional revenue is less than its maximum levy limit for that tier, its aid must be proportionately reduced.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2021 and later.

Sec. 17. Minnesota Statutes 2018, section 126C.10, subdivision 24, is amended to read:

Subd. 24. **Equity revenue.** (a) A school district qualifies for equity revenue if:

(1) the school district's adjusted pupil unit amount of basic revenue, transition revenue, first tier local optional revenue, and referendum revenue is less than the value of the school district at or immediately above the 95th percentile of school districts in its equity region for those revenue categories; and

(2) the school district's administrative offices are not located in a city of the first class on July 1, 1999.

(b) ~~Equity revenue for a qualifying district that receives referendum revenue under section 126C.17, subdivision 4, equals the product of (1) the district's adjusted pupil units for that year; times (2) the sum of (i) \$14, plus (ii) \$80, times the school district's equity index computed under subdivision 27.~~

~~(c) Equity revenue for a qualifying district that does not receive referendum revenue under section 126C.17, subdivision 4, equals the product of the district's adjusted pupil units for that year times \$14.~~

~~(d)~~ (c) A school district's equity revenue is increased by the greater of zero or an amount equal to the district's adjusted pupil units times the difference between ten percent of the statewide average amount of referendum revenue and first tier local optional revenue per adjusted pupil unit for that year and the sum of the district's referendum revenue and first tier local optional revenue per adjusted pupil unit. A school district's revenue under this paragraph must not exceed \$100,000 for that year.

~~(e)~~ (d) A school district's equity revenue for a school district located in the metro equity region equals the amount computed in paragraphs (b); and (c); and (d) multiplied by 1.25.

~~(f) For fiscal years 2017, 2018, and 2019 for a school district not included in paragraph (e), a district's equity revenue equals the amount computed in paragraphs (b), (c), and (d) multiplied by~~

~~1.16. (e)~~ For fiscal year 2020 and later for a school district not included in paragraph ~~(e)~~ (d), a district's equity revenue equals the amount computed in paragraphs (b); and (c); ~~and (d)~~ multiplied by 1.25.

~~(g)~~ (f) A school district's additional equity revenue equals \$50 times its adjusted pupil units.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2021 and later.

Sec. 18. Minnesota Statutes 2018, section 126C.17, subdivision 1, is amended to read:

Subdivision 1. **Referendum allowance.** (a) A district's initial referendum allowance for fiscal year 2021 and later equals the result of the following calculations:

~~(1) multiply the referendum allowance the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 1, based on elections held before July 1, 2013, by the resident marginal cost pupil units the district would have counted for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05;~~

~~(2) add to the result of clause (1) the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013;~~

~~(3) divide the result of clause (2) by the district's adjusted pupil units for fiscal year 2015;~~

~~(4) add to the result of clause (3) any additional referendum allowance per adjusted pupil unit authorized by elections held between July 1, 2013, and December 31, 2013;~~

~~(5) add to the result in clause (4) any additional referendum allowance resulting from inflation adjustments approved by the voters prior to January 1, 2014;~~

~~(6) subtract from the result of clause (5), the sum of a district's actual local optional levy and local optional aid under section 126C.10, subdivision 2e, divided by the adjusted pupil units of the district for that school year; and~~

(1) subtract \$424 from the district's allowance under Minnesota Statutes 2018, section 126C.17, subdivision 1, paragraph (a), clause (5);

(2) if the result of clause (1) is less than zero, set the allowance to zero;

(3) add to the result in clause (2) any new referendum allowance authorized between July 1, 2013, and December 31, 2013, under Minnesota Statutes 2013, section 126C.17, subdivision 9a;

(4) add to the result in clause (3) any additional referendum allowance per adjusted pupil unit authorized between January 1, 2014, and June 30, 2019;

(5) subtract from the result in clause (4) any allowances expiring in fiscal year 2016, 2017, 2018, 2019, or 2020;

(6) subtract \$300 from the result in clause (5); and

(7) if the result of clause (6) is less than zero, set the allowance to zero.

(b) A district's referendum allowance equals the sum of the district's initial referendum allowance, plus any new referendum allowance authorized ~~between July 1, 2013, and December 31, 2013, under subdivision 9a, plus any additional referendum allowance per adjusted pupil unit authorized after December 31, 2013~~ after July 1, 2019, minus any allowances expiring in fiscal year ~~2016~~ 2021 or later, plus any inflation adjustments for fiscal year 2021 and later approved by the voters prior to July 1, 2019, provided that the allowance may not be less than zero. ~~For a district with more than one referendum allowance for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, the allowance calculated under paragraph (a), clause (3), must be divided into components such that the same percentage of the district's allowance expires at the same time as the old allowances would have expired under Minnesota Statutes 2012, section 126C.17. For a district with more than one allowance for fiscal year 2015 that expires in the same year, the reduction under paragraph (a), clause~~ clauses (1) and (6), to offset local optional revenue shall be made first from any allowances that do not have an inflation adjustment approved by the voters.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2021 and later.

Sec. 19. Minnesota Statutes 2018, section 126C.17, subdivision 2, is amended to read:

Subd. 2. **Referendum allowance limit.** (a) Notwithstanding subdivision 1, for fiscal year ~~2015~~ 2021 and later, a district's referendum allowance must not exceed ~~the annual inflationary increase as calculated under paragraph (b) times the greatest~~ greater of:

(1) \$1,845 the product of the annual inflationary increase as calculated under paragraph (b), and \$2,079.50, minus \$300;

(2) the product of the annual inflationary increase as calculated under paragraph (b), and the sum of the referendum revenue the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 4, based on elections held before July 1, 2013, and the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013, divided by the district's adjusted pupil units for fiscal year 2015, minus \$300;

(3) the product of the referendum allowance limit the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 2, and the resident marginal cost pupil units the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05, subdivision 6, plus the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013, divided by the district's adjusted pupil units for fiscal year 2015; minus \$424 for a newly reorganized district created on July 1, 2020, the referendum revenue authority for each reorganizing district in the year preceding reorganization divided by its adjusted pupil units for the year preceding reorganization, minus \$300; or

(4) for a newly reorganized district created after July 1, ~~2013~~ 2021, the referendum revenue authority for each reorganizing district in the year preceding reorganization divided by its adjusted pupil units for the year preceding reorganization.

(b) For purposes of this subdivision, for fiscal year ~~2016~~ 2022 and later, "inflationary increase" means one plus the percentage change in the Consumer Price Index for urban consumers, as prepared by the United States Bureau of Labor ~~Standards~~ Statistics, for the current fiscal year to fiscal year 2015. ~~For fiscal year 2016 and later, for purposes of paragraph (a), clause (3), the inflationary increase equals one-fourth of the percentage increase in the formula allowance for that year compared with the formula allowance for fiscal year 2015~~ 2021.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2021 and later.

Sec. 20. Minnesota Statutes 2018, section 126C.17, subdivision 5, is amended to read:

Subd. 5. **Referendum equalization revenue.** (a) A district's referendum equalization revenue equals the sum of the first tier referendum equalization revenue and the second tier referendum equalization revenue, ~~and the third tier referendum equalization revenue.~~

(b) A district's first tier referendum equalization revenue equals the district's first tier referendum equalization allowance times the district's adjusted pupil units for that year.

(c) A district's first tier referendum equalization allowance equals the lesser of the district's referendum allowance under subdivision 1 or ~~\$300~~ \$460.

(d) A district's second tier referendum equalization revenue equals the district's second tier referendum equalization allowance times the district's adjusted pupil units for that year.

(e) A district's second tier referendum equalization allowance equals the lesser of the district's referendum allowance under subdivision 1 or ~~\$760, minus the district's first tier referendum equalization allowance.~~

~~(f) A district's third tier referendum equalization revenue equals the district's third tier referendum equalization allowance times the district's adjusted pupil units for that year.~~

~~(g) A district's third tier referendum equalization allowance equals the lesser of the district's referendum allowance under subdivision 1 or 25 percent of the formula allowance, minus the sum of \$300 and the district's first tier referendum equalization allowance and second tier referendum equalization allowance.~~

~~(h) (f)~~ Notwithstanding paragraph ~~(g)~~ (e), the ~~third~~ second tier referendum allowance for a district qualifying for secondary sparsity revenue under section 126C.10, subdivision 7, or elementary sparsity revenue under section 126C.10, subdivision 8, equals the district's referendum allowance under subdivision 1 minus the ~~sum of the~~ district's first tier referendum equalization allowance ~~and second tier referendum equalization allowance.~~

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2021 and later.

Sec. 21. Minnesota Statutes 2018, section 126C.17, subdivision 6, is amended to read:

Subd. 6. **Referendum equalization levy.** (a) A district's referendum equalization levy equals the sum of the first tier referendum equalization levy, and the second tier referendum equalization levy, ~~and the third tier referendum equalization levy.~~

(b) A district's first tier referendum equalization levy equals the district's first tier referendum equalization revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to ~~\$880,000~~ \$510,000.

(c) A district's second tier referendum equalization levy equals the district's second tier referendum equalization revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to ~~\$510,000~~ \$290,000.

~~(d) A district's third tier referendum equalization levy equals the district's third tier referendum equalization revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$290,000.~~

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2021 and later.

Sec. 22. Minnesota Statutes 2018, section 126C.17, subdivision 7, is amended to read:

Subd. 7. **Referendum equalization aid.** (a) A district's referendum equalization aid equals the difference between its referendum equalization revenue and levy.

(b) If a district's actual levy for first, second, or third tier referendum equalization revenue is less than its maximum levy limit for that tier, aid shall be proportionately reduced.

(c) Notwithstanding paragraph (a), the referendum equalization aid for a district, ~~where the referendum equalization aid under paragraph (a) exceeds 90 percent of the referendum revenue,~~ must not exceed: (1) 25 percent of the formula allowance minus \$300; times (2) the district's adjusted pupil units. A district's referendum levy is increased by the amount of any reduction in referendum aid under this paragraph.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2021 and later.

Sec. 23. Minnesota Statutes 2018, section 126C.17, subdivision 7a, is amended to read:

Subd. 7a. **Referendum tax base replacement aid.** For each school district that had a referendum allowance for fiscal year 2002 exceeding \$415, for each separately authorized referendum levy, the commissioner of revenue, in consultation with the commissioner of education, shall certify the amount of the referendum levy in taxes payable year 2001 attributable to the portion of the referendum allowance exceeding \$415 levied against property classified as class 2, noncommercial 4c(1), or 4c(4), under section 273.13, excluding the portion of the tax paid by the portion of class 2a property consisting of the house, garage, and surrounding one acre of land. The resulting amount must be used to reduce the district's referendum levy or first tier local optional levy amount otherwise determined, and must be paid to the district each year that the referendum or first tier local optional authority remains in effect, is renewed, or new referendum authority is approved. The aid payable under this subdivision must be subtracted from the district's referendum equalization aid under subdivision 7. The referendum equalization aid and the first tier local optional aid after the subtraction must not be less than zero.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2021 and later.

Sec. 24. Minnesota Statutes 2018, section 126C.19, subdivision 4, is amended to read:

Subd. 4. **Location of services.** (a) Public school programs that provide instruction in core curriculum may be provided to shared time pupils only at a public school building, except that digital learning as defined in section 124D.095, subdivision 2, paragraph (a), may be provided to shared time pupils at any suitable location. Public school programs, excluding programs that provide instruction in core curriculum, may be provided to shared time pupils at a public school building, a neutral site, the nonpublic school, or any other suitable location. Guidance and counseling and diagnostic and health services required under sections 125A.03 to 125A.24 and 125A.65 may be provided at a nonpublic school building. As used in this subdivision, "diagnostic services" means speech, hearing, vision, psychological, medical and dental diagnostic services and "health services" means physician, nursing or optometric services provided to pupils in the field of physical and mental health.

(b) For those children with a disability under sections 125A.03 to 125A.24 who attend nonpublic school at their parent's choice, a school district may provide special instruction and services at the nonpublic school building, a public school, or at a neutral site other than a nonpublic school as defined in section 123B.41, subdivision 13. The school district shall determine the location at which to provide services on a student-by-student basis, consistent with federal law.

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 25. Minnesota Statutes 2018, section 127A.45, subdivision 11, is amended to read:

Subd. 11. **Payment percentage for reimbursement aids.** One hundred percent of the aid for the previous fiscal year must be paid in the current year for the following aids: telecommunications/Internet access equity ~~and aid~~ according to section 125B.26, special education special pupil aid according to section 125A.75, subdivision 3, ~~aid for litigation costs according to section 125A.75, subdivision 9,~~ aid for court-placed special education expenses according to section 125A.79, subdivision 4, and aid for special education out-of-state tuition according to section 125A.79, subdivision 8, and shared time aid according to section 126C.01, subdivision 7.

Sec. 26. Minnesota Statutes 2018, section 127A.45, subdivision 16, is amended to read:

Subd. 16. **Payments to third parties.** Notwithstanding subdivision 3, the current year aid payment percentage of the ~~amounts amount~~ under ~~sections 123A.26, subdivision 3, and section 124D.041;~~ shall be paid in equal installments on August 30, December 30, and March 30, with a final adjustment payment on October 30 of the next fiscal year of the remaining amount.

Sec. 27. **BRECKENRIDGE SCHOOL DISTRICT; POSTSECONDARY ENROLLMENT OPTIONS.**

Notwithstanding Minnesota Statutes, section 124D.09, subdivision 3, Independent School District No. 846, Breckenridge, may enter into an agreement under Minnesota Statutes, section 124D.09, subdivision 10, with a higher education institution located outside of the state of Minnesota but within four miles of the high school. The higher education institution is an eligible institution only for the purposes of providing a postsecondary enrollment options program under Minnesota Statutes, section 124D.09.

EFFECTIVE DATE. This section is effective for revenue in the 2019-2020 school year and later.

Sec. 28. **KARLSTAD ELEMENTARY SCHOOL; SPARSITY AID.**

Notwithstanding the distance requirements of Minnesota Statutes, section 126C.10, subdivision 6, paragraph (f), Karlstad Elementary School in Independent School District No. 2358, Tri-County, is eligible to generate elementary sparsity aid for fiscal year 2020 and 2021 only.

Sec. 29. **PUPIL TRANSPORTATION WORKING GROUP.**

Subdivision 1. **Duties.** (a) A working group on pupil transportation shall review pupil transportation and transportation efficiencies in Minnesota, consult with stakeholders, and submit a written report to the legislature recommending policy and formula changes. The pupil transportation working group must examine and consider:

(1) how school districts, charter schools, intermediate school districts, special education cooperatives, education districts, and service cooperatives deliver pupil transportation services and the costs associated with each model;

(2) relevant state laws and rules;

(3) trends in pupil transportation services;

(4) strategies or programs that would be effective in funding necessary pupil transportation services; and

(5) the effect of the elimination of categorical funding for pupil transportation services.

(b) In making its recommendations, the pupil transportation working group must consider a ten-year strategic plan informed by the policy findings in paragraph (a) to help make pupil transportation funding more fair.

Subd. 2. **Members.** (a) By June 1, 2019, the executive director of each of the following organizations must appoint one representative of that organization to serve as a member of the working group:

(1) the Minnesota School Boards Association;

(2) the Minnesota Association of Charter Schools;

(3) Education Minnesota;

(4) the Minnesota Rural Education Association;

(5) the Association of Metropolitan School Districts;

(6) the Minnesota Association for Pupil Transportation;

(7) the Minnesota School Bus Operators Association;

(8) the Minnesota Association of School Administrators;

(9) the Minnesota Association of School Business Officials;

- (10) Schools for Equity in Education;
- (11) Service Employees International Union Local 284;
- (12) the Minnesota Association of Secondary School Principals;
- (13) the Minnesota Administrators of Special Education; and
- (14) the Minnesota Transportation Alliance.

(b) The commissioner of education must solicit applications for membership in the working group. By June 25, 2019, the commissioner must designate from the applicants the following to serve as members of the working group:

- (1) a representative from an intermediate school district;
- (2) a representative from a special education cooperative, education district, or service cooperative;
- (3) a representative from a school district in a city of the first class;
- (4) a representative from a school district in a first tier suburb;
- (5) a representative from a rural school district; and
- (6) a representative from a statewide nonprofit advocacy organization serving students with disabilities and their parents.

Subd. 3. **Meetings.** The commissioner of education, or the commissioner's designee, must convene the first meeting of the working group no later than July 15, 2019. The working group must select a chair or cochairs from among its members at the first meeting. The working group must meet periodically. Meetings of the working group must be open to the public.

Subd. 4. **Compensation.** Working group members shall not be reimbursed for expenses or receive per diem payments for serving on the working group.

Subd. 5. **Administrative support.** The commissioner of education must provide technical and administrative assistance and meeting space to the working group upon request.

Subd. 6. **Report.** (a) By January 15, 2020, the working group must submit a report providing its findings and recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education.

(b) The legislature convening in January 2020 is encouraged to convene a legislative study group to review the recommendations and ten-year strategic plan to develop its own recommendations for legislative changes, as necessary.

Subd. 7. **Expiration.** The working group expires on January 16, 2020, unless extended by law.

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

Sec. 30. **APPROPRIATIONS.**

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

Subd. 2. General education aid. For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$	<u>7,274,597,000</u>	.....	<u>2020</u>
\$	<u>7,344,510,000</u>	.....	<u>2021</u>

The 2020 appropriation includes \$700,383,000 for 2019 and \$6,574,214,000 for 2020.

The 2021 appropriation includes \$703,180,000 for 2020 and \$6,641,330,000 for 2021.

Subd. 3. Enrollment options transportation. For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

\$	<u>1,775,000</u>	.....	<u>2020</u>
\$	<u>1,815,000</u>	.....	<u>2021</u>

Subd. 4. Abatement aid. For abatement aid under Minnesota Statutes, section 127A.49:

\$	<u>2,897,000</u>	.....	<u>2020</u>
\$	<u>2,971,000</u>	.....	<u>2021</u>

The 2020 appropriation includes \$274,000 for 2019 and \$2,623,000 for 2020.

The 2021 appropriation includes \$291,000 for 2020 and \$2,680,000 for 2021.

Subd. 5. Consolidation transition aid. For districts consolidating under Minnesota Statutes, section 123A.485:

\$	<u>0</u>	.....	<u>2020</u>
\$	<u>270,000</u>	.....	<u>2021</u>

The 2020 appropriation includes \$0 for 2019 and \$0 for 2020.

The 2021 appropriation includes \$0 for 2020 and \$270,000 for 2021.

Subd. 6. Nonpublic pupil education aid. For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

\$	<u>18,150,000</u>	.....	<u>2020</u>
\$	<u>18,729,000</u>	.....	<u>2021</u>

The 2020 appropriation includes \$1,806,000 for 2019 and \$16,344,000 for 2020.

The 2021 appropriation includes \$1,816,000 for 2020 and \$16,913,000 for 2021.

Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

\$	<u>19,220,000</u>	<u>.....</u>	<u>2020</u>
\$	<u>19,179,000</u>	<u>.....</u>	<u>2021</u>

The 2020 appropriation includes \$1,961,000 for 2019 and \$17,259,000 for 2020.

The 2021 appropriation includes \$1,917,000 for 2020 and \$17,262,000 for 2021.

Subd. 8. **One-room schoolhouse.** For a grant to Independent School District No. 690, Warroad, to operate the Angle Inlet School:

\$	<u>65,000</u>	<u>.....</u>	<u>2020</u>
\$	<u>65,000</u>	<u>.....</u>	<u>2021</u>

Subd. 9. **Career and technical aid.** For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

\$	<u>3,751,000</u>	<u>.....</u>	<u>2020</u>
\$	<u>3,321,000</u>	<u>.....</u>	<u>2021</u>

The 2020 appropriation includes \$422,000 for 2019 and \$3,329,000 for 2020.

The 2021 appropriation includes \$369,000 for 2020 and \$2,952,000 for 2021.

Sec. 31. **REPEALER.**

Minnesota Statutes 2018, sections 123A.26, subdivision 3; 125A.75, subdivision 9; 126C.16, subdivisions 1 and 3; 126C.17, subdivision 9a; and 127A.14, are repealed.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2018, section 120A.41, is amended to read:

120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.

(a) A school board's annual school calendar must include at least 425 hours of instruction for a kindergarten student without a disability, 935 hours of instruction for a student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7 through 12, not including summer school. The school calendar for all-day kindergarten must include at least 850 hours of instruction for the school year. The school calendar for a prekindergarten student under section 124D.151, if offered by the district, must include at least 350 hours of instruction for the school year. A school board's annual calendar must include at least 165 days of instruction for a student in grades 1 through 11 unless a four-day week schedule has been approved by the ~~commissioner~~ school board under section ~~124D.126~~ 124D.122.

(b) A school board's annual school calendar may include plans for up to five days of instruction provided through online instruction due to inclement weather. The inclement weather plans must be developed according to section 120A.414.

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 2. Minnesota Statutes 2018, section 120B.02, is amended by adding a subdivision to read:

Subd. 1a. **Competency-based education.** (a) A school district or charter school may adopt a locally developed competency-based education plan to allow students to meet academic standards, earn credits, and advance to higher levels of learning by demonstrating mastery of required state standards, regardless of the time or pace of learning. The local plan may be implemented in individual school sites within a school district or districtwide. Competency-based education is designed to improve educational outcomes for students by advancing their mastery of concepts and skills.

(b) A school district or charter school that adopts a competency-based education plan must include a description of the following in its long-term strategic plan under section 120B.11 or annual public report under section 124E.16 and post on the website:

(1) how the plan's components align with required state standards and the goals included in its world's best workforce plan under section 120B.11;

(2) how competencies include explicit and measurable student learning objectives;

(3) how students master competencies along a personalized and flexible pathway. A student may demonstrate their mastery of competencies through their successful performance of the competencies, application of the competencies, or both;

(4) how local assessments are used to personalize learning experiences for a student; and

(5) how students receive timely and personalized support based on their individual learning needs.

(c) A school district or charter school with a competency-based education plan must administer the required statewide assessments to all of its students in the appropriate grade levels consistent with section 120B.30.

(d) Average daily membership for a student participating in a competency-based education is subject to the limits under section 126C.05, subdivision 8.

Sec. 3. Minnesota Statutes 2018, section 120B.024, subdivision 1, is amended to read:

Subdivision 1. **Graduation requirements.** Students beginning 9th grade in the 2011-2012 school year and later must successfully complete the following high school level credits for graduation:

(1) four credits of language arts sufficient to satisfy all of the academic standards in English language arts;

(2) three credits of mathematics, including an algebra II credit or its equivalent, sufficient to satisfy all of the academic standards in mathematics;

(3) an algebra I credit by the end of 8th grade sufficient to satisfy all of the 8th grade standards in mathematics;

(4) three credits of science, including at least one credit of biology, one credit of chemistry or physics, and one elective credit of science. The combination of credits under this clause must be sufficient to satisfy (i) all of the academic standards in either chemistry or physics and (ii) all other academic standards in science;

(5) three and one-half credits of social studies, encompassing at least United States history, geography, civics, government and citizenship, world history, and economics sufficient to satisfy all of the academic standards in social studies;

(6) one credit of the arts sufficient to satisfy all of the state or local academic standards in the arts; and

(7) a minimum of seven elective credits.

Sec. 4. Minnesota Statutes 2018, section 120B.125, is amended to read:

120B.125 PLANNING FOR STUDENTS' SUCCESSFUL TRANSITION TO POSTSECONDARY EDUCATION AND EMPLOYMENT; PERSONAL LEARNING PLANS.

(a) Consistent with sections 120B.13, 120B.131, 120B.132, 120B.14, 120B.15, 120B.30, subdivision 1, paragraph (c), 125A.08, and other related sections, school districts, beginning in the 2013-2014 school year, must assist all students by no later than grade 9 to explore their educational, college, and career interests, aptitudes, and aspirations and develop a plan for a smooth and successful transition to postsecondary education or employment. All students' plans must:

(1) provide a comprehensive plan to prepare for and complete a career and college ready curriculum by meeting state and local academic standards and developing career and employment-related skills such as team work, collaboration, creativity, communication, critical thinking, and good work habits;

(2) emphasize academic rigor and high expectations and inform the student, and the student's parent or guardian if the student is a minor, of the student's achievement level score on the Minnesota Comprehensive Assessments that are administered during high school;

(3) help students identify interests, aptitudes, aspirations, and personal learning styles that may affect their career and college ready goals and postsecondary education and employment choices;

(4) set appropriate career and college ready goals with timelines that identify effective means for achieving those goals;

(5) help students access education and career options, including armed forces career options;

(6) integrate strong academic content into career-focused courses and applied and experiential learning opportunities and integrate relevant career-focused courses and applied and experiential learning opportunities into strong academic content;

(7) help identify and access appropriate counseling and other supports and assistance that enable students to complete required coursework, prepare for postsecondary education and careers, and obtain information about postsecondary education costs and eligibility for financial aid and scholarship;

(8) help identify collaborative partnerships among prekindergarten through grade 12 schools, postsecondary institutions, economic development agencies, and local and regional employers that support students' transition to postsecondary education and employment and provide students with applied and experiential learning opportunities; and

(9) be reviewed and revised at least annually by the student, the student's parent or guardian, and the school or district to ensure that the student's course-taking schedule keeps the student making adequate progress to meet state and local academic standards and high school graduation requirements and with a reasonable chance to succeed with employment or postsecondary education without the need to first complete remedial course work.

(b) A school district may develop grade-level curricula or provide instruction that introduces students to various careers, but must not require any curriculum, instruction, or employment-related activity that obligates an elementary or secondary student to involuntarily select or pursue a career, career interest, employment goals, or related job training.

(c) Educators must possess the knowledge and skills to effectively teach all English learners in their classrooms. School districts must provide appropriate curriculum, targeted materials, professional development opportunities for educators, and sufficient resources to enable English learners to become career and college ready.

(d) When assisting students in developing a plan for a smooth and successful transition to postsecondary education and employment, districts must recognize the unique possibilities of each student and ensure that the contents of each student's plan reflect the student's unique talents, skills, and abilities as the student grows, develops, and learns.

(e) If a student with a disability has an individualized education program (IEP) or standardized written plan that meets the plan components of this section, the IEP satisfies the requirement and no additional transition plan is needed.

(f) Students who do not meet or exceed Minnesota academic standards, as measured by the Minnesota Comprehensive Assessments that are administered during high school, shall be informed that admission to a public school is free and available to any resident under 21 years of age or who meets the requirements of section 120A.20, subdivision 1, paragraph (c). A student's plan under this section shall continue while the student is enrolled.

(g) A school district must provide military recruiters and representatives of organizations promoting careers in the skilled trades and manufacturing the same access to secondary school students as the district provides to institutions of higher education or to prospective employers of students.

(h) School districts are encouraged to sponsor an armed forces career opportunity day each school year prior to the third Thursday of November. A school district that sponsors an armed forces career opportunity day must extend invitations to recruiters from each branch of the United States armed forces and allow the recruiters to make presentations to all interested secondary school students.

Sec. 5. **[120B.126] CONSTRUCTION AND SKILLED TRADES COUNSELING.**

The commissioner of education must collaborate with the commissioner of labor and industry to incorporate construction and skilled trades into career counseling services for middle and high school aged students. Career advisement should identify high-growth, in-demand skilled trades and include information on various career paths and associated jobs, the salary profiles of those jobs, and the credentials and other training desired by employers for those jobs.

Sec. 6. Minnesota Statutes 2018, section 120B.30, subdivision 1, is amended to read:

Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, consistent with subdivision 1a, ~~shall~~ must include in the comprehensive assessment system, for each grade level to be tested, state-constructed tests developed as computer-adaptive reading and mathematics assessments for students that are aligned with the state's required academic standards under section 120B.021, include multiple choice questions, and are administered annually to all students in grades 3 through 8. State-developed high school tests aligned with the state's required academic standards under section 120B.021 and administered to all high school students in a subject other than writing must include multiple choice questions. The commissioner ~~shall~~ must establish ~~one or more months during which schools shall administer the tests to students~~ a testing period as late as possible each school year; during which schools must administer the Minnesota Comprehensive Assessments to students. The commissioner must publish the testing schedule at least two years before the beginning of the testing period.

~~(1) Students enrolled in grade 8 through the 2009-2010 school year are eligible to be assessed under (i) the graduation required assessment for diploma in reading, mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1, paragraphs (c), clauses (1) and (2), and (d), (ii) the WorkKeys job skills assessment, (iii) the Compass college placement test, (iv) the ACT assessment for college admission, (v) a nationally recognized armed services vocational aptitude test.~~

~~(2) Students enrolled in grade 8 in the 2010-2011 or 2011-2012 school year are eligible to be assessed under (i) the graduation required assessment for diploma in reading, mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1, paragraph (c), clauses (1) and (2), (ii) the WorkKeys job skills assessment, (iii) the Compass college placement test, (iv) the ACT assessment for college admission, (v) a nationally recognized armed services vocational aptitude test.~~

~~(3) For students under clause (1) or (2), a school district may substitute a score from an alternative, equivalent assessment to satisfy the requirements of this paragraph.~~

(b) The state assessment system must be aligned to the most recent revision of academic standards as described in section 120B.023 in the following manner:

(1) mathematics;

(i) grades 3 through 8 beginning in the 2010-2011 school year; and

(ii) high school level beginning in the 2013-2014 school year;

(2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012 school year; and

(3) language arts and reading; grades 3 through 8 and high school level beginning in the 2012-2013 school year.

(c) For students enrolled in grade 8 in the 2012-2013 school year and later, students' state graduation requirements, based on a longitudinal, systematic approach to student education and career planning, assessment, instructional support, and evaluation, include the following:

(1) achievement and career and college readiness in mathematics, reading, and writing, consistent with paragraph (k) and to the extent available, to monitor students' continuous development of and growth in requisite knowledge and skills; analyze students' progress and performance levels, identifying students' academic strengths and diagnosing areas where students require curriculum or instructional adjustments, targeted interventions, or remediation; and, based on analysis of students' progress and performance data, determine students' learning and instructional needs and the instructional tools and best practices that support academic rigor for the student; and

(2) consistent with this paragraph and section 120B.125, age-appropriate exploration and planning activities and career assessments to encourage students to identify personally relevant career interests and aptitudes and help students and their families develop a regularly reexamined transition plan for postsecondary education or employment without need for postsecondary remediation.

Based on appropriate state guidelines, students with an individualized education program may satisfy state graduation requirements by achieving an individual score on the state-identified alternative assessments.

(d) Expectations of schools, districts, and the state for career or college readiness under this subdivision must be comparable in rigor, clarity of purpose, and rates of student completion.

A student under paragraph (c), clause (1), must receive targeted, relevant, academically rigorous, and resourced instruction, which may include a targeted instruction and intervention plan focused on improving the student's knowledge and skills in core subjects so that the student has a reasonable chance to succeed in a career or college without need for postsecondary remediation. Consistent with sections 120B.13, 124D.09, 124D.091, 124D.49, and related sections, an enrolling school or district must actively encourage a student in grade 11 or 12 who is identified as academically ready for a career or college to participate in courses and programs awarding college credit to high school students. Students are not required to achieve a specified score or level of proficiency on an assessment under this subdivision to graduate from high school.

(e) Though not a high school graduation requirement, students are encouraged to participate in a nationally recognized college entrance exam. To the extent state funding for college entrance exam fees is available, a district must pay the cost, one time, for an interested student in grade 11 or 12

who is eligible for a free or reduced-price meal, to take a nationally recognized college entrance exam before graduating. A student must be able to take the exam under this paragraph at the student's high school during the school day and at any one of the multiple exam administrations available to students in the district. A district may administer the ACT or SAT or both the ACT and SAT to comply with this paragraph. If the district administers only one of these two tests and a free or reduced-price meal eligible student opts not to take that test and chooses instead to take the other of the two tests, the student may take the other test at a different time or location and remains eligible for the examination fee reimbursement. Notwithstanding sections 123B.34 to 123B.39, a school district may require a student that is not eligible for a free or reduced-price meal to pay the cost of taking a nationally recognized college entrance exam. The district must waive the cost for a student unable to pay.

(f) The commissioner and the chancellor of the Minnesota State Colleges and Universities must collaborate in aligning instruction and assessments for adult basic education students and English learners to provide the students with diagnostic information about any targeted interventions, accommodations, modifications, and supports they need so that assessments and other performance measures are accessible to them and they may seek postsecondary education or employment without need for postsecondary remediation. When administering formative or summative assessments used to measure the academic progress, including the oral academic development, of English learners and inform their instruction, schools must ensure that the assessments are accessible to the students and students have the modifications and supports they need to sufficiently understand the assessments.

(g) Districts and schools, on an annual basis, must use career exploration elements to help students, beginning no later than grade 9, and their families explore and plan for postsecondary education or careers based on the students' interests, aptitudes, and aspirations. Districts and schools must use timely regional labor market information and partnerships, among other resources, to help students and their families successfully develop, pursue, review, and revise an individualized plan for postsecondary education or a career. This process must help increase students' engagement in and connection to school, improve students' knowledge and skills, and deepen students' understanding of career pathways as a sequence of academic and career courses that lead to an industry-recognized credential, an associate's degree, or a bachelor's degree and are available to all students, whatever their interests and career goals.

(h) A student who demonstrates attainment of required state academic standards, which include career and college readiness benchmarks, on high school assessments under subdivision 1a is academically ready for a career or college and is encouraged to participate in courses awarding college credit to high school students. Such courses and programs may include sequential courses of study within broad career areas and technical skill assessments that extend beyond course grades.

(i) As appropriate, students through grade 12 must continue to participate in targeted instruction, intervention, or remediation and be encouraged to participate in courses awarding college credit to high school students.

(j) In developing, supporting, and improving students' academic readiness for a career or college, schools, districts, and the state must have a continuum of empirically derived, clearly defined benchmarks focused on students' attainment of knowledge and skills so that students, their parents, and teachers know how well students must perform to have a reasonable chance to succeed in a career or college without need for postsecondary remediation. The commissioner, in consultation

with local school officials and educators, and Minnesota's public postsecondary institutions must ensure that the foundational knowledge and skills for students' successful performance in postsecondary employment or education and an articulated series of possible targeted interventions are clearly identified and satisfy Minnesota's postsecondary admissions requirements.

(k) For students in grade 8 in the 2012-2013 school year and later, a school, district, or charter school must record on the high school transcript a student's progress toward career and college readiness, and for other students as soon as practicable.

(l) The school board granting students their diplomas may formally decide to include a notation of high achievement on the high school diplomas of those graduating seniors who, according to established school board criteria, demonstrate exemplary academic achievement during high school.

(m) The 3rd through 8th grade computer-adaptive assessment results and high school test results ~~shall~~ must be available to districts for diagnostic purposes affecting student learning and district instruction and curriculum, and for establishing educational accountability. ~~The commissioner must establish empirically derived benchmarks on adaptive assessments in grades 3 through 8.~~ The commissioner, in consultation with the chancellor of the Minnesota State Colleges and Universities, must establish empirically derived benchmarks on the high school tests that reveal a trajectory toward career and college readiness consistent with section 136F.302, subdivision 1a. The commissioner must disseminate to the public the ~~computer-adaptive assessments and~~ high school test results upon receiving those results.

(n) The grades 3 through 8 computer-adaptive assessments and high school tests must be aligned with state academic standards. The commissioner ~~shall~~ must determine the testing process and the order of administration. The statewide results ~~shall~~ must be aggregated at the site and district level, consistent with subdivision 1a.

(o) The commissioner ~~shall~~ must include the following components in the statewide public reporting system:

(1) uniform statewide computer-adaptive assessments of all students in grades 3 through 8 and testing at the high school levels that provides appropriate, technically sound accommodations or alternate assessments;

(2) educational indicators that can be aggregated and compared across school districts and across time on a statewide basis, including average daily attendance, high school graduation rates, and high school drop-out rates by age and grade level;

(3) state results on the American College Test; and

(4) state results from participation in the National Assessment of Educational Progress so that the state can benchmark its performance against the nation and other states, and, where possible, against other countries, and contribute to the national effort to monitor achievement.

(p) For purposes of statewide accountability, "career and college ready" means a high school graduate has the knowledge, skills, and competencies to successfully pursue a career pathway, including postsecondary credit leading to a degree, diploma, certificate, or industry-recognized credential and employment. Students who are career and college ready are able to successfully

complete credit-bearing coursework at a two- or four-year college or university or other credit-bearing postsecondary program without need for remediation.

(q) For purposes of statewide accountability, "cultural competence," "cultural competency," or "culturally competent" means the ability of families and educators to interact effectively with people of different cultures, native languages, and socioeconomic backgrounds.

EFFECTIVE DATE. Paragraph (a) is effective for testing calendars in the 2021-2022 school year and later.

Sec. 7. Minnesota Statutes 2018, section 120B.30, subdivision 3, is amended to read:

Subd. 3. **Reporting.** (a) The commissioner ~~shall~~ must report test results publicly and to stakeholders, including the performance achievement levels developed from students' unweighted test scores in each tested subject and a listing of demographic factors that strongly correlate with student performance, including student homelessness, as data are available, among other factors. The test results must not include personally identifiable information as defined in Code of Federal Regulations, title 34, section 99.3. The commissioner ~~shall~~ must also report data that compares performance results among school sites, school districts, Minnesota and other states, and Minnesota and other nations.

(b) The commissioner ~~shall~~ must disseminate to schools and school districts a more comprehensive report containing testing information that meets local needs for evaluating instruction and curriculum. The commissioner ~~shall~~ must disseminate to charter school authorizers a more comprehensive report containing testing information that contains anonymized data where cell count data are sufficient to protect student identity and that meets the authorizer's needs in fulfilling its obligations under chapter 124E.

(c) A school district must disseminate the individual student performance data and achievement report required under section 120B.30, subdivision 1a, paragraph (d), clause (1), to the parent and teacher of each student no more than 30 days after the district has administered the test to a student. The district must notify the parent and teacher that the data and report are preliminary and subject to validation.

(d) A school district must disseminate a testing report to the teacher and to the parent of each student before the beginning of the following school year. The testing report must:

- (1) identify the student's achievement level in each content area; and
- (2) track the student's performance history.

EFFECTIVE DATE. Paragraphs (a), (b), and (c) are effective for the 2019-2020 school year and later. Paragraph (d) is effective for the 2020-2021 school year and later.

Sec. 8. Minnesota Statutes 2018, section 120B.35, subdivision 3, is amended to read:

Subd. 3. **State growth target; other state measures.** (a)(1) The state's educational assessment system measuring individual students' educational growth is based on indicators of achievement

growth that show an individual student's prior achievement. Indicators of achievement and prior achievement must be based on highly reliable statewide or districtwide assessments.

(2) For purposes of paragraphs (b), (c), and (d), the commissioner must analyze and report separate categories of information using the student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and, in addition to "other" for each race and ethnicity, and the Karen community, seven of the most populous Asian and Pacific Islander groups, three of the most populous Native groups, seven of the most populous Hispanic/Latino groups, and five of the most populous Black and African Heritage groups as determined by the total Minnesota population based on the most recent American Community Survey; English learners under section 124D.59; home language; free or reduced-price lunch; and all students enrolled in a Minnesota public school who are currently or were previously in foster care, except that such disaggregation and cross tabulation is not required if the number of students in a category is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual student.

(b) The commissioner, in consultation with a stakeholder group that includes assessment and evaluation directors, district staff, experts in culturally responsive teaching, and researchers, must implement a growth model that uses a value-added growth indicator and that compares the difference in students' achievement scores over time, and includes criteria for identifying schools and school districts that demonstrate medium and high growth under section 120B.299, subdivisions 8 and 9, and may recommend other value-added measures under section 120B.299, subdivision 3 academic progress. The model may be used to advance educators' professional development and replicate programs that succeed in meeting students' diverse learning needs. Data on individual teachers generated under the model are personnel data under section 13.43. The model must allow users to:

(1) report student growth consistent with this paragraph; and

(2) for all student categories, report and compare aggregated and disaggregated state student growth and, under section 120B.11, subdivision 2, clause (2), student learning and outcome data using the student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and other student categories under paragraph (a), clause (2).

The commissioner must report measures of student growth and, under section 120B.11, subdivision 2, clause (2), student learning and outcome data, consistent with this paragraph, including the English language development, academic progress, and oral academic development of English learners and their native language development if the native language is used as a language of instruction, and include data on all pupils enrolled in a Minnesota public school course or program who are currently or were previously counted as an English learner under section 124D.59.

(c) When reporting student performance under section 120B.36, subdivision 1, the commissioner annually, beginning July 1, 2011, must report two core measures indicating the extent to which current high school graduates are being prepared for postsecondary academic and career opportunities:

(1) a preparation measure indicating the number and percentage of high school graduates in the most recent school year who completed course work important to preparing them for postsecondary academic and career opportunities, consistent with the core academic subjects required for admission

to Minnesota's public colleges and universities as determined by the Office of Higher Education under chapter 136A; and

(2) a rigorous coursework measure indicating the number and percentage of high school graduates in the most recent school year who successfully completed one or more college-level advanced placement, international baccalaureate, postsecondary enrollment options including concurrent enrollment, other rigorous courses of study under section 120B.021, subdivision 1a, or industry certification courses or programs.

When reporting the core measures under clauses (1) and (2), the commissioner must also analyze and report separate categories of information using the student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and other student categories under paragraph (a), clause (2).

(d) When reporting student performance under section 120B.36, subdivision 1, the commissioner annually, beginning July 1, 2014, must report summary data on school safety and students' engagement and connection at school, consistent with the student categories identified under paragraph (a), clause (2). The summary data under this paragraph are separate from and must not be used for any purpose related to measuring or evaluating the performance of classroom teachers. The commissioner, in consultation with qualified experts on student engagement and connection and classroom teachers, must identify highly reliable variables that generate summary data under this paragraph. The summary data may be used at school, district, and state levels only. Any data on individuals received, collected, or created that are used to generate the summary data under this paragraph are nonpublic data under section 13.02, subdivision 9.

(e) For purposes of statewide educational accountability, the commissioner must identify and report measures that demonstrate the success of learning year program providers under sections 123A.05 and 124D.68, among other such providers, in improving students' graduation outcomes. The commissioner, beginning July 1, 2015, must annually report summary data on:

- (1) the four- and six-year graduation rates of students under this paragraph;
- (2) the percent of students under this paragraph whose progress and performance levels are meeting career and college readiness benchmarks under section 120B.30, subdivision 1; and
- (3) the success that learning year program providers experience in:
 - (i) identifying at-risk and off-track student populations by grade;
 - (ii) providing successful prevention and intervention strategies for at-risk students;
 - (iii) providing successful recuperative and recovery or reenrollment strategies for off-track students; and
 - (iv) improving the graduation outcomes of at-risk and off-track students.

The commissioner may include in the annual report summary data on other education providers serving a majority of students eligible to participate in a learning year program.

(f) The commissioner, in consultation with recognized experts with knowledge and experience in assessing the language proficiency and academic performance of all English learners enrolled in a Minnesota public school course or program who are currently or were previously counted as an English learner under section 124D.59, must identify and report appropriate and effective measures to improve current categories of language difficulty and assessments, and monitor and report data on students' English proficiency levels, program placement, and academic language development, including oral academic language.

(g) When reporting four- and six-year graduation rates, the commissioner or school district must disaggregate the data by student categories according to paragraph (a), clause (2).

(h) A school district must inform parents and guardians that volunteering information on student categories not required by the most recent reauthorization of the Elementary and Secondary Education Act is optional and will not violate the privacy of students or their families, parents, or guardians. The notice must state the purpose for collecting the student data.

Sec. 9. Minnesota Statutes 2018, section 120B.36, subdivision 1, is amended to read:

Subdivision 1. **School performance reports and public reporting.** (a) The commissioner shall report:

(1) student academic performance data under section 120B.35, subdivisions 2 and 3;

~~the percentages of students showing low, medium, and high growth under section 120B.35, subdivision 3, paragraph (b)~~ (2) academic progress consistent with federal expectations;

(3) school safety and student engagement and connection under section 120B.35, subdivision 3, paragraph (d);

(4) rigorous coursework under section 120B.35, subdivision 3, paragraph (c);

(5) the percentage of students under section 120B.35, subdivision 3, paragraph (b), clause (2), whose progress and performance levels are meeting career and college readiness benchmarks under sections 120B.30, subdivision 1, and 120B.35, subdivision 3, paragraph (e);

(6) longitudinal data on the progress of eligible districts in reducing disparities in students' academic achievement and realizing racial and economic integration under section 124D.861;

(7) the acquisition of English, and where practicable, native language academic literacy, including oral academic language, and the academic progress of all English learners enrolled in a Minnesota public school course or program who are currently or were previously counted as English learners under section 124D.59;

(8) the percentage of students who graduated in the previous school year who correctly answered at least 30 of 50 civics test questions in accordance with section 120B.02, subdivision 3;

(9) two separate student-to-teacher ratios that clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of determining these ratios;

(10) staff characteristics excluding salaries;

(11) student enrollment demographics;

(12) foster care status, including all students enrolled in a Minnesota public school course or program who are currently or were previously in foster care, student homelessness, and district mobility; and

(13) extracurricular activities.

(b) The school performance report for a school site and a school district must include school performance reporting information and calculate proficiency rates as required by the most recently reauthorized Elementary and Secondary Education Act.

(c) The commissioner shall develop, annually update, and post on the department website school performance reports consistent with paragraph (a) and section 120B.11.

(d) The commissioner must make available performance reports by the beginning of each school year.

(e) A school or district may appeal its results in a form and manner determined by the commissioner and consistent with federal law. The commissioner's decision to uphold or deny an appeal is final.

(f) School performance data are nonpublic data under section 13.02, subdivision 9, until the commissioner publicly releases the data. The commissioner shall annually post school performance reports to the department's public website no later than September 1, except that in years when the reports reflect new performance standards, the commissioner shall post the school performance reports no later than October 1.

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 10. **[121A.223] POSSESSION AND USE OF SUNSCREEN.**

A school district must allow a student to possess and apply a topical sunscreen product during the school day, while on school property, or at a school-sponsored event without a prescription, physician's note, or other documentation from a licensed health care professional. A school district may adopt a policy related to student possession and use of sunscreen consistent with this section. Nothing in this section requires school personnel to provide sunscreen or assist students in applying sunscreen.

Sec. 11. Minnesota Statutes 2018, section 123B.06, is amended to read:

123B.06 EVALUATION OF PUPIL GROWTH AND PROGRESS; PERMANENT RECORDS.

Each school district shall provide ~~a testing~~ an assessment program for the purpose of measuring pupil growth and for curriculum evaluation, as well as a system for grading and making reports to parents. Each district shall develop an appropriate program of pupil progress and promotion that may include competency-based education as described in section 120B.02, subdivision 1a, for its elementary, middle, and secondary schools. Each district shall keep accurate and complete individual, permanent, cumulative personal records for all pupils.

Sec. 12. Minnesota Statutes 2018, section 124D.09, subdivision 3, is amended to read:

Subd. 3. **Definitions.** For purposes of this section, the following terms have the meanings given to them.

(a) "Eligible institution" means a Minnesota public postsecondary institution, a private, nonprofit two-year trade and technical school granting associate degrees, an opportunities industrialization center accredited by ~~the North Central Association of Colleges and Schools~~ an accreditor recognized by the United States Department of Education, or a private, residential, two-year or four-year, liberal arts, degree-granting college or university located in Minnesota.

(b) "Course" means a course or program.

(c) "Concurrent enrollment" means nonsectarian courses in which an eligible pupil under subdivision 5 or 5b enrolls to earn both secondary and postsecondary credits, are taught by a secondary teacher or a postsecondary faculty member, and are offered at a high school for which the district is eligible to receive concurrent enrollment program aid under section 124D.091.

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

Sec. 13. Minnesota Statutes 2018, section 124D.09, subdivision 5b, is amended to read:

Subd. 5b. **Authorization; 9th or 10th grade pupil.** Notwithstanding any other law to the contrary, a 9th or 10th grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to enroll in nonsectarian courses offered under subdivision 10, if:

(1) the school district and the eligible postsecondary institution providing the course agree to the student's enrollment; ~~or~~

(2) the course is a world language course currently available to 11th and 12th grade students, and consistent with section 120B.022 governing world language standards, certificates, and seals; or

(3) the course is offered as part of a commissioner-approved P-TECH school under section 124D.093.

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 14. Minnesota Statutes 2018, section 124D.09, subdivision 8, is amended to read:

Subd. 8. **Limit on participation.** (a) A pupil who first enrolls in grade 9 may not enroll in postsecondary courses under this section for secondary credit for more than the equivalent of four academic years. A pupil who first enrolls in grade 10 may not enroll in postsecondary courses under this section for secondary credit for more than the equivalent of three academic years. A pupil who first enrolls in grade 11 may not enroll in postsecondary courses under this section for secondary credit for more than the equivalent of two academic years. A pupil who first enrolls in grade 12 may not enroll in postsecondary courses under this section for secondary credit for more than the equivalent of one academic year. If a pupil in grade 9, 10, 11, or 12 first enrolls in a postsecondary course for

secondary credit during the school year, the time of participation shall be reduced proportionately. If a pupil is in a learning year or other year-round program and begins each grade in the summer session, summer sessions shall not be counted against the time of participation. If a school district determines a pupil is not on track to graduate, the limit on participation does not apply to that pupil. A pupil who has graduated from high school cannot participate in a program under this section.

(b) A pupil who has completed course requirements for graduation but who has not received a diploma may participate in the program under this section.

(c) Subdivision 8, paragraph (a), does not apply to pupils enrolled in a P-TECH school under section 124D.093.

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 15. Minnesota Statutes 2018, section 124D.09, subdivision 14, is amended to read:

Subd. 14. **Grants and financial aid prohibited.** A pupil enrolled in a postsecondary course for secondary credit is not eligible for any state student financial aid under chapter 136A for that course.

EFFECTIVE DATE. This section is effective for fiscal year 2020 and later.

Sec. 16. Minnesota Statutes 2018, section 124D.091, subdivision 3, is amended to read:

Subd. 3. **Aid.** An eligible district shall receive \$150 per pupil enrolled in a concurrent enrollment course, including a P-TECH school under section 124D.093. The money must be used to defray the cost of delivering the course at the high school. The commissioner ~~shall~~ must establish application procedures and deadlines for receipt of aid payments.

EFFECTIVE DATE. This section is effective for fiscal year 2020 and later.

Sec. 17. **[124D.093] P-TECH SCHOOLS.**

Subdivision 1. **Establishment.** (a) P-TECH schools are established as a public-private partnership that will prepare students for high-skill jobs of the future in identified growth industries.

(b) The P-TECH school model must deliver five core benefits to students:

(1) a rigorous, relevant, and cost-free education in grades 9 to 14, inclusive, focused on knowledge and skills that students need for science, technology, engineering, and mathematics (STEM) careers;

(2) workplace learning that includes mentoring by industry professionals, worksite visits, speakers, and internships;

(3) intensive, individualized academic support by both secondary and postsecondary faculty within an academic year or school day that enables students to progress through the program at their own pace;

(4) an opportunity to earn an associate's degree; and

(5) a commitment to students who complete the program to be first in line for a job with participating business partners following completion of the program.

Subd. 2. **Objectives.** (a) P-TECH schools must accomplish the following:

(1) develop programs of study in high-wage, high-skill, and high-demand career areas;

(2) align school, college, and community systems in the programs of study developed under this section;

(3) support strong academic performance by program participants;

(4) promote informed and appropriate career choices and preparation; and

(5) ensure that employers in key technical fields have access to a talented and skilled workforce.

(b) Through the programs of study developed under this section, participating students must be able to earn college course credit toward an associate's degree. Career pathways will begin in grade 9 and must include workplace learning, high school, and postsecondary coursework. These pathways will provide a seamless sequence of study, extending through two years of postsecondary career and technical education, and culminating in an associate's degree.

Subd. 3. **Application process.** The commissioner must determine the form and manner of application for a school to be designated a P-TECH school. The application must contain at least the following information:

(1) the written agreement between a public school, a higher education institution under section 124D.09, subdivision 3, paragraph (a), and a business partner to jointly develop and support a P-TECH school;

(2) a proposed school design consistent with subdivisions 1 and 2;

(3) a description of how the P-TECH school supports the needs of the economic development region in which the P-TECH school is to be located;

(4) a description of the facilities to be used by the P-TECH school;

(5) a description of proposed budgets, curriculum, transportation plans, and other operating procedures for the P-TECH school;

(6) the process by which students will be enrolled in the P-TECH school;

(7) the qualifications required for individuals employed in the P-TECH school; and

(8) any additional information that the commissioner requires.

Subd. 4. **Approval process.** (a) The commissioner of education must appoint an advisory committee to review the applications and to recommend approval for those applications that meet the requirements of this section. The commissioner of education has final authority over application approvals.

(b) The commissioner may approve one P-TECH school per economic development region.

(c) The commissioner must first begin approving applications for a P-TECH school enrolling students in the 2020-2021 school year or later.

Subd. 5. P-TECH support grants. When an appropriation is available, each P-TECH school is eligible for a grant to support start-up and ongoing program costs, which may include, but are not limited to, recruitment, student support, program materials, and P-TECH school liaisons. An approved P-TECH school is eligible to receive a grant to support start-up costs the year before first enrolling P-TECH students.

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 18. Minnesota Statutes 2018, section 124D.12, is amended to read:

124D.12 PURPOSE OF FLEXIBLE LEARNING YEAR PROGRAMS.

Sections 124D.12 to 124D.127 authorize districts to evaluate, plan and employ the use of flexible learning year programs. It is anticipated that the open selection of the type of flexible learning year operation from a variety of alternatives will allow each district seeking to utilize this concept to suitably fulfill the educational needs of its pupils. These alternatives must include, but not be limited to, various 45-15 plans, four-quarter plans, quinmester plans, extended learning year plans, and flexible all-year plans. ~~A school district with an approved four-day week plan in the 2014-2015 school year may continue under a four-day week plan through the end of the 2019-2020 school year. Future approvals are contingent upon meeting the school district's performance goals established in the district's plan under section 120B.11. The commissioner must give a school district one school year's notice before revoking approval of its flexible learning year program.~~

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 19. Minnesota Statutes 2018, section 124D.121, is amended to read:

124D.121 DEFINITION OF FLEXIBLE LEARNING YEAR PROGRAM.

"Flexible learning year program" means any district plan approved by the ~~commissioner~~ school board that utilizes buildings and facilities during the entire year or that provides forms of optional scheduling of pupils and personnel during the learning year in elementary and secondary schools or residential facilities for children with a disability.

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 20. Minnesota Statutes 2018, section 124D.122, is amended to read:

124D.122 ESTABLISHMENT OF FLEXIBLE LEARNING YEAR PROGRAM.

The board of any district or a consortium of districts, ~~with the approval of the commissioner,~~ may establish and operate a flexible learning year program in one or more of the day or residential facilities for children with a disability within the district. Consortiums may use a single ~~application~~ and evaluation process, though results, public hearings, and board approvals must be obtained for each district as required under appropriate sections. ~~The commissioner must approve or disapprove~~

~~of a flexible learning year application within 45 business days of receiving the application. If the commissioner disapproves the application, the commissioner must give the district or consortium detailed reasons for the disapproval.~~

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 21. Minnesota Statutes 2018, section 124D.126, subdivision 1, is amended to read:

Subdivision 1. **Powers and duties.** The commissioner must:

(1) ~~promulgate rules necessary to the operation of sections 124D.12 to 124D.127;~~

~~(2) cooperate with and provide supervision of flexible learning year programs to determine compliance with the provisions of sections 124D.12 to 124D.127, the commissioner's standards and qualifications, and the proposed program as submitted and approved;~~

~~(3) provide any necessary adjustments of (a) attendance and membership computations and (b) the dates and percentages of apportionment of state aids; and~~

~~(4) (2) consistent with the definition of "average daily membership" in section 126C.05, subdivision 8, furnish the board of a district implementing a flexible learning year program with a formula for computing average daily membership. This formula must be computed so that tax levies to be made by the district, state aids to be received by the district, and any and all other formulas based upon average daily membership are not affected solely as a result of adopting this plan of instruction.~~

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 22. Minnesota Statutes 2018, section 124D.127, is amended to read:

124D.127 TERMINATION OF FLEXIBLE LEARNING YEAR PROGRAM.

~~The board of any district, with the approval of the commissioner of education, may terminate a flexible learning year program in one or more of the day or residential facilities for children with a disability within the district. This section shall not be construed to permit an exception to section 120A.22, 127A.41, subdivision 7, or 127A.43.~~

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 23. Minnesota Statutes 2018, section 124D.34, subdivision 2, is amended to read:

Subd. 2. **Creation of foundation.** There is created the Minnesota Foundation for Student Organizations. The purpose of the foundation is to promote ~~vocational~~ career and technical student organizations and applied leadership opportunities in Minnesota public and nonpublic schools through public-private partnerships. The foundation is a nonprofit organization. The board of directors of the foundation and activities of the foundation are under the direction of the commissioner of education.

Sec. 24. Minnesota Statutes 2018, section 124D.34, subdivision 3, is amended to read:

Subd. 3. **Board of directors.** The board of directors of the Minnesota Foundation for Student Organizations consists of:

(1) seven members appointed by the board of directors of the ~~school-to-work~~ career and technical student organizations and chosen so that each represents one of the following career areas: agriculture, family and consumer sciences, service occupations, health occupations, marketing, business, and technical/industrial;

(2) seven members from business, industry, and labor appointed by the governor to staggered terms and chosen so that each represents one of the following career areas: agriculture, family and consumer sciences, service occupations, health occupations, marketing, business, and technical/industrial;

(3) five students or alumni of ~~school-to-work~~ career and technical student organizations representing diverse career areas, three from secondary student organizations, and two from postsecondary student organizations. The students or alumni shall be appointed by the criteria and process agreed upon by the executive directors of the ~~student-to-work~~ career and technical organizations; and

(4) four members from education appointed by the governor to staggered terms and chosen so that each represents one of the following groups: school district level administrators, secondary school administrators, middle school administrators, and postsecondary administrators.

Executive directors of ~~vocational~~ career and technical education student organizations are ex officio, nonvoting members of the board.

Sec. 25. Minnesota Statutes 2018, section 124D.34, subdivision 4, is amended to read:

Subd. 4. **Foundation programs.** The foundation shall advance applied leadership and intracurricular ~~vocational~~ career and technical learning experiences for students. These may include, but are not limited to:

(1) recognition programs and awards for students demonstrating excellence in applied leadership;

(2) summer programs for student leadership, career development, applied academics, and mentorship programs with business and industry;

(3) recognition programs for teachers, administrators, and others who make outstanding contributions to ~~school-to-work~~ career and technical programs;

(4) outreach programs to increase the involvement of urban and suburban students;

(5) organized challenges requiring cooperation and competition for secondary and postsecondary students;

(6) assistance and training to community teams to increase career awareness and empowerment of youth as community leaders; and

(7) assessment and activities in order to plan for and implement continuous improvement.

To the extent possible, the foundation shall make these programs available to students in all parts of the state.

Sec. 26. Minnesota Statutes 2018, section 124D.34, subdivision 5, is amended to read:

Subd. 5. **Powers and duties.** The foundation may:

(1) identify and plan common goals and priorities for the various ~~school-to-work~~ career and technical student organizations in Minnesota;

(2) publish brochures or booklets relating to the purposes of the foundation and collect reasonable fees for the publications;

(3) seek and receive public and private money, grants, and in-kind services and goods from nonstate sources for the purposes of the foundation, without complying with section 16A.013, subdivision 1;

(4) contract with consultants on behalf of the ~~school-to-work~~ career and technical student organizations;

(5) plan, implement, and expend money for awards and other forms of recognition for ~~school-to-work~~ career and technical student programs; and

(6) identifying an appropriate name for the foundation.

Sec. 27. Minnesota Statutes 2018, section 124D.34, subdivision 8, is amended to read:

Subd. 8. **Public funding.** The state shall identify and secure appropriate funding for the basic staffing of the foundation and individual student ~~school-to-work~~ career and technical student organizations at the state level.

Sec. 28. Minnesota Statutes 2018, section 124D.34, subdivision 12, is amended to read:

Subd. 12. **Student organizations.** Individual boards of ~~vocational~~ career and technical education student organizations shall continue their operations in accordance with section 124D.355 and applicable federal law.

Sec. 29. Minnesota Statutes 2018, section 124D.78, subdivision 2, is amended to read:

Subd. 2. **Resolution of concurrence.** Prior to March 1, the school board or American Indian school must submit to the department a copy of a resolution adopted by the American Indian education parent advisory committee. The copy must be signed by the chair of the committee and must state whether the committee concurs with the educational programs for American Indian students offered by the school board or American Indian school. If the committee does not concur with the educational programs, the reasons for nonconcurrence and recommendations shall be submitted directly to the school board with the resolution. By resolution, the board must respond in writing within 60 days, in cases of nonconcurrence, to each recommendation made by the committee and state its reasons for not implementing the recommendations.

Sec. 30. Minnesota Statutes 2018, section 124D.862, subdivision 1, is amended to read:

Subdivision 1. **Initial achievement and integration revenue.** (a) An eligible district's initial achievement and integration revenue equals the lesser of 100.3 percent of the district's expenditures under the budget approved by the commissioner under section 124D.861, subdivision 3, paragraph (c), excluding expenditures used to generate incentive revenue under subdivision 2, or the sum of (1) \$350 times the district's adjusted pupil units for that year times the ratio of the district's enrollment of protected students for the previous school year to total enrollment for the previous school year and (2) the greater of zero or 66 percent of the difference between the district's integration revenue for fiscal year 2013 and the district's integration revenue for fiscal year 2014 under clause (1).

(b) In each year, an amount equal to 0.3 percent of each district's initial achievement and integration revenue for the second prior fiscal year is transferred to the department for the oversight and accountability activities required under this section and section 124D.861.

Sec. 31. Minnesota Statutes 2018, section 124D.98, is amended by adding a subdivision to read:

Subd. 4. **Medium and high growth.** (a) The definitions in this subdivision apply to this section.

(b) "Medium growth" is an assessment score within one-half standard deviation above or below the average year-two assessment scores for students with similar year-one assessment scores.

(c) "High growth" is an assessment score one-half standard deviation or more above the average year-two assessment scores for students with similar year-one assessment scores.

Sec. 32. Laws 2016, chapter 189, article 25, section 62, subdivision 15, is amended to read:

Subd. 15. **Certificate incentive funding.** (a) For the certificate incentive program:

~~\$1,000,000~~ 139,000 2017

(b) This is a onetime appropriation. This appropriation is available until June 30, 2019. \$861,000 of the initial fiscal year 2017 appropriation is canceled to the general fund on June 29, 2019.

Sec. 33. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 14, is amended to read:

Subd. 14. **Singing-based pilot program to improve student reading.** (a) For a grant to pilot a research-supported, computer-based educational program that uses singing to improve the reading ability of students in grades 2 through 5:

\$ ~~500,000~~ 270,000 2018
\$ 0 2019

(b) The commissioner of education shall award a grant to the Rock 'n' Read Project to implement a research-supported, computer-based educational program that uses singing to improve the reading ability of students in grades 2 through 5. The grantee shall be responsible for selecting participating school sites; providing any required hardware and software, including software licenses, for the duration of the grant period; providing technical support, training, and staff to install required project hardware and software; providing on-site professional development and instructional monitoring and support for school staff and students; administering preintervention and postintervention reading assessments; evaluating the impact of the intervention; and other project management services as

required. To the extent practicable, the grantee must select participating schools in urban, suburban, and greater Minnesota, and give priority to schools in which a high proportion of students do not read proficiently at grade level and are eligible for free or reduced-price lunch.

(c) By February 15, 2019, the grantee must submit a report detailing expenditures and outcomes of the grant to the commissioner of education and the chairs and ranking minority members of the legislative committees with primary jurisdiction over kindergarten through grade 12 education policy and finance.

(d) This is a onetime appropriation. \$230,000 of the initial fiscal year 2018 appropriation is canceled to the general fund on June 30, 2019.

Sec. 34. **COLLABORATIVE SUMMER INTENSIVE PROGRAM.**

An intensive summer school program for students in grades 5 through 8 is established in six school districts. The school districts of Ely, Independent School District No. 696; St. Louis County, Independent School District No. 2142; Mesabi East, Independent School District No. 2711; Mountain Iron-Buhl, Independent School District No. 712; Chisholm, Independent School District No. 695; and Hibbing, Independent School District No. 701; must collaborate to provide a summer school program that includes vocational, academic, fine arts, and recreational programming in each of the school districts over a three-week period spread throughout the summer, as long as appropriated grant funds are available.

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

Sec. 35. **CURSIVE HANDWRITING.**

As part of the English language arts standards review during the 2019-2020 school year, the commissioner of education must develop an elementary English language arts model curriculum that is designed to enable students to develop legible cursive handwriting skills by the end of grade 5. The commissioner must include instructional materials in the model curriculum.

Sec. 36. **MINNESOTA READS ACTION COUNCIL.**

Subdivision 1. **Establishment.** The commissioner of education may establish the Minnesota Reads action council.

Subd. 2. **Membership.** The Minnesota Reads action council must consist of 26 public members.

Subd. 3. **Public members.** (a) The commissioner must appoint, in the manner provided in Minnesota Statutes, section 15.0597, 26 public members, including the following:

- (1) two early childhood teachers;
- (2) three reading specialists;
- (3) two adult basic education literacy teachers;
- (4) one licensed school media specialist;

- (5) one school board member;
- (6) one member representing public libraries;
- (7) two literacy researchers;
- (8) one member representing Minnesota teacher preparation programs;
- (9) one member representing the Minnesota Parent Teacher Association;
- (10) one member representing public health;
- (11) one member representing Decoding Dyslexia;
- (12) two school administrators;
- (13) two parents or guardians of elementary-aged children;
- (14) two students;
- (15) one member representing the Minnesota Literacy Council;
- (16) one member representing Minnesota Reading Corps; and
- (17) two members representing Minnesota businesses.

(b) Council membership must include, where possible, representation that is racially, culturally, linguistically, geographically, and economically diverse.

(c) The first appointments must be made by August 15, 2019.

Subd. 4. **Term.** Members of the council must serve until the council's expiration.

Subd. 5. **Administration.** The commissioner or the commissioner's designee must provide meeting space and administrative services for the council. The Department of Education dyslexia specialist must provide technical assistance to the action council on request. The commissioner or the commissioner's designee must convene the first meeting of the council no later than September 15, 2019.

Subd. 6. **Chairs.** At the council's first meeting, the members must elect a chair and a vice-chair whose duties shall be established by the council. The council's chair must be a member with substantial professional and academic expertise in literacy pedagogy or research.

Subd. 7. **Meeting.** The council must meet periodically.

Subd. 8. **No compensation; expenses.** Public members of the council serve without compensation but are eligible for reimbursement for expenses consistent with Minnesota Statutes, section 15.059, subdivision 6.

Subd. 9. **Duties.** The council must consult with and advise the commissioner on matters related to the development, implementation, and evaluation of programs designed to increase the reading

proficiency of children and adults, including early childhood programs, programs for school-age children, and programs for adult learners. The council must advise the commissioner on strategies to (1) meet or exceed a 90 percent rate of reading proficiency on the Minnesota Comprehensive Assessments no later than 2025, and (2) meet the legislature's goal of every student reading at or above grade level no later than the end of grade 3 under Minnesota Statutes, section 120B.12.

Subd. 10. **Report.** (a) By February 15, 2020, the council must submit to the chairs and ranking minority members of the committees of the senate and the house of representatives with primary jurisdiction over prekindergarten through grade 12 education a report containing:

(1) the council's rigorous assessment of the state's literacy programs for children and adults;

(2) the council's rigorous assessment of the state's literacy outcomes for children and adults;

(3) recommendations for legislative action, with draft legislation to implement the recommendations; and

(4) a plan for a strategic statewide campaign to eliminate child and adult illiteracy.

(b) The Department of Education must publish the report on the department's website.

Subd. 11. **Agency coordination.** The council must consult with other state agencies and organizations with an interest in child and adult literacy and advise the commissioner on strategies to better coordinate state literacy programs and resources.

Subd. 12. **Open meetings.** The council is subject to the requirements of Minnesota Statutes, chapter 13D.

Subd. 13. **Expiration.** The council expires on February 16, 2020.

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

Sec. 37. **REPORT ON THE SAFETY OF YOUTH IN SKILLED TRADES.**

The commissioner of labor and industry must study ways to allow for the safety of middle and high school aged students who receive hands-on training in skilled trades, including on location at construction sites. The report must identify safety precautions that should be undertaken, including proposed legislation, if any. The commissioner must report to the chairs and ranking minority members of legislative committees with jurisdiction over labor and industry and kindergarten through grade 12 by January 15, 2020.

Sec. 38. **APPROPRIATIONS.**

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

Subd. 2. **Achievement and integration aid.** For achievement and integration aid under Minnesota Statutes, section 124D.862:

\$	<u>80,201,000</u>	<u>.....</u>	<u>2020</u>
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\$ 83,003,000 2021

The 2020 appropriation includes \$7,059,000 for 2019 and \$73,142,000 for 2020.

The 2021 appropriation includes \$8,091,000 for 2020 and \$74,912,000 for 2021.

Subd. 3. **Literacy incentive aid.** For literacy incentive aid under Minnesota Statutes, section 124D.98:

\$ 45,304,000 2020

\$ 45,442,000 2021

The 2020 appropriation includes \$4,582,000 for 2019 and \$40,722,000 for 2020.

The 2021 appropriation includes \$4,524,000 for 2020 and \$40,918,000 for 2021.

Subd. 4. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

\$ 13,874,000 2020

\$ 14,589,000 2021

Subd. 5. **Tribal contract schools.** For tribal contract school aid under Minnesota Statutes, section 124D.83:

\$ 1,825,000 2020

\$ 1,779,000 2021

The 2020 appropriation includes \$299,000 for 2019 and \$1,526,000 for 2020.

The 2021 appropriation includes \$169,000 for 2020 and \$1,610,000 for 2021.

Subd. 6. **American Indian education aid.** For American Indian education aid under Minnesota Statutes, section 124D.81, subdivision 2a:

\$ 9,515,000 2020

\$ 9,673,000 2021

The 2020 appropriation includes \$960,000 for 2019 and \$8,555,000 for 2020.

The 2021 appropriation includes \$950,000 for 2020 and \$8,723,000 for 2021.

Subd. 7. **Early childhood literacy programs.** (a) For early childhood literacy programs under Minnesota Statutes, section 119A.50, subdivision 3:

\$ 7,950,000 2020

\$ 7,950,000 2021

(b) Up to \$7,950,000 each year is for leveraging federal and private funding to support AmeriCorps members serving in the Minnesota reading corps program established by ServeMinnesota, including costs associated with training and teaching early literacy skills to children

ages three through grade 3 and evaluating the impact of the program under Minnesota Statutes, sections 124D.38, subdivision 2, and 124D.42, subdivision 6.

(c) Any balance in the first year does not cancel but is available in the second year.

(d) The base for fiscal year 2022 is \$8,100,000.

Subd. 8. **Concurrent enrollment program.** (a) For concurrent enrollment programs under Minnesota Statutes, section 124D.091:

<u>\$</u>	<u>4,000,000</u>	<u>.....</u>	<u>2020</u>
<u>\$</u>	<u>4,000,000</u>	<u>.....</u>	<u>2021</u>

(b) If the appropriation is insufficient, the commissioner must proportionately reduce the aid payment to each district.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 9. **ServeMinnesota program.** (a) For funding ServeMinnesota programs under Minnesota Statutes, sections 124D.37 to 124D.45:

<u>\$</u>	<u>900,000</u>	<u>.....</u>	<u>2020</u>
<u>\$</u>	<u>900,000</u>	<u>.....</u>	<u>2021</u>

(b) A grantee organization may provide health and child care coverage to the dependents of each participant enrolled in a full-time ServeMinnesota program to the extent such coverage is not otherwise available.

Subd. 10. **Student organizations.** (a) For student organizations:

<u>\$</u>	<u>768,000</u>	<u>.....</u>	<u>2020</u>
<u>\$</u>	<u>768,000</u>	<u>.....</u>	<u>2021</u>

(b) \$46,000 each year is for student organizations serving health occupations (HOSA).

(c) \$100,000 each year is for student organizations serving trade and industry occupations (Skills USA, secondary and postsecondary).

(d) \$95,000 each year is for student organizations serving business occupations (BPA, secondary and postsecondary).

(e) \$193,000 each year is for student organizations serving agriculture occupations (FFA, PAS).

(f) \$185,000 each year is for student organizations serving family and consumer science occupations (FCCLA). Notwithstanding Minnesota Rules, part 3505.1000, subparts 28 and 31, the student organizations serving FCCLA shall continue to serve students younger than grade 9.

(g) \$109,000 each year is for student organizations serving marketing occupations (DECA and DECA collegiate).

(h) \$40,000 each year is for the Minnesota Foundation for Student Organizations.

(i) Any balance in the first year does not cancel but is available in the second year.

Subd. 11. **Museums and education centers.** (a) For grants to museums and education centers:

<u>\$</u>	<u>491,000</u>	<u>.....</u>	<u>2020</u>
<u>\$</u>	<u>491,000</u>	<u>.....</u>	<u>2021</u>

(b) \$319,000 each year is for the Minnesota Children's Museum. Of the amount in this paragraph, \$50,000 each year is for the Minnesota Children's Museum, Rochester.

(c) \$50,000 each year is for the Duluth Children's Museum.

(d) \$41,000 each year is for the Minnesota Academy of Science.

(e) \$50,000 each year is for the Headwaters Science Center.

(f) \$31,000 in fiscal years 2020 and 2021 only is for the Judy Garland Museum for the Children's Discovery Museum of Grand Rapids.

(g) Any balance in the first year does not cancel but is available in the second year.

(h) The base for fiscal year 2022 is \$460,000.

Subd. 12. **Recovery program grants.** For recovery program grants under Minnesota Statutes, section 124D.695:

<u>\$</u>	<u>750,000</u>	<u>.....</u>	<u>2020</u>
<u>\$</u>	<u>750,000</u>	<u>.....</u>	<u>2021</u>

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

Subd. 13. **Minnesota math corps program.** (a) For the Minnesota math corps program under Minnesota Statutes, section 124D.42, subdivision 9:

<u>\$</u>	<u>500,000</u>	<u>.....</u>	<u>2020</u>
<u>\$</u>	<u>500,000</u>	<u>.....</u>	<u>2021</u>

(b) The base for fiscal year 2022 is \$650,000. Any balance in the first year does not cancel but is available in the second year.

Subd. 14. **Minnesota Principals Academy.** (a) For grants to the University of Minnesota College of Education and Human Development for the operation of the Minnesota Principals Academy:

<u>\$</u>	<u>200,000</u>	<u>.....</u>	<u>2020</u>
<u>\$</u>	<u>200,000</u>	<u>.....</u>	<u>2021</u>

(b) Of these amounts, \$50,000 must be used to pay the costs of attendance for principals and school leaders from schools identified for intervention under the state's accountability system as implemented to comply with the federal Every Student Succeeds Act. To the extent funds are available, the Department of Education is encouraged to use up to \$200,000 of federal Title II funds

to support additional participation in the Principals Academy by principals and school leaders from schools identified for intervention under the state's accountability system as implemented to comply with the federal Every Student Succeeds Act.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 15. Charter school building lease aid. For building lease aid under Minnesota Statutes, section 124E.22:

\$	<u>85,279,000</u>	<u>.....</u>	<u>2020</u>
\$	<u>90,843,000</u>	<u>.....</u>	<u>2021</u>

The 2020 appropriation includes \$8,021,000 for 2019 and \$77,258,000 for 2020.

The 2021 appropriation includes \$8,584,000 for 2020 and \$82,259,000 for 2021.

Subd. 16. Statewide testing and reporting system. For the statewide testing and reporting system under Minnesota Statutes, section 120B.30:

\$	<u>10,892,000</u>	<u>.....</u>	<u>2020</u>
\$	<u>10,892,000</u>	<u>.....</u>	<u>2021</u>

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

Subd. 17. College entrance examination reimbursement. To reimburse districts for students who qualify under Minnesota Statutes, section 120B.30, subdivision 1, paragraph (e), for payment of their college entrance examination fee:

\$	<u>1,511,000</u>	<u>.....</u>	<u>2020</u>
\$	<u>1,511,000</u>	<u>.....</u>	<u>2021</u>

The commissioner must reimburse school districts for the costs for free or reduced-price meal eligible students who take the ACT or SAT test under Minnesota Statutes, section 120B.30, subdivision 1.

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

Subd. 18. Examination fees; teacher training and support programs. (a) For students' advanced placement and international baccalaureate examination fees under Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs for teachers and other interested educators under Minnesota Statutes, section 120B.13, subdivision 1:

\$	<u>4,500,000</u>	<u>.....</u>	<u>2020</u>
\$	<u>4,500,000</u>	<u>.....</u>	<u>2021</u>

(b) The advanced placement program shall receive 75 percent of the appropriation each year and the international baccalaureate program shall receive 25 percent of the appropriation each year. The department, in consultation with representatives of the advanced placement and international baccalaureate programs selected by the Advanced Placement Advisory Council and International Baccalaureate Minnesota, respectively, shall determine the amounts of the expenditures each year for examination fees and training and support programs for each program.

(c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least \$500,000 each year is for teachers to attend subject matter summer training programs and follow-up support workshops approved by the advanced placement or international baccalaureate programs. The amount of the subsidy for each teacher attending an advanced placement or international baccalaureate summer training program or workshop shall be the same. The commissioner shall determine the payment process and the amount of the subsidy.

(d) The commissioner shall pay all examination fees for all students of low-income families under Minnesota Statutes, section 120B.13, subdivision 3, and to the extent of available appropriations, shall also pay examination fees for students sitting for an advanced placement examination, international baccalaureate examination, or both.

(e) Any balance in the first year does not cancel but is available in the second year.

Subd. 19. Grants to increase science, technology, engineering, and math course offerings.

(a) For grants to schools to encourage low-income and other underserved students to participate in advanced placement and international baccalaureate programs according to Minnesota Statutes, section 120B.132:

\$	<u>250,000</u>	<u>.....</u>	<u>2020</u>
\$	<u>250,000</u>	<u>.....</u>	<u>2021</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 20. Rural career and technical education consortium. (a) For rural career and technical education consortium grants:

\$	<u>3,000,000</u>	<u>.....</u>	<u>2020</u>
\$	<u>3,000,000</u>	<u>.....</u>	<u>2021</u>

(b) If the appropriation in the first year is insufficient, the 2021 appropriation is available.

(c) The base for fiscal year 2022 is \$0.

Subd. 21. Online access to music education. (a) For a grant to the MacPhail Center for Music to broaden access to music education in rural Minnesota:

\$	<u>100,000</u>	<u>.....</u>	<u>2020</u>
\$	<u>100,000</u>	<u>.....</u>	<u>2021</u>

(b) The MacPhail Center must use the grants received under paragraph (a) to broaden access to music education in rural Minnesota. The program must supplement and enhance an existing program and may provide individual instruction, sectional ensembles, other group activities, workshops, and early childhood music activities. The MacPhail Center must design its program in consultation with music educators who teach in rural Minnesota. The grant may be used by the MacPhail Center for costs related to delivering online access to music education including employee costs, program evaluation, and technology expenses.

(c) Upon request from a school's music educator, the MacPhail Center may enter into an agreement with the school to provide a program according to paragraph (b). In an early childhood

setting, the MacPhail Center may provide a program upon a request initiated by an early childhood educator.

(d) By January 15 of each year, the MacPhail Center must prepare and submit a report to the legislature describing the online programs offered, program outcomes, the students served, an estimate of the unmet need for music education, and for calendar years 2020 and later, a detailed list of expenditures for the previous year.

(e) The base in fiscal year 2024 is zero.

Subd. 22. **ServeMinnesota programs at tribal contract and grant schools.** (a) For grants to ServeMinnesota to enhance reading and math corps programming at American Indian-controlled tribal contract and grant schools eligible for aid under Minnesota Statutes, section 124D.83:

\$	<u>208,000</u>	.....	<u>2020</u>
\$	<u>208,000</u>	.....	<u>2021</u>

(b) Any balance in the first year does not cancel, but is available in the second year. The base in fiscal year 2022 is zero.

Subd. 23. **Educational stability for students living in foster care.** For a pilot project to promote educational stability for students living in foster care under Laws 2017, First Special Session chapter 5, article 2, section 54:

\$	<u>1,000,000</u>	.....	<u>2020</u>
\$	<u>0</u>	.....	<u>2021</u>

Up to five percent of the appropriation may be used for state and local administrative costs such as reporting, technical support, and establishing a title IV-E reimbursement claiming process. This is a onetime appropriation and is available until June 30, 2021.

Subd. 24. **P-TECH schools.** (a) For P-TECH support grants under Minnesota Statutes, section 124D.093, subdivision 5:

\$	<u>1,500,000</u>	.....	<u>2020</u>
\$	<u>1,500,000</u>	.....	<u>2021</u>

(b) Grants must not exceed \$500,000 per P-TECH school, per fiscal year.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 25. **Sanneh Foundation.** (a) For a grant to the Sanneh Foundation:

\$	<u>1,000,000</u>	.....	<u>2020</u>
\$	<u>1,000,000</u>	.....	<u>2021</u>

(b) The grant must be used for programs for low-performing and chronically absent students with a focus on low-income students and students of color. The goals of the grants include decreasing absenteeism, encouraging school engagement, improving grades, and improving graduation rates. The grants may be used to:

(1) provide all-day, in-school academic and behavioral interventions and social and emotional learning throughout the school year;

(2) provide year-round, out-of-school behavioral, social, and emotional learning interventions and enrichment activities;

(3) enhance career exploration opportunities, including exposure to businesses and business activities; and

(4) develop pathways in cooperation with business higher education partners for participants to pursue careers in education and youth development.

(c) The base for fiscal year 2022 is \$0.

Subd. 26. Collaborative summer intensive program. (a) For the collaborative summer intensive program:

\$ 802,000 2020

(b) The six collaborating school districts must provide matching funds equal to the grant amount. The matching funds may be in cash or in-kind contributions.

(c) This is a onetime appropriation and is available until June 30, 2021.

Subd. 27. Vocational enrichment grant. (a) For a vocational enrichment grant to Independent School District No. 252, Fairmont:

\$ 25,000 2020

(b) The grant must be used for a vocational enrichment program that operates outside of the regular school day, including over weekends or the summer, to provide instruction in vocational courses, including courses in welding and construction trades.

(c) This is a onetime appropriation and is available until June 30, 2021.

Subd. 28. Race 2 Reduce. (a) For grants to support Race 2 Reduce water conservation programming in Minnesota schools:

\$ 50,000 2020

\$ 50,000 2021

(b) In each fiscal year, \$10,000 is for H2O for Life to provide project management and support, Minnesota GreenCorps member hosting, curriculum development and classroom instruction assistance, school outreach, and community volunteer training.

(c) In each fiscal year, \$30,000 is for Independent School District No. 624, White Bear Lake, for Race 2 Reduce curriculum development, teacher in-service training, service learning activities, and community public awareness events.

(d) In each fiscal year, \$10,000 is for competitive grants to schools to implement the water conservation curriculum and co-develop the central platform. Minnesota school districts or charter schools may apply to the commissioner in the form and manner determined by the commissioner.

(e) The base in fiscal year 2022 is zero.

Sec. 39. **REPEALER.**

(a) Minnesota Statutes 2018, section 120B.299, is repealed.

(b) Minnesota Rules, part 3500.1000, is repealed.

(c) Laws 2016, chapter 189, article 25, section 62, subdivision 16, is repealed.

(d) Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 15, is repealed.

EFFECTIVE DATE. Paragraphs (b), (c), and (d) are effective the day following final enactment.

ARTICLE 3

TEACHERS

Section 1. **[122A.051] CODE OF ETHICS.**

Subdivision 1. **Scope.** Each teacher, upon entering the teaching profession, assumes a number of obligations, one of which is to adhere to a set of principles that defines professional conduct. These principles are reflected in the code of ethics, which sets forth to the education profession and the public it serves standards of professional conduct. This code applies to all persons licensed according to rules established by the Professional Educator Licensing and Standards Board.

Subd. 2. **Standards of professional conduct.** (a) A teacher must provide professional education services in a nondiscriminatory manner, including not discriminating on the basis of political, ideological, or religious beliefs.

(b) A teacher must make a reasonable effort to protect students from conditions harmful to health and safety.

(c) In accordance with state and federal laws, a teacher must disclose confidential information about individuals only when a compelling professional purpose is served or when required by law.

(d) A teacher must take reasonable disciplinary action in exercising the authority to provide an atmosphere conducive to learning.

(e) A teacher must not use professional relationships with students, parents, and colleagues to personal advantage.

(f) A teacher must delegate authority for teaching responsibilities only to licensed personnel or as otherwise provided by law.

(g) A teacher must not deliberately suppress or distort subject matter.

(h) A teacher must not knowingly falsify or misrepresent records or facts relating to that teacher's own qualifications or to other teachers' qualifications.

(i) A teacher must not knowingly make false or malicious statements about students or colleagues.

(j) A teacher must accept a contract for a teaching position that requires licensing only if properly or provisionally licensed for that position.

(k) A teacher must not engage in any sexual conduct or contact with a student.

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

Sec. 2. Minnesota Statutes 2018, section 122A.07, is amended by adding a subdivision to read:

Subd. 6. **Public employer compensation reduction prohibited.** The public employer of a member shall not reduce the member's compensation or benefits because of the member's absence from employment when engaging in the business of the board.

Sec. 3. Minnesota Statutes 2018, section 122A.09, subdivision 2, is amended to read:

Subd. 2. **Advise members of profession.** (a) The Professional Educator Licensing and Standards Board must act in an advisory capacity to members of the profession in matters of interpretation of the code of ethics in section 122A.051.

(b) The board must develop a process for a school district or charter school to receive a written complaint about a teacher under the code of ethics and forward the complaint to the board. A school board must inform parents and guardians of students in the school district or charter school of their ability to submit a complaint to the school board under this section.

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

Sec. 4. Minnesota Statutes 2018, section 122A.092, subdivision 5, is amended to read:

Subd. 5. **Reading strategies.** (a) ~~All colleges and universities~~ A teacher preparation program approved by the Professional Educator Licensing and Standards Board to prepare persons for classroom teacher licensure must include in their teacher preparation programs research-based best practices in reading, consistent with section 122A.06, subdivision 4, that enables the licensure candidate to teach reading in the candidate's content areas. Teacher candidates must be instructed in using students' native languages as a resource in creating effective differentiated instructional strategies for English learners developing literacy skills. These colleges and universities also must prepare early childhood and elementary teacher candidates for Tier 3 and Tier 4 teaching licenses under sections 122A.183 and 122A.184, respectively, for the portion of the examination under section 122A.185, subdivision 1, paragraph (c), covering assessment of reading instruction.

(b) Board-approved teacher preparation programs for teachers of elementary education must require instruction in applying comprehensive, ~~scientifically based~~ evidence-based, and ~~balanced~~ structured reading instruction programs that:

(1) teach students to read using foundational knowledge, practices, and strategies consistent with section 122A.06, subdivision 4, so that all students achieve continuous progress in reading; and

(2) teach specialized instruction in reading strategies, interventions, and remediations that enable students of all ages and proficiency levels to become proficient readers.

(c) Board-approved teacher preparation programs for teachers of elementary education, early childhood education, special education, and reading intervention must include instruction on dyslexia, as defined in section 125A.01, subdivision 2. Teacher preparation programs may consult with the Department of Education, including the dyslexia specialist under section 120B.122, to develop instruction under this paragraph. Instruction on dyslexia must be modeled on practice standards of the International Dyslexia Association, and must address:

(1) the nature and symptoms of dyslexia;

(2) resources available for students who show characteristics of dyslexia;

(3) evidence-based instructional strategies for students who show characteristics of dyslexia, including the structured literacy approach; and

(4) outcomes of intervention and lack of intervention for students who show characteristics of dyslexia.

~~(d)~~ (d) Nothing in this section limits the authority of a school district to select a school's reading program or curriculum.

EFFECTIVE DATE. This section is effective June 1, 2020.

Sec. 5. Minnesota Statutes 2018, section 122A.182, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) The Professional Educator Licensing and Standards Board must approve a request from a district or charter school to issue a Tier 2 license in a specified content area to a candidate if:

(1) the candidate meets the educational or professional requirements in paragraph (b) or (c);

(2) the candidate:

(i) has completed the coursework required under subdivision 2;

(ii) is enrolled in a Minnesota-approved teacher preparation program or a state-approved teacher preparation program if no licensure program exists in Minnesota; or

(iii) has a master's degree in the specified content area; and

(3) the district or charter school demonstrates that a criminal background check under section 122A.18, subdivision 8, has been completed on the candidate.

(b) A candidate for a Tier 2 license must have a bachelor's degree to teach a class outside a career and technical education or career pathways course of study.

(c) A candidate for a Tier 2 license must have one of the following credentials in a relevant content area to teach a class or course in a career and technical education or career pathways course of study:

- (1) an associate's degree;
- (2) a professional certification; or
- (3) five years of relevant work experience.

Sec. 6. Minnesota Statutes 2018, section 122A.187, subdivision 5, is amended to read:

Subd. 5. **Reading preparation.** (a) The Professional Educator Licensing and Standards Board must adopt rules that require ~~at~~ early childhood through grade 8 licensed teachers who are renewing a Tier 3 or Tier 4 teaching license under sections 122A.183 and 122A.184, respectively, to include in the renewal requirements further reading preparation, consistent with section 122A.06, subdivision 4.

(b) The reading preparation under this subdivision must include training to enable a teacher to:

(1) understand dyslexia as defined in section 125A.01, subdivision 2, and recognize dyslexia characteristics in students; and

(2) identify and access Department of Education personnel and professional resources using dyslexia best practices in each license renewal period that are evidence-based.

(c) The Department of Education must provide guidance on evidence-based approaches and best practices for trainings.

(d) The rules adopted under this subdivision do not take effect until they are approved by law. Teachers who do not provide direct instruction including, at least, counselors, school psychologists, school nurses, school social workers, audiovisual directors and coordinators, and recreation personnel are exempt from this ~~section~~ subdivision.

Sec. 7. Minnesota Statutes 2018, section 122A.20, subdivision 1, is amended to read:

Subdivision 1. **Grounds for revocation, suspension, or denial.** (a) The Professional Educator Licensing and Standards Board or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, may, on the written complaint of the school board employing a teacher, a teacher organization, or any other interested person, refuse to issue, refuse to renew, suspend, or revoke a teacher's license to teach for any of the following causes:

- (1) immoral character or conduct;
- (2) failure, without justifiable cause, to teach for the term of the teacher's contract;
- (3) gross inefficiency or willful neglect of duty;

(4) failure to meet licensure requirements; ~~or~~

(5) fraud or misrepresentation in obtaining a license; or

(6) intentional and inappropriate patting, touching, pinching, or other physical contact with a student that is sexually motivated.

The written complaint must specify the nature and character of the charges.

(b) The Professional Educator Licensing and Standards Board or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, ~~shall~~ must refuse to issue, refuse to renew, or automatically revoke a teacher's license to teach without the right to a hearing upon receiving a certified copy of a conviction showing that the teacher has been convicted of child abuse, as defined in section 609.185, sex trafficking in the first degree under section 609.322, subdivision 1, sex trafficking in the second degree under section 609.322, subdivision 1a, engaging in hiring, or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1, sexual abuse under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3, solicitation of children to engage in sexual conduct or communication of sexually explicit materials to children under section 609.352, interference with privacy under section 609.746 or stalking under section 609.749 and the victim was a minor, using minors in a sexual performance under section 617.246, possessing pornographic works involving a minor under section 617.247, or any other offense not listed in this paragraph that requires the person to register as a predatory offender under section 243.166, or a crime under a similar law of another state or the United States. The board shall send notice of this licensing action to the district in which the teacher is currently employed.

(c) A person whose license to teach has been revoked, not issued, or not renewed under paragraph (b), may petition the board to reconsider the licensing action if the person's conviction for child abuse or sexual abuse is reversed by a final decision of the court of appeals or the supreme court or if the person has received a pardon for the offense. The petitioner shall attach a certified copy of the appellate court's final decision or the pardon to the petition. Upon receiving the petition and its attachment, the board shall schedule and hold a disciplinary hearing on the matter under section 214.10, subdivision 2, unless the petitioner waives the right to a hearing. If the board finds that, notwithstanding the reversal of the petitioner's criminal conviction or the issuance of a pardon, the petitioner is disqualified from teaching under paragraph (a), clause (1), the board shall affirm its previous licensing action. If the board finds that the petitioner is not disqualified from teaching under paragraph (a), clause (1), it shall reverse its previous licensing action.

(d) The Professional Educator Licensing and Standards Board or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, must refuse to issue, refuse to renew, or automatically revoke a teacher's license if the teacher has engaged in sexual penetration as defined in section 609.321, subdivision 11, with a student enrolled in a school where the teacher works or volunteers.

(e) For purposes of this subdivision, the Professional Educator Licensing and Standards Board is delegated the authority to suspend or revoke coaching licenses.

(f) Section 122A.188 does not apply to a decision by the board to refuse to issue, refuse to renew, or revoke a license under this subdivision. A person whose license has been revoked, not issued, or not renewed under this subdivision may appeal the decision by filing a written request

with the Professional Educator Licensing and Standards Board or the Board of School Administrators, as appropriate, within 30 days of notice of the licensing action. The board must then initiate a contested case under the Administrative Procedure Act, sections 14.001 to 14.69.

(g) The Professional Educator Licensing and Standards Board or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, may suspend a teacher's license pending an investigation into a report of conduct that would be grounds for revocation under paragraph (b) or (d). The teacher's license is suspended until the licensing board completes its disciplinary investigation and determines whether disciplinary action is necessary.

Sec. 8. Minnesota Statutes 2018, section 122A.30, is amended to read:

122A.30 EXEMPTION FOR CAREER AND TECHNICAL EDUCATION INSTRUCTORS.

~~(a)~~ Notwithstanding section 122A.15, subdivision 1, and upon approval of the local employer school board, a person who teaches in a part-time vocational or career and technical education program and demonstrates occupational competency based on work experience in business or industry is exempt from a license requirement. Nothing in this section shall exclude licensed career and technical educators from the definition of "teacher" in section 122A.40, 122A.41, or 179A.03.

~~(b) This section expires June 30, 2020. After this section expires, persons who teach in a part-time vocational or career and technical education program may apply for a teaching license provided in sections 122A.18 to 122A.184.~~

Sec. 9. Minnesota Statutes 2018, section 122A.61, is amended by adding a subdivision to read:

Subd. 4. **Reading preparation.** A school district may use the revenue reserved under subdivision 1 for grants to teachers to take courses from accredited providers. The providers must be a Wilson Language Training accredited partner, accredited by the International Multisensory Structured Language Education Council, or an Academy of Orton-Gillingham Practitioners and Educators accredited training program.

Sec. 10. 122A.615 READING PROFESSIONAL DEVELOPMENT BY ACCREDITED PROVIDERS.

A school district may grant an elementary teacher's request for reimbursement for successfully completing training provided by a Wilson Language Training accredited partner, an International Multisensory Structured Language Education Council accredited provider, or an Academy of Orton-Gillingham Practitioners and Educators accredited training program. The school district may use literacy incentive aid under section 124D.98, or the reserved revenue for staff development under section 122A.61, or other district resources to reimburse the teacher.

Sec. 11. Minnesota Statutes 2018, section 122A.63, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** (a) A grant program is established to assist American Indian people to become teachers and to provide additional education for American Indian teachers. The commissioner may award a joint grant to each of the following:

(1) the Duluth campus of the University of Minnesota and Independent School District No. 709, Duluth;

(2) Bemidji State University and Independent School District No. 38, Red Lake;

(3) Moorhead State University and one of the school districts located within the White Earth Reservation; and

(4) Augsburg College, Independent School District No. 625, St. Paul, and Special School District No. 1, Minneapolis.

(b) If additional funds are available, the commissioner may award additional joint grants to other postsecondary institutions and school districts.

(c) Grantees may enter into contracts with tribal, technical, and community colleges and four-year postsecondary institutions to identify and provide grants to students at those institutions interested in the field of education. Each grantee is eligible to and may contract with partner institutions to provide professional development and supplemental services to a tribal, technical, or community college or four-year postsecondary institution, including identification of prospective students, provision of instructional supplies and materials, and provision of grant money to students. A contract with a tribal, technical, or community college or four-year postsecondary institution includes coordination of student identification, professional development, and mentorship services.

Sec. 12. Minnesota Statutes 2018, section 122A.63, subdivision 4, is amended to read:

Subd. 4. **Grant amount.** The commissioner may award a joint grant in the amount it determines to be appropriate. The grant shall include money for the postsecondary institution, school district, and student scholarships, and student loans grants.

Sec. 13. Minnesota Statutes 2018, section 122A.63, subdivision 5, is amended to read:

Subd. 5. **Information to student applicants.** At the time a student applies for a ~~scholarship and loan grant~~, the student shall be provided information about the fields of licensure needed by school districts in the part of the state within which the district receiving the joint grant is located. The information shall be acquired and periodically updated by the recipients of the joint grant and their contracted partner institutions. Information provided to students shall clearly state that scholarship and loan decisions are not based upon the field of licensure selected by the student.

Sec. 14. Minnesota Statutes 2018, section 122A.63, subdivision 6, is amended to read:

Subd. 6. **Eligibility for ~~scholarships and loans~~ student grants.** The following Indian people are eligible for ~~scholarships~~ student grants:

(1) a student having origins in any of the original peoples of North America and maintaining cultural identification through tribal affiliation or community recognition;

~~(+)~~ (2) a student, including a teacher aide employed by a district receiving a joint grant or their contracted partner school, who intends to become a teacher or who is interested in the field of education and who is enrolled in a postsecondary institution or their contracted partner institutions receiving a joint grant;

~~(2)~~ (3) a licensed employee of a district receiving a joint grant or a contracted partner school, who is enrolled in a master of education program; and

~~(3)~~ (4) a student who, after applying for federal and state financial aid and an Indian scholarship according to section 136A.126, has financial needs that remain unmet. Financial need shall be determined according to the congressional methodology for needs determination or as otherwise set in federal law.

~~A person who has actual living expenses in addition to those addressed by the congressional methodology for needs determination, or as otherwise set in federal law, may receive a loan according to criteria established by the commissioner. A contract shall be executed between the state and the student for the amount and terms of the loan. Priority shall be given to a student who is tribally enrolled and then to first- and second-generation descendants.~~

Sec. 15. Minnesota Statutes 2018, section 122A.63, is amended by adding a subdivision to read:

Subd. 9. **Eligible programming.** (a) The grantee institutions and the contracted partner institutions may provide grants to students progressing toward educational goals in any area of teacher licensure, including an associate of arts, bachelor's, master's, or doctoral degree in the following:

(1) any educational certification necessary for employment;

(2) early childhood family education or prekindergarten licensure;

(3) elementary and secondary education;

(4) school administration; or

(5) any educational program that provides services to American Indian students in prekindergarten through grade 12.

The grantee institutions and the contracted partner institutions must give priority to grants for students progressing towards an associate of arts or a bachelor's degree. Students progressing towards a master's or doctoral degree may be awarded a grant if they were enrolled in the degree granting program before May 1, 2019.

(b) For purposes of recruitment, the grantees or their partner contracted institutions must agree to work with their respective organizations to hire an American Indian work-study student or other American Indian staff to conduct initial information queries and to contact persons working in schools to provide programming regarding education professions to a high school student who may be interested in education as a profession.

(c) At least 80 percent of the grants awarded under this section must be used for student grants. No more than 20 percent of the grants awarded under this section may be used for recruitment or administration of the student grants.

Sec. 16. [122A.76] LITERACY PROFESSIONAL DEVELOPMENT FOR TEACHERS.

Subdivision 1. **Program.** A teacher licensed by the Professional Educator Licensing and Standards Board, whose duties include providing instruction to students, may participate in a literacy professional development program offered by an eligible training provider under subdivision 2. An online or in-person training program offered by an eligible training provider qualifies for reimbursement. The commissioner may pay a portion of the tuition, room, board, and travel costs a teacher incurs in participating in literacy professional development. The teacher reimbursements must not exceed the amount appropriated for this purpose. In order to be eligible for expense reimbursement, a teacher must submit a request in the form and manner required by the commissioner.

Subd. 2. **Eligible training providers.** An eligible training provider must be:

- (1) a Wilson Language Training accredited partner;
- (2) accredited by the International Multisensory Structured Language Education Council; or
- (3) an accredited site of the Academy of Orton-Gillingham Practitioners and Educators.

Subd. 3. **Training information report.** By February 1 of each year, the commissioner must report the following information to the legislative committees having jurisdiction over kindergarten through grade 12 education:

- (1) the number of participating teachers;
- (2) each school represented by the teachers in the trainings;
- (3) the amounts expended in the most recent calendar year for tuition, room, board, and travel costs; and
- (4) recommendations to improve training for teachers.

Sec. 17. Minnesota Statutes 2018, section 123B.02, is amended by adding a subdivision to read:

Subd. 14b. **Hiring bonuses.** The board may give a hiring bonus to a teacher licensed in or working in a shortage area as defined in section 122A.06, subdivision 6. For the purposes of hiring bonuses under this subdivision only, a teacher trained by a Wilson Language Training accredited partner, an International Multisensory Structured Language Education Council accredited provider, or an Academy of Orton-Gillingham Practitioners and Educators accredited training program is a teacher licensed in or working in a shortage area. The school board must establish criteria for the repayment of a hiring bonus if the employee does not complete two years of teaching in the district after receiving the bonus. The board must decide if the bonus is a onetime bonus or an ongoing bonus included in the teacher's salary as long as they teach in the district.

Sec. 18. Minnesota Statutes 2018, section 124D.98, is amended by adding a subdivision to read:

Subd. 5. **Allowed use.** A school may use literacy incentive aid under this section for staff development by accredited providers or any other school-related purpose. The providers must be a Wilson Language Training accredited partner, accredited by the International Multisensory Structured Language Education Council, or an Academy of Orton-Gillingham Practitioners and Educators accredited training program.

Sec. 19. Minnesota Statutes 2018, section 136A.1276, subdivision 2, is amended to read:

Subd. 2. **Establishment; eligibility.** (a) The commissioner, in consultation with the Professional Educator Licensing and Standards Board, must establish and administer a program annually awarding grants to eligible alternative teacher preparation programs consistent with this section.

(b) To be eligible to receive a grant, an alternative teacher preparation program must certify that it:

(1) is working to fill Minnesota's teacher shortage areas; and

(2) is a school district, charter school, or nonprofit corporation organized under chapter 317A or under section 501(c)(3) of the Internal Revenue Code of 1986 for an education-related purpose that has been operating continuously for at least three years in Minnesota or any other state.

(c) The commissioner must give priority to applicants based in Minnesota when awarding grants under this section.

(d) The commissioner may award a grant to an alternative teacher preparation program that has previously received a grant under this section.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 20. Laws 2016, chapter 189, article 25, section 62, subdivision 4, is amended to read:

Subd. 4. **Northwest Regional Partnership concurrent enrollment program.** (a) For a grant to the Lakes Country Service Cooperative to operate a continuing education program:

	3,000,000		
\$	<u>1,500,000</u>	.....	2017

(b) This is a onetime appropriation. This appropriation is available until June 30, 2019. \$1,500,000 of the initial fiscal year 2017 appropriation is canceled to the general fund on June 29, 2019.

Sec. 21. **REPORT; TEACHER PREPARATION DEVELOPMENT.**

No later than January 15, 2021, the Professional Educator Licensing and Standards Board must provide a preliminary report to the members of the senate and house of representatives committees with jurisdiction over kindergarten through grade 12 education and higher education on teacher preparation development under Minnesota Statutes, section 122A.092, subdivision 5, paragraph (c).

Sec. 22. **APPROPRIATIONS.**

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

Subd. 2. Literacy professional development for teachers. For literacy professional development for teachers under Minnesota Statutes, section 122A.76:

\$	<u>250,000</u>	.....	<u>2020</u>
\$	<u>250,000</u>	.....	<u>2021</u>

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

Subd. 3. **Curriculum best practices sharing.** (a) For a grant to Intermediate School District No. 287 for the Minnesota Partnership for Collaborative Curriculum to provide sample curricula aligned to the state academic standards for teachers throughout the state:

\$	<u>250,000</u>	<u>.....</u>	<u>2020</u>
\$	<u>250,000</u>	<u>.....</u>	<u>2021</u>

(b) The Minnesota Partnership for Collaborative curriculum must post sample curricula to its website as an open resource. The website must include a feedback mechanism for teachers to provide comments and ratings on the sample curricula.

(c) The Department of Education's website must contain a link to the Minnesota Partnership for Collaborative Curriculum website with the sample curricula. The website must indicate that the selected curricula are examples aligned to appropriate standards and benchmarks, but the examples are not considered endorsements by the department. The first shared curricula must be posted by January 1, 2020.

(d) The base for fiscal year 2024 is \$0.

Subd. 4. **Expanded concurrent enrollment grants.** (a) For grants to institutions offering "Introduction to Teaching" or "Introduction to Education" college in the schools courses under Minnesota Statutes, section 124D.09, subdivision 10, paragraph (b):

\$	<u>375,000</u>	<u>.....</u>	<u>2020</u>
\$	<u>375,000</u>	<u>.....</u>	<u>2021</u>

(b) The department may retain up to five percent of the appropriation amount to monitor and administer the grant program.

Subd. 5. **Paraprofessional pathway to teacher licensure.** (a) For grants to school districts for Grow Your Own new teacher programs:

\$	<u>1,500,000</u>	<u>.....</u>	<u>2020</u>
\$	<u>1,500,000</u>	<u>.....</u>	<u>2021</u>

(b) Grants are for school districts and charter schools for a nonconventional teacher residency pilot program approved by the Professional Educator Licensing and Standards Board. The program must provide tuition scholarships or stipends to enable school district employees or community members affiliated with a school district who seek an education license to participate in a nonconventional teacher preparation program. School districts that receive funds under this subdivision must ensure a majority of candidates are of color or American Indian to participate in the Grow Your Own new teacher programs. School districts or charter schools providing financial support may require a commitment as determined by the district to teach in the district or school for a reasonable amount of time that does not exceed five years.

(c) School districts and charter schools may apply for grants to develop innovative, expanded Grow Your Own programs that encourage secondary school students to pursue teaching, including developing and offering dual-credit postsecondary course options in schools for "Introduction to

Teaching" or "Introduction to Education" courses consistent with Minnesota Statutes, section 124D.09, subdivision 10.

(d) Programs must annually report to the commissioner by the date determined by the commissioner on their activities under this section, including the number of participants, the percentage of participants who are of color or American Indian, and an assessment of program effectiveness including participant feedback, areas for improvement, the percentage of participants continuing to pursue teacher licensure, and the number of participants hired in the school or district as teachers after completing preparation programs.

(e) The department may retain up to three percent of the appropriation amount to monitor and administer the grant program.

(f) Any balance in the first year does not cancel but is available in the second year.

Subd. 6. **Alternative teacher compensation aid.** For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

<u>\$</u>	<u>89,196,000</u>	<u>.....</u>	<u>2020</u>
<u>\$</u>	<u>88,841,000</u>	<u>.....</u>	<u>2021</u>

The 2020 appropriation includes \$8,974,000 for 2019 and \$80,222,000 for 2020.

The 2021 appropriation includes \$8,913,000 for 2020 and \$79,928,000 for 2021.

Subd. 7. **Collaborative urban and greater Minnesota educators of color program grants.**

(a) For collaborative urban and greater Minnesota educators of color program grants:

<u>\$</u>	<u>1,000,000</u>	<u>.....</u>	<u>2020</u>
<u>\$</u>	<u>1,000,000</u>	<u>.....</u>	<u>2021</u>

(b) By January 15 of each year, each institution shall prepare for the legislature a detailed report regarding the funds used to recruit, retain, and induct teacher candidates who are of color or who are American Indian. The report must include the total number of teacher candidates of color disaggregated by race or ethnic group, who are recruited to the institution, are newly admitted to the licensure program, are enrolled in the licensure program, have completed student teaching, have graduated, and are licensed and newly employed as Minnesota teachers in their licensure field. The total number of teacher candidates who are of color or American Indian at each stage from recruitment to licensed teaching must be reported as a percentage of total candidates seeking the same licensure at the institution. The report must include the graduation rate for each cohort of teacher candidates, the placement rate for each graduating cohort of teacher candidates, and the retention rate for each graduating cohort of teacher candidates, among other program outcomes.

(c) The commissioner must award all collaborative urban educator grants through a competitive grant process. The competitive process must award grants based on program benchmarks, including licensure rates, participation rates, on-time graduation rates, and a score of "B" or higher in the most recent National Council on Teacher Quality program grade for early reading instruction. Grants must only be awarded to teacher preparation programs approved by the Professional Educator Licensing and Standards Board, including alternative teacher preparation programs.

(d) Any balance in the first year does not cancel but is available in the second year.

Subd. 8. **Agricultural educator grants.** (a) For agricultural educator grants under Laws 2017, First Special Session chapter 5, article 2, section 51:

<u>\$</u>	<u>275,000</u>	<u>.....</u>	<u>2020</u>
<u>\$</u>	<u>275,000</u>	<u>.....</u>	<u>2021</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 9. **American Indian teacher preparation grants.** For joint grants to assist people who are American Indian to become teachers under Minnesota Statutes, section 122A.63:

<u>\$</u>	<u>460,000</u>	<u>.....</u>	<u>2020</u>
<u>\$</u>	<u>460,000</u>	<u>.....</u>	<u>2021</u>

Subd. 10. **Statewide concurrent enrollment teacher training program.** (a) For the statewide concurrent enrollment teacher training program under Laws 2016, chapter 189, article 25, section 58, as amended:

<u>\$</u>	<u>375,000</u>	<u>.....</u>	<u>2020</u>
<u>\$</u>	<u>375,000</u>	<u>.....</u>	<u>2021</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 11. **Alternative teacher preparation grant program.** (a) For transfer to the commissioner of the Office of Higher Education for alternative teacher preparation program grants under Minnesota Statutes, section 136A.1276:

<u>\$</u>	<u>1,000,000</u>	<u>.....</u>	<u>2020</u>
<u>\$</u>	<u>0</u>	<u>.....</u>	<u>2021</u>

(b) Any balance in the first year does not cancel but is available in the second year.

(c) The commissioner may use no more than three percent of this appropriation to administer the program under this subdivision.

(d) A grant recipient must submit a report to the commissioner and Professional Educator Licensing and Standards Board by January 31, 2020, in accordance with Minnesota Statutes, section 136A.1276, subdivision 4.

Sec. 23. **REPEALER.**

(a) Minnesota Statutes 2018, sections 122A.09, subdivision 1; and 122A.63, subdivisions 7 and 8, are repealed.

(b) Minnesota Rules, part 8710.2100, subparts 1 and 2, are repealed.

ARTICLE 4**SPECIAL EDUCATION**

Section 1. Minnesota Statutes 2018, section 125A.08, is amended to read:

125A.08 INDIVIDUALIZED EDUCATION PROGRAMS.

(a) At the beginning of each school year, each school district shall have in effect, for each child with a disability, an individualized education program.

(b) As defined in this section, every district must ensure the following:

(1) all students with disabilities are provided the special instruction and services which are appropriate to their needs. Where the individualized education program team has determined appropriate goals and objectives based on the student's needs, including the extent to which the student can be included in the least restrictive environment, and where there are essentially equivalent and effective instruction, related services, or assistive technology devices available to meet the student's needs, cost to the district may be among the factors considered by the team in choosing how to provide the appropriate services, instruction, or devices that are to be made part of the student's individualized education program. The individualized education program team shall consider and may authorize services covered by medical assistance according to section 256B.0625, subdivision 26. Before a school district evaluation team makes a determination of other health disability under Minnesota Rules, part 3525.1335, subparts 1 and 2, item A, subitem (1), the evaluation team must seek written documentation of the student's medically diagnosed chronic or acute health condition signed by a licensed physician or a licensed health care provider acting within the scope of the provider's practice. The student's needs and the special education instruction and services to be provided must be agreed upon through the development of an individualized education program. The program must address the student's need to develop skills to live and work as independently as possible within the community. The individualized education program team must consider positive behavioral interventions, strategies, and supports that address behavior needs for children. During grade 9, the program must address the student's needs for transition from secondary services to postsecondary education and training, employment, community participation, recreation, and leisure and home living. In developing the program, districts must inform parents of the full range of transitional goals and related services that should be considered. The program must include a statement of the needed transition services, including a statement of the interagency responsibilities or linkages or both before secondary services are concluded. If the individualized education program meets the plan components in section 120B.125, the individualized education program satisfies the requirement and no additional transition plan is needed; The individualized education program may report the student's performance on general state or districtwide assessments related to the student's educational needs;

(2) children with a disability under age five and their families are provided special instruction and services appropriate to the child's level of functioning and needs;

(3) children with a disability and their parents or guardians are guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment including assistive technology assessment, and educational placement of children with a disability;

(4) eligibility and needs of children with a disability are determined by an initial evaluation or reevaluation, which may be completed using existing data under United States Code, title 20, section 33, et seq.;

(5) to the maximum extent appropriate, children with a disability, including those in public or private institutions or other care facilities, are educated with children who are not disabled, and that special classes, separate schooling, or other removal of children with a disability from the regular educational environment occurs only when and to the extent that the nature or severity of the disability is such that education in regular classes with the use of supplementary services cannot be achieved satisfactorily;

(6) in accordance with recognized professional standards, testing and evaluation materials, and procedures used for the purposes of classification and placement of children with a disability are selected and administered so as not to be racially or culturally discriminatory; and

(7) the rights of the child are protected when the parents or guardians are not known or not available, or the child is a ward of the state.

(c) For all paraprofessionals employed to work in programs whose role in part is to provide direct support to students with disabilities, the school board in each district shall ensure that:

(1) before or beginning at the time of employment, each paraprofessional must develop sufficient knowledge and skills in emergency procedures, building orientation, roles and responsibilities, confidentiality, vulnerability, and reportability, among other things, to begin meeting the needs, especially disability-specific and behavioral needs, of the students with whom the paraprofessional works;

(2) annual training opportunities are required to enable the paraprofessional to continue to further develop the knowledge and skills that are specific to the students with whom the paraprofessional works, including understanding disabilities, the unique and individual needs of each student according to the student's disability and how the disability affects the student's education and behavior, following lesson plans, and implementing follow-up instructional procedures and activities; and

(3) a districtwide process obligates each paraprofessional to work under the ongoing direction of a licensed teacher and, where appropriate and possible, the supervision of a school nurse.

(d) A school district may conduct a functional behavior assessment as defined in Minnesota Rules, part 3525.0210, subpart 22, as a stand-alone evaluation without conducting a comprehensive evaluation of the student. A parent may request a school district to conduct a comprehensive evaluation.

Sec. 2. Minnesota Statutes 2018, section 125A.091, subdivision 3a, is amended to read:

Subd. 3a. **Additional requirements for prior written notice.** In addition to federal law requirements, a prior written notice shall:

(1) inform the parent that except for the initial placement of a child in special education, the school district will proceed with its proposal for the child's placement or for providing special

education services unless the child's parent notifies the district of an objection within 14 days of when the district sends the prior written notice to the parent; and

(2) state that a parent who objects to a proposal or refusal in the prior written notice may:

(i) request a conciliation conference under subdivision 7 ~~or~~ another alternative dispute resolution procedure under subdivision 8 or 9; or

(ii) identify the specific part of the proposal or refusal the parent objects to and request a meeting of the individualized education program team.

Sec. 3. Minnesota Statutes 2018, section 125A.091, subdivision 7, is amended to read:

Subd. 7. **Conciliation conference.** A parent must have an opportunity to request a meeting with appropriate members of the individualized education program team or meet with appropriate district staff in at least one conciliation conference if the parent objects to any proposal of which the parent receives notice under subdivision 3a. A district must hold a conciliation conference within ten calendar days from the date the district receives a parent's ~~objection to a proposal or refusal in the prior written notice~~ request for a conciliation conference. Except as provided in this section, all discussions held during a conciliation conference are confidential and are not admissible in a due process hearing. Within five school days after the final conciliation conference, the district must prepare and provide to the parent a conciliation conference memorandum that describes the district's final proposed offer of service. This memorandum is admissible in evidence in any subsequent proceeding.

Sec. 4. **APPROPRIATIONS.**

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

Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes, section 125A.75:

<u>\$</u>	<u>1,592,153,000</u>	<u>.....</u>	<u>2020</u>
<u>\$</u>	<u>1,706,195,000</u>	<u>.....</u>	<u>2021</u>

The 2020 appropriation includes \$184,363,000 for 2019 and \$1,407,790,000 for 2020.

The 2021 appropriation includes \$198,176,000 for 2020 and \$1,508,019,000 for 2021.

Subd. 3. **Aid for children with disabilities.** (a) For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

<u>\$</u>	<u>1,382,000</u>	<u>.....</u>	<u>2020</u>
<u>\$</u>	<u>1,564,000</u>	<u>.....</u>	<u>2021</u>

(b) If the appropriation for either year is insufficient, the appropriation for the other year is available.

Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

\$	<u>422,000</u>	.....	<u>2020</u>
\$	<u>442,000</u>	.....	<u>2021</u>

The 2020 appropriation includes \$40,000 for 2019 and \$382,000 for 2020.

The 2021 appropriation includes \$42,000 for 2020 and \$400,000 for 2021.

Subd. 5. **Court-placed special education revenue.** For reimbursing serving school districts for unreimbursed eligible expenditures attributable to children placed in the serving school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

\$	<u>31,000</u>	.....	<u>2020</u>
\$	<u>32,000</u>	.....	<u>2021</u>

Subd. 6. **Special education out-of-state tuition.** For special education out-of-state tuition under Minnesota Statutes, section 125A.79, subdivision 8:

\$	<u>250,000</u>	.....	<u>2020</u>
\$	<u>250,000</u>	.....	<u>2021</u>

ARTICLE 5

SCHOOL SAFETY

Section 1. Minnesota Statutes 2018, section 120B.21, is amended to read:

120B.21 MENTAL HEALTH EDUCATION.

School districts and charter schools are encouraged to provide mental health instruction for students in grades ~~6~~ 4 through 12 aligned with local health standards and integrated into existing programs, curriculum, or the general school environment of a district or charter school. The commissioner, in consultation with ~~the commissioner of human services and a mental health organizations organization, is encouraged to~~ must, by July 1, 2020, and July 1 of each even-numbered year thereafter, provide districts and charter schools with resources gathered by Minnesota mental health advocates, including:

(1) age-appropriate model learning activities for grades ~~6~~ 4 through 12 that encompass the mental health components of the National Health Education Standards and the benchmarks developed by the department's quality teaching network in health and best practices in mental health education; and

(2) a directory of resources for planning and implementing age-appropriate mental health curriculum and instruction in grades ~~6~~ 4 through 12 that includes resources on suicide and self-harm prevention.

Sec. 2. Minnesota Statutes 2018, section 121A.035, is amended by adding a subdivision to read:

Subd. 3. **School floor plans.** A school district and charter school must provide the law enforcement agency or other emergency management officials servicing the school district or charter school with a school floor plan or map that shows doors, windows, stairways, room numbers, and other information useful to first responders in crisis situations.

Sec. 3. **[121A.35] SAFETY ASSESSMENT POLICY.**

A school board and a charter school must adopt a safety assessment policy that establishes a process for the assessment of and intervention with students whose behavior may pose a threat to the safety of school staff or students. The policy must be consistent with the Minnesota school safety center's recommendations. The policy must include procedures for parent notification and student referrals as appropriate. Nothing in this section precludes school personnel from acting immediately to address an imminent threat.

Sec. 4. Minnesota Statutes 2018, section 123B.61, is amended to read:

123B.61 PURCHASE OF CERTAIN EQUIPMENT.

(a) The board of a district may issue general obligation certificates of indebtedness or capital notes subject to the district debt limits to:

~~(a)~~ (1) purchase vehicles, computers, telephone systems, cable equipment, photocopy and office equipment, technological equipment for instruction, public announcement systems, emergency communications devices, other equipment related to violence prevention and facility security, and other capital equipment having an expected useful life at least as long as the terms of the certificates or notes;

~~(b)~~ (2) purchase computer hardware and software, without regard to its expected useful life, whether bundled with machinery or equipment or unbundled, together with application development services and training related to the use of the computer; and

~~(c)~~ (3) prepay special assessments.

(b) The certificates or notes must be payable in not more than ten years and must be issued on the terms and in the manner determined by the board, except that certificates or notes issued to prepay special assessments must be payable in not more than 20 years. The certificates or notes may be issued by resolution and without the requirement for an election. The certificates or notes are general obligation bonds for purposes of section 126C.55.

(c) A tax levy must be made for the payment of the principal and interest on the certificates or notes, in accordance with section 475.61, as in the case of bonds. The sum of the tax levies under this section and section 123B.62 for each year must not exceed the lesser of the sum of the amount of the district's total operating capital revenue and safe schools revenue or the sum of the district's levy in the general and community service funds excluding the adjustments under this section for the year preceding the year the initial debt service levies are certified.

(d) The district's general fund levy for each year must be reduced by the sum of:

(1) the amount of the tax levies for debt service certified for each year for payment of the principal and interest on the certificates or notes issued under this section as required by section 475.61²;

(2) the amount of the tax levies for debt service certified for each year for payment of the principal and interest on bonds issued under section 123B.62²; and

(3) any excess amount in the debt redemption fund used to retire bonds, certificates, or notes issued under this section or section 123B.62 after April 1, 1997, other than amounts used to pay capitalized interest.

(e) If the district's general fund levy is less than the amount of the reduction, the balance shall be deducted first from the district's community service fund levy, and next from the district's general fund or community service fund levies for the following year.

(f) A district using an excess amount in the debt redemption fund to retire the certificates or notes shall report the amount used for this purpose to the commissioner by July 15 of the following fiscal year. A district having an outstanding capital loan under section 126C.69 or an outstanding debt service loan under section 126C.68 must not use an excess amount in the debt redemption fund to retire the certificates or notes.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 5. Minnesota Statutes 2018, section 124E.03, subdivision 2, is amended to read:

Subd. 2. **Certain federal, state, and local requirements.** (a) A charter school shall meet all federal, state, and local health and safety requirements applicable to school districts.

(b) A school must comply with statewide accountability requirements governing standards and assessments in chapter 120B.

(c) A charter school must comply with the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

(d) A charter school is a district for the purposes of tort liability under chapter 466.

(e) A charter school must comply with the Pledge of Allegiance requirement under section 121A.11, subdivision 3.

(f) A charter school and charter school board of directors must comply with chapter 181 governing requirements for employment.

(g) A charter school must comply with continuing truant notification under section 260A.03.

(h) A charter school must develop and implement a teacher evaluation and peer review process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to (13), and place students in classrooms in accordance with section 122A.40, subdivision 8, paragraph (d). The teacher evaluation process in this paragraph does not create any additional employment rights for teachers.

(i) A charter school must adopt a policy, plan, budget, and process, consistent with section 120B.11, to review curriculum, instruction, and student achievement and strive for the world's best workforce.

(j) A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56.

(k) A charter school must adopt a safety assessment policy consistent with section 121A.35.

Sec. 6. Minnesota Statutes 2018, section 126C.44, is amended to read:

126C.44 SAFE SCHOOLS ~~LEVY~~ REVENUE.

Subdivision 1. **Safe schools revenue.** (a) Each district may make a levy on all taxable property located within the district for the purposes specified in this section. The maximum amount which may be levied for all costs under this section shall be equal to \$36 multiplied by the district's adjusted pupil units for the school year. For fiscal year 2020 and later, safe schools revenue for a school district equals the sum of its safe schools levy and its safe schools aid.

Subd. 2. **Safe schools levy.** (a) For fiscal year 2020 and later, a district's safe schools levy equals the sum of its initial safe schools levy and its intermediate safe schools levy.

(b) For fiscal year 2020 and later, the initial safe schools levy for a district equals \$36 times the district's adjusted pupil units for the school year.

(c) For fiscal year 2020 and later, the intermediate safe schools levy for a school district that is a member of an intermediate school district equals \$15 times the district's adjusted pupil units for the school year.

Subd. 3. **Safe schools aid.** For fiscal year 2020 and 2021, a district's safe schools aid equals the greater of (1) \$32,000 minus the permitted levy under subdivision 2, paragraph (b), or (2) \$38 times the district's adjusted pupil units for the school year. For fiscal year 2022 and later, a district's safe schools aid equals zero.

Subd. 3a. **Intermediate district revenue transfer.** Revenue raised under subdivision 2, paragraph (c), must be transferred to the intermediate school district of which the district is a member and used only for costs associated with safe schools activities authorized under subdivision 5, paragraph (a), clauses (1) to (10).

Subd. 4. **Safe schools revenue for a charter school.** (a) For fiscal year 2020 and 2021, safe schools revenue for a charter school equals \$38 times the adjusted pupil units for the school year. For fiscal year 2022 and later, safe schools revenue for a charter school equals zero.

(b) The revenue must be reserved and used only for costs associated with safe schools activities authorized under subdivision 5, paragraph (a), clauses (1) to (10), or for building lease expenses not funded by charter school building lease aid that are attributable to facility security enhancements made by the landlord after March 1, 2019.

Subd. 5. Uses of safe schools revenue. (a) ~~The proceeds of the levy revenue~~ must be reserved and used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes:

(1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools;

(2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools;

(3) to pay the costs for a gang resistance education training curriculum in the district's schools;

(4) to pay the costs for security in the district's schools and on school property;

(5) to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district;

(6) to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems;

(7) to pay for facility security enhancements including laminated glass, public announcement systems, emergency communications devices, and equipment and facility modifications related to violence prevention and facility security;

(8) to pay for costs associated with improving the school climate; ~~or~~

(9) to pay costs for colocating and collaborating with mental health professionals who are not district employees or contractors or for school-linked mental health services delivered by telemedicine;

(10) to pay the costs of enhancing cybersecurity in the district's information systems; or

(11) by board resolution, to transfer money into the debt redemption fund to pay the amounts needed to meet, when due, principal and interest payments on obligations issued under sections 123B.61 and 123B.62 for purposes included in clause (7).

(b) For expenditures under paragraph (a), clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries.

~~(c) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with safe schools activities authorized under paragraph (a) for intermediate school district programs. This authority must not exceed \$15 times the adjusted pupil units of the member districts. This authority is in addition to any other authority authorized under this section. Revenue raised under this paragraph must be transferred to the intermediate school district.~~

Subd. 6. **Report.** By January 15 of each year, the commissioner of education must deliver to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education a report detailing district-level expenditures of safe schools revenue for the prior fiscal year for each of the authorized purposes under subdivision 5.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2020 and later.

Sec. 7. **[245.4901] SCHOOL-LINKED MENTAL HEALTH GRANTS.**

Subdivision 1. **Establishment.** The commissioner of human services shall establish a school-linked mental health grant program to provide early identification and intervention for students with mental health needs and to build the capacity of schools to support students with mental health needs in the classroom.

Subd. 2. **Eligible applicants.** An eligible applicant for school-linked mental health grants is an entity that is:

(1) certified under Minnesota Rules, parts 9520.0750 to 9520.0870;

(2) a community mental health center under section 256B.0625, subdivision 5;

(3) an Indian health service facility or a facility owned and operated by a tribe or tribal organization operating under United States Code, title 25, section 5321;

(4) a provider of children's therapeutic services and supports as defined in section 256B.0943;
or

(5) enrolled in medical assistance as a mental health or substance use disorder provider agency and employs at least two full-time equivalent mental health professionals as defined in section 245.4871, subdivision 27, clauses (1) to (6), or two alcohol and drug counselors licensed or exempt from licensure under chapter 148F who are qualified to provide clinical services to children and families.

Subd. 3. **Allowable grant activities and related expenses.** (a) Allowable grant activities and related expenses may include but are not limited to:

(1) identifying and diagnosing mental health conditions of students;

(2) delivering mental health treatment and services to students and their families, including via telemedicine consistent with section 256B.0625, subdivision 3b;

(3) supporting families in meeting their child's needs, including navigating health care, social service, and juvenile justice systems;

(4) providing transportation for students receiving school-linked mental health services when school is not in session;

(5) building the capacity of schools to meet the needs of students with mental health concerns, including school staff development activities for licensed and nonlicensed staff; and

(6) purchasing equipment, connection charges, on-site coordination, set-up fees, and site fees in order to deliver school-linked mental health services via telemedicine.

(b) Grantees shall obtain all available third-party reimbursement sources as a condition of receiving a grant. For purposes of this grant program, a third-party reimbursement source excludes a public school as defined in section 120A.20, subdivision 1. Grantees shall serve students regardless of health coverage status or ability to pay.

Subd. 4. **Data collection and outcome measurement.** Grantees shall provide data to the commissioner for the purpose of evaluating the effectiveness of the school-linked mental health grant program.

Subd. 5. **Specialized grants.** (a) Specialized grants must be made available to eligible applicants under subdivision 2, serving a public school program that provides instruction to students in a setting of federal instructional level 4 or higher. Specialized grants must first be awarded to providers working in conjunction with school programs that received a grant under Laws 2016, chapter 189, article 25, section 62, subdivision 2, and Laws 2017, First Special Session chapter 5, article 2, section 56. Additional specialized grants may be made available to eligible applicants under subdivision 2, who cooperate with programs operated by:

(1) a school district or charter school; or

(2) a special education cooperative or other cooperative unit under section 123A.24, subdivision 2.

(b) In addition to allowable grant expenses under subdivision 3, grant funds awarded under this subdivision may be used to develop innovative therapeutic teaching models.

Sec. 8. Minnesota Statutes 2018, section 299F.30, subdivision 1, is amended to read:

Subdivision 1. **Duties of fire marshal.** Consistent with sections 121A.035, 121A.037, and this section, it ~~shall be~~ is the duty of the state fire marshal, deputies and assistants, to require public and private schools and educational institutions to have at least five fire drills each school year, including at least four drills as provided under subdivision 2, paragraph (a), and to keep all doors and exits unlocked from the inside of the building during school hours.

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

Sec. 9. Minnesota Statutes 2018, section 299F.30, subdivision 2, is amended to read:

Subd. 2. **Fire drill.** (a) Each superintendent, principal, or other person in charge of a public or private school, educational institution, children's home or orphanage housing 20 or more students or other persons, ~~shall~~ must instruct and train such students or other persons to quickly and expeditiously quit the premises in case of fire or other emergency by means of drills or rapid dismissals while such school, institution, home, or orphanage is in operation.

(b) In addition to the drills required under paragraph (a), a public or private school or educational institution may implement an alternative fire drill that does not require students or other persons to quit the premises. A school or educational institution choosing to develop and implement

nonevacuating fire drill protocols must work in partnership with the local fire chief or the fire chief's designee and chief law enforcement officers or their designee.

(c) Records of such fire drills shall must be posted so that such records are available for review by the state fire marshal at all times and shall must include the type of drill conducted, nonevacuation or evacuation, and drill date and the time required to evacuate the building, if the drill required an evacuation.

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

Sec. 10. Minnesota Statutes 2018, section 626.556, subdivision 2, is amended to read:

Subd. 2. **Definitions.** As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Accidental" means a sudden, not reasonably foreseeable, and unexpected occurrence or event which:

(1) is not likely to occur and could not have been prevented by exercise of due care; and

(2) if occurring while a child is receiving services from a facility, happens when the facility and the employee or person providing services in the facility are in compliance with the laws and rules relevant to the occurrence or event.

(b) "Commissioner" means the commissioner of human services.

(c) "Facility" means:

(1) a licensed or unlicensed day care facility, certified license-exempt child care center, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed under sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16, or chapter 144H, 245D, or 245H;

(2) a school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter 124E; or

(3) a nonlicensed personal care provider organization as defined in section 256B.0625, subdivision 19a.

(d) "Family assessment" means a comprehensive assessment of child safety, risk of subsequent child maltreatment, and family strengths and needs that is applied to a child maltreatment report that does not allege sexual abuse or substantial child endangerment. Family assessment does not include a determination as to whether child maltreatment occurred but does determine the need for services to address the safety of family members and the risk of subsequent maltreatment.

(e) "Investigation" means fact gathering related to the current safety of a child and the risk of subsequent maltreatment that determines whether child maltreatment occurred and whether child protective services are needed. An investigation must be used when reports involve sexual abuse or substantial child endangerment, and for reports of maltreatment in facilities required to be licensed or certified under chapter 245A, 245D, or 245H; under sections 144.50 to 144.58 and 241.021; in a school as defined in section 120A.05, subdivisions 9, 11, and 13, and chapter 124E; or in a nonlicensed personal care provider association as defined in section 256B.0625, subdivision 19a.

(f) "Mental injury" means an injury to the psychological capacity or emotional stability of a child as evidenced by an observable or substantial impairment in the child's ability to function within a normal range of performance and behavior with due regard to the child's culture.

(g) "Neglect" means the commission or omission of any of the acts specified under clauses (1) to (9), other than by accidental means:

(1) failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter, health, medical, or other care required for the child's physical or mental health when reasonably able to do so;

(2) failure to protect a child from conditions or actions that seriously endanger the child's physical or mental health when reasonably able to do so, including a growth delay, which may be referred to as a failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

(3) failure to provide for necessary supervision or child care arrangements appropriate for a child after considering factors as the child's age, mental ability, physical condition, length of absence, or environment, when the child is unable to care for the child's own basic needs or safety, or the basic needs or safety of another child in their care;

(4) failure to ensure that the child is educated as defined in sections 120A.22 and 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;

(5) nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care; except that a parent, guardian, or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report if a lack of medical care may cause serious danger to the child's health. This section does not impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care, a duty to provide that care;

(6) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance, or the presence of a fetal alcohol spectrum disorder;

(7) "medical neglect" as defined in section 260C.007, subdivision 6, clause (5);

(8) chronic and severe use of alcohol or a controlled substance by a parent or person responsible for the care of the child that adversely affects the child's basic needs and safety; or

(9) emotional harm from a pattern of behavior which contributes to impaired emotional functioning of the child which may be demonstrated by a substantial and observable effect in the child's behavior, emotional response, or cognition that is not within the normal range for the child's age and stage of development, with due regard to the child's culture.

(h) "Nonmaltreatment mistake" means:

(1) at the time of the incident, the individual was performing duties identified in the center's child care program plan required under Minnesota Rules, part 9503.0045;

(2) the individual has not been determined responsible for a similar incident that resulted in a finding of maltreatment for at least seven years;

(3) the individual has not been determined to have committed a similar nonmaltreatment mistake under this paragraph for at least four years;

(4) any injury to a child resulting from the incident, if treated, is treated only with remedies that are available over the counter, whether ordered by a medical professional or not; and

(5) except for the period when the incident occurred, the facility and the individual providing services were both in compliance with all licensing requirements relevant to the incident.

This definition only applies to child care centers licensed under Minnesota Rules, chapter 9503. If clauses (1) to (5) apply, rather than making a determination of substantiated maltreatment by the individual, the commissioner of human services shall determine that a nonmaltreatment mistake was made by the individual.

(i) "Operator" means an operator or agency as defined in section 245A.02.

(j) "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, other school employees or agents, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching, and coaching.

(k) "Physical abuse" means any physical injury, mental injury, or threatened injury, inflicted by a person responsible for the child's care on a child other than by accidental means, or any physical or mental injury that cannot reasonably be explained by the child's history of injuries, or any aversive or deprivation procedures, or regulated interventions, that have not been authorized under section 125A.0942 or 245.825.

Abuse does not include reasonable and moderate physical discipline of a child administered by a parent or legal guardian which does not result in an injury. Abuse does not include the use of reasonable force by a teacher, principal, or school employee as allowed by section 121A.582. Actions which are not reasonable and moderate include, but are not limited to, any of the following:

(1) throwing, kicking, burning, biting, or cutting a child;

(2) striking a child with a closed fist;

(3) shaking a child under age three;

(4) striking or other actions which result in any nonaccidental injury to a child under 18 months of age;

(5) unreasonable interference with a child's breathing;

(6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;

(7) striking a child under age one on the face or head;

(8) striking a child who is at least age one but under age four on the face or head, which results in an injury;

(9) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled substances which were not prescribed for the child by a practitioner, in order to control or punish the child; or other substances that substantially affect the child's behavior, motor coordination, or judgment or that results in sickness or internal injury, or subjects the child to medical procedures that would be unnecessary if the child were not exposed to the substances;

(10) unreasonable physical confinement or restraint not permitted under section 609.379, including but not limited to tying, caging, or chaining; or

(11) in a school facility or school zone, an act by a person responsible for the child's care that is a violation under section 121A.58.

(l) "Practice of social services," for the purposes of subdivision 3, includes but is not limited to employee assistance counseling and the provision of guardian ad litem and parenting time expeditor services.

(m) "Report" means any communication received by the local welfare agency, police department, county sheriff, or agency responsible for child protection pursuant to this section that describes neglect or physical or sexual abuse of a child and contains sufficient content to identify the child and any person believed to be responsible for the neglect or abuse, if known.

(n) "Sexual abuse" means the subjection of a child by a person responsible for the child's care, by a person who has a significant relationship to the child, as defined in section 609.341, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any act which constitutes a violation of section 609.342 (criminal sexual conduct in the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), ~~or 609.3451 (criminal sexual conduct in the fifth degree), or 609.352 (solicitation of children to engage in sexual conduct; communication of sexually explicit materials to children)~~. Sexual abuse also includes any act which involves a minor which constitutes a violation of prostitution offenses under sections 609.321 to 609.324 or 617.246. Effective May 29, 2017, sexual abuse includes all reports of known or suspected child sex trafficking involving a child who is identified as a victim of sex trafficking. Sexual abuse includes child sex trafficking as defined in section 609.321, subdivisions 7a and 7b. Sexual abuse includes threatened sexual abuse which includes the status of a parent or household member who has committed a violation which requires registration as an offender under section 243.166, subdivision 1b, paragraph (a) or (b), or required registration under section 243.166, subdivision 1b, paragraph (a) or (b).

(o) "Substantial child endangerment" means a person responsible for a child's care, by act or omission, commits or attempts to commit an act against a child under their care that constitutes any of the following:

(1) egregious harm as defined in section 260C.007, subdivision 14;

(2) abandonment under section 260C.301, subdivision 2;

(3) neglect as defined in paragraph (g), clause (2), that substantially endangers the child's physical or mental health, including a growth delay, which may be referred to as failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

(4) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;

(5) manslaughter in the first or second degree under section 609.20 or 609.205;

(6) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;

(7) solicitation, inducement, and promotion of prostitution under section 609.322;

(8) criminal sexual conduct under sections 609.342 to 609.3451;

(9) solicitation of children to engage in sexual conduct under section 609.352;

(10) malicious punishment or neglect or endangerment of a child under section 609.377 or 609.378;

(11) use of a minor in sexual performance under section 617.246; or

(12) parental behavior, status, or condition which mandates that the county attorney file a termination of parental rights petition under section 260C.503, subdivision 2.

(p) "Threatened injury" means a statement, overt act, condition, or status that represents a substantial risk of physical or sexual abuse or mental injury. Threatened injury includes, but is not limited to, exposing a child to a person responsible for the child's care, as defined in paragraph (j), clause (1), who has:

(1) subjected a child to, or failed to protect a child from, an overt act or condition that constitutes egregious harm, as defined in section 260C.007, subdivision 14, or a similar law of another jurisdiction;

(2) been found to be palpably unfit under section 260C.301, subdivision 1, paragraph (b), clause (4), or a similar law of another jurisdiction;

(3) committed an act that has resulted in an involuntary termination of parental rights under section 260C.301, or a similar law of another jurisdiction; or

(4) committed an act that has resulted in the involuntary transfer of permanent legal and physical custody of a child to a relative under Minnesota Statutes 2010, section 260C.201, subdivision 11, paragraph (d), clause (1), section 260C.515, subdivision 4, or a similar law of another jurisdiction.

A child is the subject of a report of threatened injury when the responsible social services agency receives birth match data under paragraph (q) from the Department of Human Services.

(q) Upon receiving data under section 144.225, subdivision 2b, contained in a birth record or recognition of parentage identifying a child who is subject to threatened injury under paragraph (p), the Department of Human Services shall send the data to the responsible social services agency. The data is known as "birth match" data. Unless the responsible social services agency has already begun an investigation or assessment of the report due to the birth of the child or execution of the recognition of parentage and the parent's previous history with child protection, the agency shall accept the birth match data as a report under this section. The agency may use either a family assessment or investigation to determine whether the child is safe. All of the provisions of this section apply. If the child is determined to be safe, the agency shall consult with the county attorney to determine the appropriateness of filing a petition alleging the child is in need of protection or services under section 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is determined not to be safe, the agency and the county attorney shall take appropriate action as required under section 260C.503, subdivision 2.

(r) Persons who conduct assessments or investigations under this section shall take into account accepted child-rearing practices of the culture in which a child participates and accepted teacher discipline practices, which are not injurious to the child's health, welfare, and safety.

Sec. 11. Minnesota Statutes 2018, section 626.556, subdivision 3b, is amended to read:

Subd. 3b. **Agency responsible for assessing or investigating reports of maltreatment.** The Department of Education is the agency responsible for assessing or investigating allegations of child maltreatment in schools as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter 124E. The Department of Education's responsibility to assess and investigate includes allegations of maltreatment involving students 18 to 21 years of age, including students receiving special education services, up to and until graduation and the issuance of a secondary or high school diploma.

Sec. 12. **APPROPRIATIONS.**

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

Subd. 2. **Suicide prevention training for teachers.** (a) For a grant to a nationally-recognized provider of evidence-based online training on suicide prevention and engagement of students experiencing mental distress:

§ 480,000 2020

(b) Training funded by the grant must be accessible to teachers in every school district, charter school, intermediate school district, service cooperative, and tribal school in Minnesota.

(c) The grant recipient must report to the commissioner of education the number of teachers completing the online training, average length of time to complete training, and length of average stay using the online training. The commissioner must survey online training users to determine their perception of the online training. By January 8, 2021, the commissioner must report the grant

recipient's information and the survey results to the chairs and ranking minority members of the legislative committees having jurisdiction over kindergarten through grade 12 education.

(d) This is a onetime appropriation and is available until June 30, 2021.

Subd. 3. **Safe schools aid.** (a) For safe schools aid under Minnesota Statutes, section 126C.44:

\$ 37,097,000 2020

\$ 37,426,000 2021

(b) One hundred percent of the aid under Minnesota Statutes, section 126C.44, must be paid in the current year.

Subd. 4. **School-linked mental health grants.** (a) For transfer to the commissioner of human services for school-linked mental health grants under Minnesota Statutes, section 245.4901, subdivisions 1 to 4:

\$ 2,500,000 2020

\$ 2,500,000 2021

(b) Any balance in the first year is available in the second year. The base for fiscal year 2022 is \$2,500,000. The base for fiscal year 2024 is \$0.

ARTICLE 6

FACILITIES, FUND TRANSFERS, AND ACCOUNTING

Section 1. Minnesota Statutes 2018, section 121A.335, subdivision 3, is amended to read:

Subd. 3. **Frequency of testing.** (a) The plan under subdivision 2 must include a testing schedule for every building serving prekindergarten through grade 12 students. The schedule must require that each building be tested at least once every five years. A school district or charter school must begin testing school buildings by July 1, 2018, and complete testing of all buildings that serve students within five years.

(b) A school district or charter school that finds lead at a specific location providing cooking or drinking water within a facility must formulate, make publicly available, and implement a plan that is consistent with established guidelines and recommendations to ensure that student exposure to lead is minimized. This includes, when a school district or charter school finds the presence of lead at a level where action should be taken as set by the guidance in any water source that can provide cooking or drinking water, immediately shutting off the water source or making it unavailable until the hazard has been minimized.

Sec. 2. Minnesota Statutes 2018, section 121A.335, subdivision 5, is amended to read:

Subd. 5. **Reporting.** A school district or charter school that has tested its buildings for the presence of lead shall make the results of the testing available to the public for review and must notify parents of the availability of the information. School districts and charter schools must follow the actions outlined in guidance from the commissioners of health and education. If a test conducted

under subdivision 3, paragraph (a), reveals the presence of lead above a level where action should be taken as set by the guidance, the school district or charter must, within 30 days of receiving the test result, either remediate the presence of lead to below the level set in guidance, verified by retest, or directly notify parents of the test result. The school district or charter school must make the water source unavailable until the hazard has been minimized.

Sec. 3. [121A.337] NOTIFICATION OF ENVIRONMENTAL HAZARDS.

If the Department of Health or Pollution Control Agency notifies a school district, charter school, or nonpublic school of environmental hazards that may affect the health of students or school staff, the school must notify school staff, students, and parents of the hazards as soon as practicable. The notice must include direction on how to obtain additional information about the hazard, including any actions that may reduce potential harm to those affected by the hazard.

Sec. 4. Minnesota Statutes 2018, section 123B.52, subdivision 6, is amended to read:

Subd. 6. **Disposing of surplus school computers.** (a) Notwithstanding section 471.345, governing school district contracts made upon sealed bid or otherwise complying with the requirements for competitive bidding, other provisions of this section governing school district contracts, or other law to the contrary, a school district under this subdivision may dispose of school computers, including a tablet device.

(b) A school district may dispose of a surplus school computer and related equipment if the district disposes of the surplus property by conveying the property and title to:

(1) another school district;

(2) the state Department of Corrections;

(3) the Board of Trustees of the Minnesota State Colleges and Universities; or

(4) the family of a student residing in the district whose total family income meets the federal definition of poverty.

(c) If surplus school computers are not disposed of under paragraph (b), upon adoption of a written resolution of the school board, when updating or replacing school computers, including tablet devices, used primarily by students, a school district may sell or give used computers or tablets to qualifying students at the price specified in the written resolution. A student is eligible to apply to the school board for a computer or tablet under this subdivision if the student is currently enrolled in the school and intends to enroll in the school in the year following the receipt of the computer or tablet. If more students apply for computers or tablets than are available, the school must first qualify students whose families are eligible for free or reduced-price meals, and then dispose of the remaining computers or tablets by lottery.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 5. [123B.651] ENERGY USE REDUCTION AND REPORTING FOR PUBLIC SCHOOLS.

Beginning October 1, 2019, each public school or school district reporting on behalf of a public school must enter and maintain monthly utility consumption data into the Minnesota B3 benchmarking program for all buildings under its custodial control. Reporting by a third party, including automatic reporting by an electric or gas utility, may be used to meet this requirement. A school or school district must not be penalized for failure to comply with this section.

Sec. 6. Minnesota Statutes 2018, section 125B.26, subdivision 4, is amended to read:

Subd. 4. **District aid.** ~~For fiscal year 2006 and later,~~ A district, charter school, or intermediate school district's Internet access equity aid equals the district, charter school, or intermediate school district's approved cost for the previous fiscal year according to subdivision 1 ~~exceeding \$16 times the district's adjusted pupil units for the previous fiscal year or no reduction if the district is part of an organized telecommunications access cluster.~~ Equity aid must be distributed to the telecommunications access cluster for districts, charter schools, or intermediate school districts that are members of the cluster or to individual districts, charter schools, or intermediate school districts not part of a telecommunications access cluster.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2020 and later.

Sec. 7. Minnesota Statutes 2018, section 125B.26, subdivision 5, is amended to read:

Subd. 5. **Telecommunications/Internet access services for nonpublic schools.** (a) Districts shall provide each year upon formal request by or on behalf of a nonpublic school, not including home schools, located in that district or area, ongoing or recurring telecommunications access services to the nonpublic school either through existing district providers or through separate providers.

(b) The amount of district aid for telecommunications access services for each nonpublic school under this subdivision equals the lesser of:

(1) ~~90 percent of the nonpublic school's approved cost for the previous fiscal year according to subdivision 1 exceeding \$10 for fiscal year 2006 and later times the number of weighted pupils enrolled at the nonpublic school as of October 1 of the previous school year;~~ or

(2) the product of the district's aid per pupil unit according to subdivision 4 times the number of weighted pupils enrolled at the nonpublic school as of October 1 of the previous school year.

(c) For purposes of this subdivision, nonpublic school pupils shall be weighted by grade level using the weighting factors defined in section 126C.05, subdivision 1.

(d) Each year, a district providing services under paragraph (a) may claim up to five percent of the aid determined in paragraph (b) for costs of administering this subdivision. No district may expend an amount for these telecommunications access services which exceeds the amount allocated under this subdivision. The nonpublic school is responsible for the Internet access costs not covered by this section.

(e) At the request of a nonpublic school, districts may allocate the amount determined in paragraph (b) directly to the nonpublic school to pay for or offset the nonpublic school's costs for telecommunications access services; however, the amount allocated directly to the nonpublic school

may not exceed the actual amount of the school's ongoing or recurring telecommunications access costs.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2020 and later.

Sec. 8. Minnesota Statutes 2018, section 205A.07, subdivision 2, is amended to read:

Subd. 2. **Sample ballot, posting.** (a) For every school district primary, general, or special election, the school district clerk ~~shall~~ must at least four days before the primary, general, or special election, post a sample ballot in the administrative offices of the school district for public inspection, and ~~shall~~ must post a sample ballot in each polling place on election day.

(b) For a school district general or special election held to authorize the issuance of bonds to finance a capital project requiring review and comment under section 123B.71, the summary of the commissioner's review and comment and supplemental information required under section 123B.71, subdivision 12, paragraph (a), must be posted in the same manner as the sample ballot under paragraph (a).

EFFECTIVE DATE. This section is effective for elections held on or after August 1, 2019.

Sec. 9. Minnesota Statutes 2018, section 471.59, subdivision 1, is amended to read:

Subdivision 1. **Agreement.** (a) Two or more governmental units, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise any power common to the contracting parties or any similar powers, including those which are the same except for the territorial limits within which they may be exercised. The agreement may provide for the exercise of such powers by one or more of the participating governmental units on behalf of the other participating units.

(b) The term "governmental unit" as used in this section includes every city, county, town, school district, service cooperative under section 123A.21, charter school under chapter 124E, independent nonprofit firefighting corporation, other political subdivision of this or another state, another state, federally recognized Indian tribe, the University of Minnesota, the Minnesota Historical Society, nonprofit hospitals licensed under sections 144.50 to 144.56, rehabilitation facilities and extended employment providers that are certified by the commissioner of employment and economic development, day and supported employment services licensed under chapter 245D, and any agency of the state of Minnesota or the United States, and includes any instrumentality of a governmental unit. For the purpose of this section, an instrumentality of a governmental unit means an instrumentality having independent policy-making and appropriating authority.

Sec. 10. Minnesota Statutes 2018, section 475.58, subdivision 4, is amended to read:

Subd. 4. **Proper use of bond proceeds.** The proceeds of obligations issued after approval of the electors under this section ~~may~~ must only be spent: (1) for the purposes stated in the ballot language; or (2) to pay, redeem, or defease obligations and interest, penalties, premiums, and costs of issuance of the obligations. The proceeds ~~may~~ must not be spent for a different purpose or for an expansion of the original purpose without the approval by a majority of the electors voting on the question of changing or expanding the purpose of the obligations.

Sec. 11. Minnesota Statutes 2018, section 475.59, subdivision 1, is amended to read:

Subdivision 1. **Generally; notice.** (a) When the governing body of a municipality resolves to issue bonds for any purpose requiring the approval of the electors, it shall provide for submission of the proposition of their issuance at a general or special election or town or school district meeting. Notice of such election or meeting shall be given in the manner required by law and shall state the maximum amount and the purpose of the proposed issue.

(b) In any school district, the school board or board of education may, according to its judgment and discretion, submit as a single ballot question or as two or more separate questions in the notice of election and ballots the proposition of their issuance for any one or more of the following, stated conjunctively or in the alternative: acquisition or enlargement of sites, acquisition, betterment, erection, furnishing, equipping of one or more new schoolhouses, remodeling, repairing, improving, adding to, betterment, furnishing, equipping of one or more existing schoolhouses. The ballot question or questions submitted by a school board must state the name of the plan or plans being proposed by the district as submitted to the commissioner of education for review and comment under section 123B.71.

(c) In any city, town, or county, the governing body may, according to its judgment and discretion, submit as a single ballot question or as two or more separate questions in the notice of election and ballots the proposition of their issuance, stated conjunctively or in the alternative, for the acquisition, construction, or improvement of any facilities at one or more locations.

EFFECTIVE DATE. This section is effective for elections held on or after August 1, 2019.

Sec. 12. **FUND TRANSFERS.**

Subdivision 1. **Truman.** (a) Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 124D.135, on June 30, 2019, Independent School District No. 458, Truman, may permanently transfer up to \$65,000 from the early childhood and family education reserve account in the community service fund to the undesignated general fund.

(b) Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 124D.16, on June 30, 2019, Independent School District No. 458, Truman, may permanently transfer up to \$45,000 from the school readiness reserve account in the community service fund to the undesignated general fund.

Subd. 2. **Minnetonka.** Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 124D.20, subdivision 10, on June 30, 2019, Independent School District No. 276, Minnetonka, may permanently transfer up to \$3,300,000 from its community education reserve fund balance to its reserved for operating capital account in the general fund. The transferred funds must be used only to design, construct, furnish, and equip an early childhood or community education classroom addition.

Subd. 3. **Hopkins.** (a) Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 124D.20, subdivision 10, on June 30, 2019, Independent School District No. 270, Hopkins, may permanently transfer up to \$500,000 from its community education reserve fund balance to its reserved for operating capital account in the general fund.

(b) The transfer funds must be used only to design, construct, furnish, and equip an early childhood classroom addition.

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

Sec. 13. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sum indicated in this section is appropriated from the general fund to the Department of Education for the fiscal year designated.

Subd. 2. **Debt service equalization aid.** For debt service equalization aid under Minnesota Statutes, section 123B.53, subdivision 6:

\$	<u>20,684,000</u>	.....	<u>2020</u>
\$	<u>20,363,000</u>	.....	<u>2021</u>

The 2020 appropriation includes \$2,292,000 for 2019 and \$18,392,000 for 2020.

The 2021 appropriation includes \$2,043,000 for 2020 and \$18,320,000 for 2021.

Subd. 3. **Long-term facilities maintenance equalized aid.** For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

\$	<u>105,144,000</u>	.....	<u>2020</u>
\$	<u>107,850,000</u>	.....	<u>2021</u>

The 2020 appropriation includes \$10,464,000 for 2019 and \$94,680,000 for 2020.

The 2021 appropriation includes \$10,520,000 for 2020 and \$97,330,000 for 2021.

Subd. 4. **Equity in telecommunications access.** (a) For equity in telecommunications access:

\$	<u>4,250,000</u>	.....	<u>2020</u>
\$	<u>4,250,000</u>	.....	<u>2021</u>

(b) If the appropriation amount is insufficient, the commissioner shall reduce the reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the revenue for fiscal years 2020 and 2021 shall be prorated.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 5. **Early repayment aid incentive.** (a) For incentive grants for a district that repays the full outstanding original principal on its capital loan by November 30, 2016, under Laws 2011, First Special Session chapter 11, article 4, section 8, as amended by Laws 2016, chapter 189, article 30, section 22:

\$	<u>2,350,000</u>	.....	<u>2020</u>
\$	<u>2,350,000</u>	.....	<u>2021</u>

(b) Of this amount, \$150,000 is for a grant to Independent School District No. 36, Kelliher; \$180,000 is for a grant to Independent School District No. 95, Cromwell; \$495,000 is for a grant

to Independent School District No. 299, Caledonia; \$220,000 is for a grant to Independent School District No. 306, Laporte; \$150,000 is for a grant to Independent School District No. 362, Littlefork; \$650,000 is for a grant to Independent School District No. 682, Roseau; and \$505,000 is for a grant to Independent School District No. 2580, East Central.

(c) The grant may be used for any school-related purpose.

(d) The base for fiscal year 2022 is \$0.

Subd. 6. **Maximum effort loan aid.** (a) For aid payments to schools with outstanding capital loans under Minnesota Statutes, section 477A.09.

<u>\$</u>	<u>3,291,000</u>	<u>.....</u>	<u>2020</u>
<u>\$</u>	<u>3,291,000</u>	<u>.....</u>	<u>2021</u>

(b) The base for fiscal year 2022 is \$3,291,000 and the base for fiscal year 2023 is \$0.

ARTICLE 7

NUTRITION AND LIBRARIES

Section 1. Minnesota Statutes 2018, section 124D.111, is amended to read:

124D.111 SCHOOL MEALS POLICIES; LUNCH AID; FOOD SERVICE ACCOUNTING.

Subdivision 1. **School ~~lunch-aid-computation~~ meals policies.** (a) Each Minnesota participant in the national school lunch program must adopt and post to its website, or the website of the organization where the meal is served, a school meals policy.

(b) The policy must be in writing and clearly communicate student meal charges when payment cannot be collected at the point of service. The policy must be reasonable and well-defined and maintain the dignity of students by prohibiting lunch shaming.

Subd. 1a. **School lunch aid amounts.** Each school year, the state must pay participants in the national school lunch program the amount of 12.5 cents for each full paid and free student lunch and 52.5 cents for each reduced-price lunch served to students.

Subd. 2. **Application.** A school district, charter school, nonpublic school, or other participant in the national school lunch program shall apply to the department for this payment on forms provided by the department.

Subd. 2a. **Federal Child and Adult Care Food Program; criteria and notice.** The commissioner must post on the department's website eligibility criteria and application information for nonprofit organizations interested in applying to the commissioner for approval as a multisite sponsoring organization under the federal Child and Adult Care Food Program. The posted criteria and information must inform interested nonprofit organizations about:

(1) the criteria the commissioner uses to approve or disapprove an application, including how an applicant demonstrates financial viability for the Minnesota program, among other criteria;

(2) the commissioner's process and time line for notifying an applicant when its application is approved or disapproved and, if the application is disapproved, the explanation the commissioner provides to the applicant; and

(3) any appeal or other recourse available to a disapproved applicant.

Subd. 3. **School food service fund.** (a) The expenses described in this subdivision must be recorded as provided in this subdivision.

(b) In each district, the expenses for a school food service program for pupils must be attributed to a school food service fund. Under a food service program, the school food service may prepare or serve milk, meals, or snacks in connection with school or community service activities.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the kitchen section of the lunchroom may be charged to the food service fund or to the general fund of the district. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program must be charged to the general fund.

That portion of superintendent and fiscal manager costs that can be documented as attributable to the food service program may be charged to the food service fund provided that the school district does not employ or contract with a food service director or other individual who manages the food service program, or food service management company. If the cost of the superintendent or fiscal manager is charged to the food service fund, the charge must be at a wage rate not to exceed the statewide average for food service directors as determined by the department.

(d) Capital expenditures for the purchase of food service equipment must be made from the general fund and not the food service fund, unless the restricted balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased.

(e) If the condition set out in paragraph (d) applies, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year. However, if a district contracts with a food service management company during the period in which the deficit has accrued, the deficit must be eliminated by a payment from the food service management company.

(g) Notwithstanding paragraph (f), a district may incur a deficit in the food service fund for up to three years without making the permanent transfer if the district submits to the commissioner by January 1 of the second fiscal year a plan for eliminating that deficit at the end of the third fiscal year.

(h) If a surplus in the food service fund exists at the end of a fiscal year for three successive years, a district may recode for that fiscal year the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program

charged to the general fund according to paragraph (c) and charge those costs to the food service fund in a total amount not to exceed the amount of surplus in the food service fund.

Subd. 4. **No fees.** A participant that receives school lunch aid under this section must make lunch available without charge to all participating students who qualify for free or reduced-price meals. The participant must also ensure that any reminders for payment of outstanding student meal balances do not demean or stigmatize any child participating in the school lunch program.

Sec. 2. **APPROPRIATIONS.**

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

Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

\$	<u>16,215,000</u>	.....	<u>2020</u>
\$	<u>16,484,000</u>	.....	<u>2021</u>

Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:

\$	<u>11,073,000</u>	.....	<u>2020</u>
\$	<u>11,534,000</u>	.....	<u>2021</u>

Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

\$	<u>691,000</u>	.....	<u>2020</u>
\$	<u>691,000</u>	.....	<u>2021</u>

Subd. 5. **Summer school food service replacement aid.** For summer school food service replacement aid under Minnesota Statutes, section 124D.119:

\$	<u>150,000</u>	.....	<u>2020</u>
\$	<u>150,000</u>	.....	<u>2021</u>

Subd. 6. **Basic system support.** For basic system support aid under Minnesota Statutes, section 134.355:

\$	<u>13,570,000</u>	.....	<u>2020</u>
\$	<u>13,570,000</u>	.....	<u>2021</u>

The 2020 appropriation includes \$1,357,000 for 2019 and \$12,213,000 for 2020.

The 2021 appropriation includes \$1,357,000 for 2020 and \$12,213,000 for 2021.

Subd. 7. **Multicounty, multitype library systems.** For aid under Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

\$	<u>1,300,000</u>	<u>2020</u>
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\$ 1,300,000 2021

The 2020 appropriation includes \$130,000 for 2019 and \$1,170,000 for 2020.

The 2021 appropriation includes \$130,000 for 2020 and \$1,170,000 for 2021.

Subd. 8. **Electronic library for Minnesota.** (a) For statewide licenses to online databases selected in cooperation with the Minnesota Office of Higher Education for school media centers, public libraries, state government agency libraries, and public or private college or university libraries:

\$ 900,000 2020
\$ 900,000 2021

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 9. **Regional library telecommunications aid.** For regional library telecommunications aid under Minnesota Statutes, section 134.355:

\$ 2,300,000 2020
\$ 2,300,000 2021

The 2020 appropriation includes \$230,000 for 2019 and \$2,070,000 for 2020.

The 2021 appropriation includes \$230,000 for 2020 and \$2,070,000 for 2021.

ARTICLE 8

EARLY CHILDHOOD

Section 1. Minnesota Statutes 2018, section 124D.151, subdivision 4, is amended to read:

Subd. 4. **Eligibility.** A child who is four years of age as of September 1 in the calendar year in which the school year commences is eligible to participate in a voluntary prekindergarten program free of charge. An eligible four-year-old child served in a mixed-delivery system by a child care center, family child care program licensed under section 245A.03, or community-based organization may be charged a fee as long as the mixed-delivery partner was not awarded a seat for that child. Each eligible child must complete a health and developmental screening within 90 days of program enrollment under sections 121A.16 to 121A.19, and provide documentation of required immunizations under section 121A.15.

Sec. 2. Minnesota Statutes 2018, section 124D.151, is amended by adding a subdivision to read:

Subd. 7. **Financial accounting.** An eligible school district or charter school must record expenditures attributable to voluntary prekindergarten pupils according to guidelines prepared by the commissioner under section 127A.17.

Sec. 3. Minnesota Statutes 2018, section 124D.162, is amended to read:

124D.162 KINDERGARTEN READINESS ASSESSMENT.

Subdivision 1. **Implementation.** (a) The commissioner of education ~~may~~ must implement a kindergarten readiness assessment representative of incoming kindergartners to:

(1) identify preparedness of a child for success in school;

(2) inform instructional decision-making;

(3) improve understanding of connections between kindergarten readiness and later academic achievement; and

(4) produce data that can assist in evaluation of the effectiveness of early childhood programs.

(b) The commissioner must provide districts with a process for measuring on a comparable basis the kindergarten readiness of incoming kindergartners. A district is encouraged to use the commissioner-provided measurement process under this section.

Subd. 2. **Assessment development.** The measurement tools used for assessment must be research based, developmentally appropriate, valid and reliable, aligned to the state early childhood indicators of progress and kindergarten academic standards, and based on the Department of Education Kindergarten Readiness Assessment at kindergarten entrance study.

Subd. 3. **Reporting.** Beginning in the 2020-2021 school year, a district that uses the commissioner-provided process must annually report kindergarten readiness results under this section to the department in the form and manner determined by the commissioner concurrent with the district's world's best workforce report under section 120B.11. The commissioner must publicly report kindergarten readiness results as part of the performance reports required under section 120B.36 and consistent with section 120B.35, subdivision 3, paragraph (a), clause (2).

Subd. 4. **Longitudinal data system.** Beginning for data reported on incoming kindergartners in the 2020-2021 school year, the commissioner must integrate kindergarten readiness data under this section into statewide longitudinal educational data systems.

Sec. 4. Minnesota Statutes 2018, section 124D.165, subdivision 2, is amended to read:

Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship, parents or guardians must meet the following eligibility requirements:

(1) have an eligible child; ~~and~~

(2) have income equal to or less than 185 percent of federal poverty level income in the current calendar year, or be able to document their child's current participation in the free and reduced-price lunch program or Child and Adult Care Food Program, National School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; child care assistance programs under chapter 119B; the supplemental nutrition assistance program; or placement in foster care under section 260C.212. Parents or guardians are not required to provide income verification under this clause if the child is an eligible child under paragraph (b), clause (4) or (5); and

(3) must not currently be disqualified from the child care assistance program under chapter 119B, as provided under section 256.98, subdivision 8, paragraph (b).

(b) An "eligible child" means a child who has not yet enrolled in kindergarten and is:

(1) at least three but not yet ~~five~~ six years of age on September 1 of the current school year;

(2) a sibling from birth to age ~~five~~ six of a child who has been awarded a scholarship under this section provided the sibling attends the same program as long as funds are available;

(3) the child of a parent under age 21 who is pursuing a high school degree or a course of study for a high school equivalency test; ~~or~~

(4) ~~homeless, in foster care, or in need of child protective services;~~ a child in need of protective services or in foster care as defined under section 260C.007; or

(5) designated as homeless under the federal McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.

(c) A child who has received a scholarship under this section must continue to receive a scholarship each year until that child is eligible for kindergarten under section 120A.20 and as long as funds are available.

(d) Early learning scholarships may not be counted as earned income for the purposes of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota family investment program under chapter 256J, child care assistance programs under chapter 119B, or Head Start under the federal Improving Head Start for School Readiness Act of 2007.

(e) A child from an adjoining state whose family resides at a Minnesota address as assigned by the United States Postal Service, who has received developmental screening under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district, and whose family meets the criteria of paragraph (a) is eligible for an early learning scholarship under this section.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 5. Minnesota Statutes 2018, section 124D.165, subdivision 3, is amended to read:

Subd. 3. **Administration.** (a) The commissioner shall establish application timelines and determine the schedule for awarding scholarships that meets operational needs of eligible families and programs. The commissioner must give highest priority to applications from children who: are eligible under subdivision 2, paragraph (b), clause (3), (4), or (5).

~~(1) have a parent under age 21 who is pursuing a high school diploma or a course of study for a high school equivalency test;~~

~~(2) are in foster care or otherwise in need of protection or services; or~~

~~(3) have experienced homelessness in the last 24 months, as defined under the federal McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.~~

The commissioner may prioritize applications on additional factors including family income, geographic location, and whether the child's family is on a waiting list for a publicly funded program providing early education or child care services.

(b) The commissioner shall establish a target for the average scholarship amount per child based on the results of the rate survey conducted under section 119B.02.

(c) A four-star rated program that has children eligible for a scholarship enrolled in or on a waiting list for a program beginning in July, August, or September may notify the commissioner, in the form and manner prescribed by the commissioner, each year of the program's desire to enhance program services or to serve more children than current funding provides. The commissioner may designate a predetermined number of scholarship slots for that program and notify the program of that number. For fiscal year 2018 and later, the statewide amount of funding directly designated by the commissioner must not exceed the funding directly designated for fiscal year 2017. For fiscal year 2020 and later, the number of scholarship slots designated for a program under this paragraph must not exceed the number of scholarship slots designated for that program in fiscal year 2019. Beginning July 1, 2016, a school district or Head Start program qualifying under this paragraph may use its established registration process to enroll scholarship recipients and may verify a scholarship recipient's family income in the same manner as for other program participants.

(d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not been accepted and subsequently enrolled in a rated program within ten months of the awarding of the scholarship, the scholarship cancels and the recipient must reapply in order to be eligible for another scholarship. A child may not be awarded more than one scholarship in a 12-month period.

(e) A child who is at least three years of age who receives a scholarship who and has not completed development screening under sections 121A.16 to 121A.19 must complete that screening within 90 days of first attending an eligible program. A child who receives a scholarship before the age of three must complete the developmental screening no later than 90 days after the child's third birthday.

(f) For fiscal year 2017 and later, a school district or Head Start program enrolling scholarship recipients under paragraph (c) may apply to the commissioner, in the form and manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of the application, the commissioner must pay each program directly for each approved scholarship recipient enrolled under paragraph (c) according to the metered payment system or another schedule established by the commissioner.

Sec. 6. Minnesota Statutes 2018, section 124D.165, is amended by adding a subdivision to read:

Subd. 3a. **Transitional scholarship seats.** (a) For fiscal years 2020 and 2021 only, consistent with the commissioner's authority to prioritize applications based on geographic location under subdivision 3, paragraph (a), the commissioner must give priority to an otherwise eligible child who is resident to a school district with a transition seat count greater than zero. The commissioner must not directly designate a scholarship under this subdivision to any particular program.

(b) For purposes of this subdivision, a school district's "transition seat count" equals (1) the total number of seats approved for the school district and any charter school located in that district for fiscal year 2019 under section 124D.151 and the school readiness plus program under Laws 2017,

First Special Session chapter 5, article 8, section 9, minus (2) the number of seats approved for the school district and any charter school located in that district for fiscal year 2017 under section 124D.151.

(c) Notwithstanding paragraph (a), the commissioner must not give priority under this subdivision to more applicants resident to any school district than that school district's transition seat count.

EFFECTIVE DATE. This section is effective for scholarships awarded after June 30, 2019.

Sec. 7. Minnesota Statutes 2018, section 124D.165, subdivision 4, is amended to read:

Subd. 4. **Early childhood program eligibility.** (a) In order to be eligible to accept an for early learning scholarship funds, a program must:

(1) participate in the quality rating and improvement system under section 124D.142; and

(2) beginning July 1, ~~2020~~ 2021, have a three- or four-star rating in the quality rating and improvement system, except that a program must remain eligible to accept an early learning scholarship for a child who was attending that program prior to July 1, 2021.

(b) Any program accepting scholarships must use the revenue to supplement and not supplant federal funding.

~~(c) Notwithstanding paragraph (a), all Minnesota early learning foundation scholarship program pilot sites are eligible to accept an early learning scholarship under this section. A program is not eligible for early learning scholarship funds if:~~

(1) it is disqualified from receiving payment for child care services from the child care assistance program under chapter 119B, as provided under section 256.98, subdivision 8, paragraph (c); or

(2) the commissioner of human services or county agency refuses to issue a child care authorization, revokes an existing child care authorization, stops payment issued to a program, or refuses to pay a bill under section 119B.13, subdivision 6, paragraph (d), clause (2).

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 8. Minnesota Statutes 2018, section 124D.165, is amended by adding a subdivision to read:

Subd. 4a. **Data sharing.** The commissioner of human services may disseminate to the commissioner of education data on child care assistance program disqualification for purposes of determining family eligibility under subdivision 2, paragraph (a), clause (3), and program eligibility under subdivision 4, paragraph (c). The commissioner of education may disseminate the data to an early learning scholarship area administrator.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 9. Minnesota Statutes 2018, section 124D.165, is amended by adding a subdivision to read:

Subd. 6. **Early learning scholarship account.** (a) An account is established in the special revenue fund known as the "early learning scholarship account."

(b) Funds appropriated for early learning scholarships under this section shall be transferred to the early learning scholarship account in the special revenue fund.

(c) Money in this account is annually appropriated to the commissioner for early learning scholarships under this section. Money in the account is available until spent. Any returned funds are available to be regranted.

(d) Up to \$950,000 annually is appropriated to the commissioner for costs associated with administering and monitoring early learning scholarships.

Sec. 10. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 4, is amended to read:

Subd. 4. **Early learning scholarships.** (a) For the early learning scholarship program under Minnesota Statutes, section 124D.165:

\$	70,209,000	.....	2018
	70,209,000		
\$	<u>60,709,000</u>	.....	2019

(b) Up to \$950,000 each year is for administration of this program.

(c) Any balance in the first year does not cancel but is available in the second year.

(d) The base for fiscal year 2020 is ~~\$70,709,000~~ \$9,500,000 of the initial fiscal year 2019 appropriation is canceled to the general fund on June 30, 2019.

Sec. 11. APPROPRIATIONS.

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

Subd. 2. School readiness. (a) For revenue for school readiness programs under Minnesota Statutes, sections 124D.15 and 124D.16:

\$	<u>33,683,000</u>	.....	<u>2020</u>
\$	<u>33,683,000</u>	.....	<u>2021</u>

(b) The 2020 appropriation includes \$3,368,000 for 2019 and \$30,315,000 for 2020.

(c) The 2021 appropriation includes \$3,368,000 for 2020 and \$30,315,000 for 2021.

Subd. 3. Early learning scholarships. (a) For the early learning scholarship program under Minnesota Statutes, section 124D.165:

\$	<u>92,959,000</u>	.....	<u>2020</u>
\$	<u>92,959,000</u>	.....	<u>2021</u>

(b) Money appropriated for the early learning scholarship program under Minnesota Statutes, section 124D.165, is transferred to the early learning scholarship account in the special revenue fund.

(c) The base for fiscal year 2022 is \$70,709,000.

Subd. 4. **Head Start program.** For Head Start programs under Minnesota Statutes, section 119A.52:

\$	<u>25,100,000</u>	.....	<u>2020</u>
\$	<u>25,100,000</u>	.....	<u>2021</u>

Subd. 5. **Early childhood family education aid.** (a) For early childhood family education aid under Minnesota Statutes, section 124D.135:

\$	<u>31,454,000</u>	.....	<u>2020</u>
\$	<u>31,988,000</u>	.....	<u>2021</u>

(b) The 2020 appropriation includes \$3,098,000 for 2019 and \$28,356,000 for 2020.

(c) The 2021 appropriation includes \$3,150,000 for 2020 and \$28,838,000 for 2021.

Subd. 6. **Developmental screening aid.** (a) For developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

\$	<u>3,639,000</u>	.....	<u>2020</u>
\$	<u>3,625,000</u>	.....	<u>2021</u>

(b) The 2020 appropriation includes \$363,000 for 2019 and \$3,276,000 for 2020.

(c) The 2021 appropriation includes \$363,000 for 2020 and \$3,262,000 for 2021.

Subd. 7. **Parent-child home program.** (a) For a grant to the parent-child home program:

\$	<u>900,000</u>	.....	<u>2020</u>
\$	<u>900,000</u>	.....	<u>2021</u>

(b) The grant must be used for an evidence-based and research-validated early childhood literacy and school readiness program for children ages 16 months to four years. The program must serve at least one location within the 11-county metropolitan region and at least one location outside of the 11-county metropolitan region.

Subd. 8. **Kindergarten entrance assessment initiative and intervention program.** For the kindergarten entrance assessment initiative and intervention program under Minnesota Statutes, section 124D.162:

\$	<u>281,000</u>	.....	<u>2020</u>
\$	<u>281,000</u>	.....	<u>2021</u>

Subd. 9. **Quality rating and improvement system.** (a) For transfer to the commissioner of human services for the purposes of expanding the quality rating and improvement system under Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports for providers participating in the quality rating and improvement system:

\$	<u>1,750,000</u>	<u>2020</u>
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\$ 1,750,000 2021

(b) The amounts in paragraph (a) must be in addition to any federal funding under the child care and development block grant authorized under Public Law 101-508 in that year for the system under Minnesota Statutes, section 124D.142.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 10. **Early childhood programs at tribal contract schools.** For early childhood family education programs at tribal contract schools under Minnesota Statutes, section 124D.83, subdivision 4:

\$ 68,000 2020
\$ 68,000 2021

Subd. 11. **Educate parents partnership.** For the educate parents partnership under Minnesota Statutes, section 124D.129:

\$ 49,000 2020
\$ 49,000 2021

Subd. 12. **Home visiting aid.** (a) For home visiting aid under Minnesota Statutes, section 124D.135:

\$ 521,000 2020
\$ 503,000 2021

(b) The 2020 appropriation includes \$54,000 for 2019 and \$467,000 for 2020.

(c) The 2021 appropriation includes \$51,000 for 2020 and \$452,000 for 2021.

ARTICLE 9

COMMUNITY EDUCATION AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2018, section 124D.19, subdivision 2, is amended to read:

Subd. 2. **Advisory council.** (a) Each board must provide for an advisory council to consist of members who represent: various service organizations; churches; public and nonpublic schools; local government including elected officials; public and private nonprofit agencies serving youth and families; parents; youth; park, recreation or forestry services of municipal or local government units located in whole or in part within the boundaries of the school district; and any other groups participating in the community education program in the school district.

(b) The advisory council must make written recommendations to the community education director and to the school board on the use of general community education revenue under section 124D.20, subdivision 3. A school board must take public testimony on the advisory council's written recommendations.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 2. Minnesota Statutes 2018, section 124D.20, subdivision 8, is amended to read:

Subd. 8. **Uses of general revenue.** (a) General community education revenue may be used for:

- (1) nonvocational, recreational, and leisure time activities and programs;
- (2) programs for adults with disabilities, if the programs and budgets are approved by the department;
- (3) adult basic education programs, according to section 124D.52;
- (4) summer programs for elementary and secondary pupils;
- (5) implementation of a youth development plan;
- (6) implementation of a youth service program;
- (7) early childhood family education programs, according to section 124D.13;
- (8) school readiness programs, according to section 124D.15; ~~and~~
- (9) school-age care programs, according to section 124D.19, subdivision 11; and
- (10) a mutually beneficial program or service, including programs offered by nonschool organizations, that promotes the goals of both general education and community education and serves the needs of school district staff, students, and residents.

(b) In addition to money from other sources, a district may use up to ten percent of its community education revenue for equipment that is used exclusively primarily in community education programs. This revenue may be used only for the following purposes:

- (1) to purchase or lease computers and related materials;
- (2) to purchase or lease equipment for instructional programs; and
- (3) to purchase textbooks and library books.

(c) General community education revenue must not be used to subsidize the direct activity costs for adult enrichment programs. Direct activity costs include, but are not limited to, the cost of the activity leader or instructor, cost of materials, or transportation costs.

Sec. 3. Minnesota Statutes 2018, section 124D.20, subdivision 10, is amended to read:

Subd. 10. **Reserve account.** (a) Community education revenue, which includes aids, levies, fees, grants, and all other revenues received by the school district for community education programs, must be maintained in a reserve account within the community service fund, except as provided in paragraph (b).

(b) A school board may transfer funds from the community education reserve account to either the operating capital account in the general fund or the building construction fund for capital and facility needs that are to be used primarily by community education programs.

Sec. 4. Minnesota Statutes 2018, section 124D.531, subdivision 1, is amended to read:

Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic education aid for fiscal year 2011 equals \$44,419,000, plus any amount that is not paid during the previous fiscal year as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later fiscal years equals:

(1) the state total adult basic education aid for the preceding fiscal year plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times

(2) the greater of 1.00 or the lesser of:

(i) 1.03; or

(ii) the average growth in state total contact hours over the prior ten program years.

Three percent of the state total adult basic education aid must be set aside for adult basic education supplemental service grants under section 124D.522.

(b) The state total adult basic education aid, excluding basic population aid, equals the difference between the amount computed in paragraph (a), and the state total basic population aid under subdivision 2.

Sec. 5. Minnesota Statutes 2018, section 124D.99, subdivision 3, is amended to read:

Subd. 3. **Administration; design.** (a) The commissioner shall establish program requirements, an application process and timeline for each tier of grants specified in subdivision 4, criteria for evaluation of applications, and a grant awards process. The commissioner's process must minimize administrative costs, minimize burdens for applicants and grant recipients, and provide a framework that permits flexibility in program design and implementation among grant recipients.

(b) To the extent practicable, the commissioner shall design the program to align with programs implemented or proposed by organizations in Minnesota that:

(1) identify and increase the capacity of organizations that are focused on achieving data-driven, locally controlled positive outcomes for children and youth throughout an entire neighborhood or geographic area through programs such as Strive Together, Promise Neighborhood, and the Education Partnerships Coalition members;

(2) build a continuum of educational family and community supports with academically rigorous schools at the center;

(3) maximize program efficiencies by integrating programmatic activities and eliminating administrative barriers;

(4) develop local infrastructure needed to sustain and scale up proven and effective solutions beyond the initial neighborhood or geographic area; ~~and~~

(5) utilize appropriate outcome measures based on unique community needs and interests and apply rigorous evaluation on a periodic basis to be used to both monitor outcomes and allow for continuous improvements to systems;

(6) collect and utilize data to improve student outcomes;

(7) share disaggregated performance data with the community to set community-level outcomes;

(8) employ continuous improvement processes;

(9) have an anchor entity which shall be a tribal entity, community foundation, higher education institution, or community-based organization to manage the partnership;

(10) convene a cross-sector leadership group and have a documented accountability structure;
and

(11) demonstrate use of nonstate funds, from multiple sources, including in-kind contributions.

(c) A grant recipient's supportive services programming must address:

(1) kindergarten readiness and youth development;

(2) grade 3 reading proficiency;

(3) middle school mathematics;

(4) high school graduation;

~~(4)~~ (5) postsecondary educational attainment enrollment;

(6) postsecondary education completion or attainment;

~~(5)~~ (7) physical and mental health;

~~(6)~~ (8) development of career skills and readiness;

~~(7)~~ (9) parental engagement and development;

~~(8)~~ (10) community engagement and programmatic alignment; and

~~(9)~~ (11) reduction of remedial education.

(d) The commissioner, in consultation with grant recipients, must:

(1) develop and revise core indicators of progress toward outcomes specifying impacts for each tier identified under subdivision 4;

(2) establish a reporting system for grant recipients to measure program outcomes using data sources and program goals; and

(3) evaluate effectiveness based on the core indicators established by each partnership for each tier.

Sec. 6. **APPROPRIATIONS.**

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

Subd. 2. Community education aid. For community education aid under Minnesota Statutes, section 124D.20:

\$	<u>330,000</u>	.....	<u>2020</u>
\$	<u>257,000</u>	.....	<u>2021</u>

The 2020 appropriation includes \$40,000 for 2019 and \$290,000 for 2020.

The 2021 appropriation includes \$32,000 for 2020 and \$225,000 for 2021.

Subd. 3. Adults with disabilities program aid. For adults with disabilities programs under Minnesota Statutes, section 124D.56:

\$	<u>710,000</u>	.....	<u>2020</u>
\$	<u>710,000</u>	.....	<u>2021</u>

The 2020 appropriation includes \$71,000 for 2019 and \$639,000 for 2020.

The 2021 appropriation includes \$71,000 for 2020 and \$639,000 for 2021.

Subd. 4. Hearing-impaired adults. For programs for hearing-impaired adults under Minnesota Statutes, section 124D.57:

\$	<u>70,000</u>	.....	<u>2020</u>
\$	<u>70,000</u>	.....	<u>2021</u>

Subd. 5. School-age care aid. For school-age care aid under Minnesota Statutes, section 124D.22:

\$	<u>1,000</u>	.....	<u>2020</u>
\$	<u>1,000</u>	.....	<u>2021</u>

The 2020 appropriation includes \$0 for 2019 and \$1,000 for 2020.

The 2021 appropriation includes \$0 for 2020 and \$1,000 for 2021.

Subd. 6. Tier 1 grants. (a) For education partnership program Tier 1 sustaining grants under Minnesota Statutes, section 124D.99:

\$	<u>2,600,000</u>	.....	<u>2020</u>
\$	<u>2,600,000</u>	.....	<u>2021</u>

(b) Of the amounts in paragraph (a), \$1,300,000 each year is for the Northside Achievement Zone and \$1,300,000 each year is for the St. Paul Promise Neighborhood.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 7. Tier 2 implementing grants. (a) For Tier 2 implementing grants under Minnesota Statutes, section 124D.99:

\$	<u>1,250,000</u>	.....	<u>2020</u>
\$	<u>1,250,000</u>	.....	<u>2021</u>

(b) Of the amounts in paragraph (a), \$250,000 each year is for the Northfield Healthy Community Initiative in Northfield; \$250,000 is for the Jones Family Foundation for the Every Hand Joined program in Red Wing; \$250,000 is for the United Way of Central Minnesota for the Partners for Student Success program; \$250,000 is for Austin Aspires; and \$250,000 is for the Rochester Area Foundation for the Cradle to Career program.

(c) The base for fiscal year 2022 is \$1,250,000. The base includes \$250,000 each year for each of the following programs: the Northfield Healthy Community Initiative, the Every Hand Joined program, the Partners for Student Success program, Austin Aspires, and the Cradle to Career program.

(d) Any balance in the first year does not cancel but is available in the second year.

Subd. 8. Adult basic education aid. For adult basic education aid under Minnesota Statutes, section 124D.531:

\$	<u>50,106,000</u>	.....	<u>2020</u>
\$	<u>51,620,000</u>	.....	<u>2021</u>

The 2020 appropriation includes \$4,868,000 for 2019 and \$45,238,000 for 2020.

The 2021 appropriation includes \$5,026,000 for 2020 and \$46,594,000 for 2021.

Subd. 9. High school equivalency tests. For payment of 60 percent of the costs of the commissioner-selected high school equivalency tests under Minnesota Statutes, section 124D.55:

\$	<u>125,000</u>	.....	<u>2020</u>
\$	<u>125,000</u>	.....	<u>2021</u>

ARTICLE 10

STATE AGENCIES

Section 1. Minnesota Statutes 2018, section 122A.14, subdivision 9, is amended to read:

Subd. 9. **Fee.** Each person licensed by the Board of School Administrators shall pay the board a fee of ~~\$75~~ \$100, collected each fiscal year. When transmitting notice of the license fee, the board also must notify the licensee of the penalty for failing to pay the fee within the time specified by the board. The board may provide a lower fee for persons on retired or inactive status. After receiving notice from the board, any licensed school administrator who does not pay the fee in the given fiscal year shall have all administrative licenses held by the person automatically suspended, without the right to a hearing, until the fee has been paid to the board. If the board suspends a licensed school administrator for failing to pay the fee, it must immediately notify the district currently employing the school administrator of the school administrator's suspension. The executive secretary shall

deposit the fees in the ~~educator licensure account in the special revenue fund in the state treasury~~ general fund.

Sec. 2. Minnesota Statutes 2018, section 122A.18, subdivision 8, is amended to read:

Subd. 8. **Background checks.** (a) The Professional Educator Licensing and Standards Board and the Board of School Administrators must request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on all first-time teaching applicants for licenses under their jurisdiction. Applicants must include with their licensure applications:

(1) an executed criminal history consent form, including fingerprints; and

(2) a ~~money order or cashier's check payable to the Bureau of Criminal Apprehension for the fee for conducting~~ payment to conduct the criminal history background check. The Professional Educator Licensing and Standards Board must deposit payments received under this subdivision in the general fund.

(b) The superintendent of the Bureau of Criminal Apprehension shall perform the background check required under paragraph (a) by retrieving criminal history data as defined in section 13.87 and shall also conduct a search of the national criminal records repository. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check. The superintendent shall recover the cost to the bureau of a background check through the fee charged to the applicant under paragraph (a).

(c) The Professional Educator Licensing and Standards Board or the Board of School Administrators may issue a license pending completion of a background check under this subdivision, but must notify the individual and the school district or charter school employing the individual that the individual's license may be revoked based on the result of the background check.

Sec. 3. Minnesota Statutes 2018, section 122A.21, subdivision 1, is amended to read:

Subdivision 1. **Licensure applications.** Each applicant submitting an application to the Professional Educator Licensing and Standards Board to issue, renew, or extend a teaching license, including applications for licensure via portfolio under subdivision 2, must include a processing fee of \$57. The processing fee for a teacher's license and for the licenses of supervisory personnel must be paid to the executive secretary of the appropriate board and deposited in the ~~educator licensure account in the special revenue fund~~ state treasury. The fees as set by the board are nonrefundable for applicants not qualifying for a license. However, the commissioner of management and budget must refund a fee in any case in which the applicant already holds a valid unexpired license. The board may waive or reduce fees for applicants who apply at the same time for more than one license.

Sec. 4. Minnesota Statutes 2018, section 125A.71, subdivision 1, is amended to read:

Subdivision 1. **Rental income; appropriation.** Rental income, ~~excluding rent for land and living residences,~~ must be deposited in the state treasury and credited to a revolving fund of the academies. Money in the revolving fund for rental income is annually appropriated to the academies for staff development purposes. Payment from the revolving fund for rental income may be made only according to vouchers authorized by the administrator of the academies.

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

Sec. 5. Minnesota Statutes 2018, section 128C.03, is amended to read:

128C.03 ELIGIBILITY BYLAWS, POLICIES, AND PROCEDURES.

Subdivision 1. **Public input and access to proposed eligibility bylaws, policies, and procedures.** (a) ~~The league shall adopt procedures to ensure public notice of all eligibility rules and bylaws, policies, and procedures that will afford the opportunity for public hearings on proposed eligibility rules bylaws, policies, and procedures. If requested by 100 25 or more parents or guardians of students, the public hearing must be conducted by an administrative law judge from the Office of Administrative Hearings, or by a person hired under contract by the Office of Administrative Hearings, or by an independent hearing officer appointed by the commissioner of education from a list maintained for that purpose. At the conclusion of a public hearing requested by 100 or more parents or guardians of students, the person conducting the hearing shall write a report evaluating the extent to which the league has shown that the proposed rule is bylaws, policies, and procedures are needed and reasonable and the legality of the proposed rule bylaws, policies, and procedures. The league shall pay for hearings under this section.~~

(b) The league shall:

(1) maintain a public docket on the league's website that includes historical and proposed changes in eligibility bylaws, policies, and procedures;

(2) post notice and final versions of all proposed changes to eligibility policies, procedures, and definitions to the league website for at least 30 days prior to board meetings;

(3) include publication dates on all versions of the league's official handbook or other advisory documents regarding league eligibility bylaws, policies, procedures, and definitions; and

(4) reconcile and remove duplicate eligibility policies and procedures.

Subd. 2. **Eligibility review process.** (a) The league must establish a process for student eligibility review that provides students and parents with a reasonable opportunity to present information regarding the student's eligibility. The league must:

(1) publish general criteria by which a request for review may qualify for a review by the league's eligibility committee;

(2) publish general criteria by which a review may qualify for further review by an independent hearing officer;

(3) indicate the conditions, timelines, and procedures for administering any review under clause (1) or (2); and

(4) provide specific reasons for any request the league denies.

(b) The eligibility review process contained in this section does not create a property right or liberty interest in extracurricular varsity athletic competition.

Sec. 6. Minnesota Statutes 2018, section 128C.20, is amended to read:

128C.20 LEAGUE INFORMATION REVIEW AND REPORT; COMMISSIONER REVIEW OF LEAGUE RECOMMENDATIONS.

Subdivision 1. **Annually.** (a) Each year, the ~~commissioner of education~~ league shall ~~obtain and~~ review the following information ~~about the league~~:

(1) an accurate and concise summary of the annual financial and compliance audit prepared by the state auditor that includes information about the compensation of and the expenditures by the executive director of the league and league staff;

(2) a list of all complaints filed with the league and all lawsuits filed against the league and the disposition of those complaints and lawsuits;

(3) an explanation of the executive director's performance review;

(4) information about the extent to which the league has implemented its affirmative action policy, its comparable worth plan, and its sexual harassment and violence policy and rules; ~~and~~

(5) an evaluation of ~~any proposed changes in league policy~~ bylaws, policies, procedures, and definitions, including those that have been proposed, for compliance with Department of Education programs and applicable state and federal law; and

(6) an explanation of recent and proposed changes to eligibility bylaws, policies, and procedures, including the eligibility review process under section 128C.03, subdivision 2.

The league shall post the review on the league's website and present written copies of the review to the commissioner of education and the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education.

(b) The commissioner may examine any league activities or league-related issues when the commissioner believes this review is warranted.

Subd. 2. **Recommend laws.** The commissioner may recommend to the legislature whether any legislation is made necessary by league activities.

Sec. 7. Laws 2017, First Special Session chapter 5, article 11, section 8, as amended by Laws 2018, chapter 182, article 1, section 106, is amended to read:

Sec. 8. **TRANSFERS.**

~~Subdivision 1. **Portfolio account.** On July 1, 2019, the commissioner of management and budget shall transfer any balances in the education licensure portfolio account in the special revenue fund to the educator licensure account in the special revenue fund.~~

Subd. 2. **Background check.** ~~Any balance in an account that holds fees collected under Minnesota Statutes, section 122A.18, subdivision 8, is transferred to the educator licensure background check account in the special revenue fund under Minnesota Statutes, section 122A.175, subdivision 2. On July 2, 2019, \$80,000 is transferred from the educator licensure background check account in the~~

special revenue fund to the educator licensure account in the special revenue fund; any unspent balance in an account that holds fees under Minnesota Statutes, section 122A.18, subdivision 8, is transferred to the general fund.

Sec. 8. Laws 2017, First Special Session chapter 5, article 11, section 9, subdivision 2, is amended to read:

Subd. 2. **Department.** (a) For the Department of Education:

\$	27,158,000	.....	2018
	<u>24,874,000</u>		
\$	<u>22,874,000</u>	.....	2019

Of these amounts:

(1) \$231,000 each year is for the Board of School Administrators, ~~and beginning in fiscal year 2020, the amount indicated is from the educator licensure account in the special revenue fund;~~

(2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;

(3) \$500,000 each year is for the school safety technical assistance center under Minnesota Statutes, section 127A.052;

(4) \$250,000 each year is for the School Finance Division to enhance financial data analysis;

(5) \$720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act under Laws 2014, chapter 272, article 1, as amended;

(6) \$2,750,000 in fiscal year 2018 and \$500,000 in fiscal year 2019 are for the Department of Education's mainframe update;

(7) \$123,000 each year is for a dyslexia specialist; and

(8) ~~\$2,000,000 each year~~ \$2,000,000 in fiscal year 2018 is for legal fees and costs associated with litigation.

(b) Any balance in the first year does not cancel but is available in the second year.

(c) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C. office.

(d) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and shall be spent as indicated.

(e) This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing information technology costs will be incorporated into the service level agreement and will be paid to the Office of MN.IT Services by the Department of Education under the rates and mechanism specified in that agreement.

(f) The agency's base is \$22,054,000 for fiscal year 2020 and \$21,965,000 for 2021.

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

Sec. 9. Laws 2017, First Special Session chapter 5, article 11, section 12, is amended to read:

Sec. 12. **APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

(a) The sums in this section are appropriated from the general fund to the Perpich Center for Arts Education for the fiscal years designated:

	<u>8,173,000</u>		
\$	<u>7,373,000</u>	.....	2018
\$	<u>6,973,000</u>	.....	2019

(b) Of the amounts appropriated in paragraph (a), \$370,000 is for fiscal years 2018 or 2019 only for arts integration and Turnaround Arts programs.

(c) ~~\$1,200,000~~ \$400,000 in fiscal year 2018 is for severance payments related to the closure of Crosswinds school and is available until June 30, 2019. \$800,000 of the initial fiscal year 2018 appropriation for severance payments is canceled to the general fund on June 29, 2019.

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

Sec. 10. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

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

Subd. 2. Department. (a) For the Department of Education:

<u>\$</u>	<u>20,859,000</u>	.....	<u>2020</u>
<u>\$</u>	<u>20,790,000</u>	.....	<u>2021</u>

Of these amounts:

(1) \$319,000 each year is for the Board of School Administrators;

(2) \$1,000,000 each year is for the regional centers of excellence under Minnesota Statutes, section 120B.115;

(3) \$250,000 each year is for the School Finance Division to enhance financial data analysis;

(4) \$720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act under Laws 2014, chapter 272, article 1, as amended; and

(5) \$123,000 each year is for a dyslexia specialist.

(b) Any balance in the first year does not cancel but is available in the second year.

(c) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C. office.

(d) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and shall be spent as indicated.

(e) This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing information technology costs will be incorporated into the service level agreement and will be paid to the Office of MN.IT Services by the Department of Education under the rates and mechanism specified in that agreement.

(f) To account for the base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), and section 3, paragraph (a), the base for fiscal year 2022 is \$20,810,000 The base for fiscal year 2023 is \$20,830,000.

Sec. 11. APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.

(a) The sums in this section are appropriated from the general fund to the Perpich Center for Arts Education for the fiscal years designated:

\$	<u>4,558,000</u>	<u>.....</u>	<u>2020</u>
\$	<u>4,558,000</u>	<u>.....</u>	<u>2021</u>

(b) For fiscal year 2020 and later, the appropriation is calculated with an operational fixed cost of \$3,175,000 and a variable cost of \$12,344 times the estimated number of pupil units served. Operational fixed costs include the base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), and section 3, paragraph (c).

(c) Any balance in the first year does not cancel and is available in the second year.

Sec. 12. APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.

Subdivision 1. **Professional Educator Licensing and Standards Board.** (a) The sums indicated in this section are appropriated from the general fund to the Professional Educator Licensing and Standards Board for the fiscal years designated:

\$	<u>2,744,000</u>	<u>.....</u>	<u>2020</u>
\$	<u>2,719,000</u>	<u>.....</u>	<u>2021</u>

(b) Any balance in the first year does not cancel but is available in the second year.

(c) The base for fiscal year 2022 and later is \$2,719,000.

Subd. 2. **Licensure by portfolio.** For licensure by portfolio:

\$	<u>34,000</u>	<u>.....</u>	<u>2020</u>
\$	<u>34,000</u>	<u>.....</u>	<u>2021</u>

This appropriation is from the education licensure portfolio account in the special revenue fund.

Sec. 13. APPROPRIATIONS; MINNESOTA STATE ACADEMIES.

(a) The sums indicated in this section are appropriated from the general fund to the Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

\$	<u>13,231,000</u>	.....	2020
\$	<u>13,237,000</u>	.....	2021

(b) Any balance in the first year does not cancel but is available in the second year.

(c) To account for the base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), and section 3, paragraph (b), the base for fiscal year 2022 is \$13,244,000 and the base for fiscal year 2023 is \$13,251,000.

Sec. 14. **REPEALER.**

(a) Minnesota Statutes 2018, sections 122A.175; and 128C.02, subdivision 6, are repealed.

(b) Laws 2017, First Special Session chapter 5, article 11, section 4, is repealed.

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

ARTICLE 11

FORECAST ADJUSTMENTS

A. GENERAL EDUCATION

Section 1. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 2, is amended to read:

Subd. 2. **General education aid.** For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$	7,032,051,000	.....	2018
	<u>7,227,809,000</u>		
\$	<u>7,253,606,000</u>	.....	2019

The 2018 appropriation includes \$686,828,000 for 2017 and \$6,345,223,000 for 2018.

The 2019 appropriation includes \$705,024,000 for 2018 and ~~\$6,522,785,000~~ \$6,548,582,000 for 2019.

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

Sec. 2. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 3, is amended to read:

Subd. 3. **Enrollment options transportation.** For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

\$	29,000	2018
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	31,000		
\$	<u>22,000</u>	2019

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

Sec. 3. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 4, is amended to read:

Subd. 4. **Abatement aid.** For abatement aid under Minnesota Statutes, section 127A.49:

	2,374,000		
\$	2,163,000	.....	2018
	<u>2,939,000</u>		
\$	<u>2,939,000</u>	.....	2019

The 2018 appropriation includes \$262,000 for 2017 and \$2,112,000 for 2018.

The 2019 appropriation includes ~~\$234,000~~ \$468,000 for 2018 and ~~\$1,929,000~~ \$2,471,000 for 2019.

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

Sec. 4. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 5, is amended to read:

Subd. 5. **Consolidation transition aid.** For districts consolidating under Minnesota Statutes, section 123A.485:

	185,000		
\$	382,000	.....	2018
	<u>20,000</u>		
\$	<u>20,000</u>	.....	2019

The 2018 appropriation includes \$0 for 2017 and \$185,000 for 2018.

The 2019 appropriation includes \$20,000 for 2018 and ~~\$362,000~~ \$0 for 2019.

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

Sec. 5. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 6, is amended to read:

Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

	18,197,000		
\$	19,225,000	.....	2018
	<u>18,093,000</u>		
\$	<u>18,093,000</u>	.....	2019

The 2018 appropriation includes \$1,687,000 for 2017 and \$16,510,000 for 2018.

The 2019 appropriation includes \$1,834,000 for 2018 and ~~\$17,391,000~~ \$16,259,000 for 2019.

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

Sec. 6. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 7, is amended to read:

Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

\$	18,372,000	.....	2018
	18,541,000		
\$	<u>19,492,000</u>	.....	2019

The 2018 appropriation includes \$1,835,000 for 2017 and \$16,537,000 for 2018.

The 2019 appropriation includes \$1,837,000 for 2018 and ~~\$16,704,000~~ \$17,655,000 for 2019.

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

Sec. 7. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 9, is amended to read:

Subd. 9. **Career and technical aid.** For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

\$	4,561,000	.....	2018
	4,125,000		
\$	<u>4,260,000</u>	.....	2019

The 2018 appropriation includes \$476,000 for 2017 and \$4,085,000 for 2018.

The 2019 appropriation includes \$453,000 for 2018 and ~~\$3,672,000~~ \$3,807,000 for 2019.

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

B. EDUCATION EXCELLENCE

Sec. 8. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 2, is amended to read:

Subd. 2. **Achievement and integration aid.** For achievement and integration aid under Minnesota Statutes, section 124D.862:

\$	71,249,000	.....	2018
	73,267,000		
\$	<u>70,980,000</u>	.....	2019

The 2018 appropriation includes \$6,725,000 for 2017 and \$64,524,000 for 2018.

The 2019 appropriation includes \$7,169,000 for 2018 and ~~\$66,098,000~~ \$63,811,000 for 2019.

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

Sec. 9. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 3, is amended to read:

Subd. 3. **Literacy incentive aid.** For literacy incentive aid under Minnesota Statutes, section 124D.98:

\$	47,264,000	.....	2018
	47,763,000		
\$	<u>45,987,000</u>	.....	2019

The 2018 appropriation includes \$4,597,000 for 2017 and \$42,667,000 for 2018.

The 2019 appropriation includes \$4,740,000 for 2018 and ~~\$43,023,000~~ \$41,247,000 for 2019.

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

Sec. 10. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 4, is amended to read:

Subd. 4. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

\$	13,337,000	.....	2018
	14,075,000		
\$	<u>13,193,000</u>	.....	2019

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

Sec. 11. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 5, is amended to read:

Subd. 5. **Tribal contract schools.** For tribal contract school aid under Minnesota Statutes, section 124D.83:

\$	3,623,000	.....	2018
	4,018,000		
\$	<u>3,059,000</u>	.....	2019

The 2018 appropriation includes \$323,000 for 2017 and \$3,300,000 for 2018.

The 2019 appropriation includes \$366,000 for 2018 and ~~\$3,652,000~~ \$2,693,000 for 2019.

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

Sec. 12. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 6, is amended to read:

Subd. 6. **American Indian education aid.** For American Indian education aid under Minnesota Statutes, section 124D.81, subdivision 2a:

\$	9,244,000	2018
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~~9,464,000~~
\$ 9,573,000 2019

The 2018 appropriation includes \$886,000 for 2017 and \$8,358,000 for 2018.

The 2019 appropriation includes \$928,000 for 2018 and ~~\$8,536,000~~ \$8,645,000 for 2019.

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

Sec. 13. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 21, is amended to read:

Subd. 21. **Charter school building lease aid.** For building lease aid under Minnesota Statutes, section 124E.22:

\$ 73,341,000 2018
~~78,802,000~~
\$ 79,646,000 2019

The 2018 appropriation includes \$6,850,000 for 2017 and \$66,491,000 for 2018.

The 2019 appropriation includes ~~\$7,387,000~~ \$7,448,000 for 2018 and ~~\$71,415,000~~ \$72,198,000 for 2019.

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

Sec. 14. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 26, is amended to read:

Subd. 26. **Alternative teacher compensation aid.** For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

\$ 89,863,000 2018
~~89,623,000~~
\$ 89,783,000 2019

The 2018 appropriation includes \$8,917,000 for 2017 and \$80,946,000 for 2018.

The 2019 appropriation includes ~~\$8,994,000~~ \$9,015,000 for 2018 and ~~\$80,629,000~~ \$80,768,000 for 2019.

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

C. SPECIAL EDUCATION

Sec. 15. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 2, as amended by Laws 2017, First Special Session chapter 7, section 12, is amended to read:

Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes, section 125A.75:

\$	1,341,161,000	.....	2018
	1,426,827,000		
\$	<u>1,513,013,000</u>	.....	2019

The 2018 appropriation includes \$156,403,000 for 2017 and \$1,184,758,000 for 2018.

The 2019 appropriation includes ~~\$166,667,000~~ \$204,145,000 for 2018 and ~~\$1,260,160,000~~ \$1,308,868,000 for 2019.

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

Sec. 16. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 3, is amended to read:

Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

\$	1,597,000	.....	2018
	1,830,000		
\$	<u>1,217,000</u>	.....	2019

If the appropriation for either year is insufficient, the appropriation for the other year is available.

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

Sec. 17. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 4, is amended to read:

Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

\$	508,000	.....	2018
	532,000		
\$	<u>417,000</u>	.....	2019

The 2018 appropriation includes \$48,000 for 2017 and \$460,000 for 2018.

The 2019 appropriation includes \$51,000 for 2018 and ~~\$481,000~~ \$366,000 for 2019.

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

Sec. 18. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 5, is amended to read:

Subd. 5. **Court-placed special education revenue.** For reimbursing serving school districts for unreimbursed eligible expenditures attributable to children placed in the serving school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

\$	46,000	.....	2018
	47,000		
\$	<u>30,000</u>	.....	2019

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

D. FACILITIES AND TECHNOLOGY

Sec. 19. Laws 2017, First Special Session chapter 5, article 5, section 14, subdivision 2, is amended to read:

Subd. 2. **Debt service equalization aid.** For debt service equalization aid under Minnesota Statutes, section 123B.53, subdivision 6:

\$	24,908,000	.....	2018
	22,360,000		
\$	<u>23,137,000</u>	.....	2019

The 2018 appropriation includes \$2,324,000 for 2017 and \$22,584,000 for 2018.

The 2019 appropriation includes \$2,509,000 for 2018 and ~~\$19,851,000~~ \$20,628,000 for 2019.

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

Sec. 20. Laws 2017, First Special Session chapter 5, article 5, section 14, subdivision 3, is amended to read:

Subd. 3. **Long-term facilities maintenance equalized aid.** For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

\$	80,179,000	.....	2018
	103,460,000		
\$	<u>102,823,000</u>	.....	2019

The 2018 appropriation includes \$5,815,000 for 2017 and \$74,364,000 for 2018.

The 2019 appropriation includes ~~\$8,262,000~~ \$8,645,000 for 2018 and ~~\$95,198,000~~ \$94,178,000 for 2019.

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

E. NUTRITION

Sec. 21. Laws 2017, First Special Session chapter 5, article 6, section 3, subdivision 2, is amended to read:

Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

\$	16,721,000	2018
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	17,223,000		
\$	<u>15,990,000</u>	2019

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

Sec. 22. Laws 2017, First Special Session chapter 5, article 6, section 3, subdivision 3, is amended to read:

Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:

\$	10,601,000	.....	2018
	11,359,000		
\$	<u>10,660,000</u>	.....	2019

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

Sec. 23. Laws 2017, First Special Session chapter 5, article 6, section 3, subdivision 4, is amended to read:

Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

\$	758,000	.....	2018
	758,000		
\$	<u>691,000</u>	.....	2019

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

F. EARLY CHILDHOOD AND FAMILY SUPPORT

Sec. 24. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 3, is amended to read:

Subd. 3. **Mixed delivery prekindergarten programs.** (a) For mixed delivery prekindergarten programs and school readiness plus programs:

\$	21,429,000	.....	2018
	28,571,000		
\$	<u>2,381,000</u>	.....	2019

(b) The fiscal year 2018 appropriation includes \$0 for 2017 and \$21,429,000 for 2018.

(c) The fiscal year 2019 appropriation includes \$2,381,000 for 2018 and ~~\$26,190,000~~ \$0 for 2019.

(d) The commissioner must proportionately allocate the amounts appropriated in this subdivision among each education funding program affected by the enrollment of mixed delivery system prekindergarten pupils.

(e) The appropriation under this subdivision is reduced by any other amounts specifically appropriated for those purposes.

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

Sec. 25. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 5a, is amended to read:

Subd. 5a. **Early childhood family education aid.** For early childhood family education aid under Minnesota Statutes, section 124D.135:

\$	30,405,000	.....	2018
	31,977,000		
\$	<u>30,942,000</u>	.....	2019

The 2018 appropriation includes \$2,904,000 for 2017 and \$27,501,000 for 2018.

The 2019 appropriation includes \$3,055,000 for 2018 and ~~\$28,922,000~~ \$27,887,000 for 2019.

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

Sec. 26. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 6, is amended to read:

Subd. 6. **Developmental screening aid.** For developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

\$	3,606,000	.....	2018
	3,629,000		
\$	<u>3,632,000</u>	.....	2019

The 2018 appropriation includes \$358,000 for 2017 and \$3,248,000 for 2018.

The 2019 appropriation includes \$360,000 for 2018 and ~~\$3,269,000~~ \$3,272,000 for 2019.

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

Sec. 27. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 12, is amended to read:

Subd. 12. **Home visiting aid.** For home visiting aid under Minnesota Statutes, section 124D.135:

\$	527,000	.....	2018
	571,000		
\$	<u>553,000</u>	.....	2019

The 2018 appropriation includes \$0 for 2017 and \$527,000 for 2018.

The 2019 appropriation includes \$58,000 for 2018 and ~~\$513,000~~ \$495,000 for 2019.

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

G. COMMUNITY EDUCATION AND PREVENTION

Sec. 28. Laws 2017, First Special Session chapter 5, article 9, section 2, subdivision 2, is amended to read:

Subd. 2. **Community education aid.** For community education aid under Minnesota Statutes, section 124D.20:

\$	483,000	.....	2018
	393,000		
\$	<u>410,000</u>	.....	2019

The 2018 appropriation includes \$53,000 for 2017 and \$430,000 for 2018.

The 2019 appropriation includes \$47,000 for 2018 and ~~\$346,000~~ \$363,000 for 2019.

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

H. SELF-SUFFICIENCY AND LIFELONG LEARNING

Sec. 29. Laws 2017, First Special Session chapter 5, article 10, section 6, subdivision 2, is amended to read:

Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota Statutes, section 124D.531:

\$	50,010,000	.....	2018
	51,497,000		
\$	<u>48,831,000</u>	.....	2019

The 2018 appropriation includes \$4,881,000 for 2017 and \$45,129,000 for 2018.

The 2019 appropriation includes \$5,014,000 for 2018 and ~~\$46,483,000~~ \$43,817,000 for 2019.

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

Sec. 30. Laws 2018, chapter 211, article 21, section 4, is amended to read:

Sec. 4. EDUCATION APPROPRIATIONS.

Subdivision 1. **Department of Education.** The sums indicated are appropriated from the general fund to the Department of Education for the fiscal years designated. These sums are in addition to appropriations made for the same purpose in any other law.

Subd. 2. **General education aid.** For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$	10,863,000 <u>0</u>	2019
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The 2019 appropriation includes \$0 for 2018 and ~~\$10,863,000~~ \$0 for 2019."

Delete the title and insert:

"A bill for an act relating to education finance; providing funding for prekindergarten through grade 12 education including general education, education excellence, special education, teachers, school safety, facilities and technology, nutrition, libraries, early childhood and family support, community education, self-sufficiency and lifelong learning, and state agencies; appropriating money; amending Minnesota Statutes 2018, sections 120A.20, subdivision 2; 120A.41; 120B.02, by adding a subdivision; 120B.024, subdivision 1; 120B.125; 120B.21; 120B.30, subdivisions 1, 3; 120B.35, subdivision 3; 120B.36, subdivision 1; 121A.035, by adding a subdivision; 121A.335, subdivisions 3, 5; 122A.07, by adding a subdivision; 122A.09, subdivision 2; 122A.092, subdivision 5; 122A.14, subdivision 9; 122A.18, subdivision 8; 122A.182, subdivision 1; 122A.187, subdivision 5; 122A.20, subdivision 1; 122A.21, subdivision 1; 122A.30; 122A.61, by adding a subdivision; 122A.63, subdivisions 1, 4, 5, 6, by adding a subdivision; 123B.02, by adding a subdivision; 123B.06; 123B.41, subdivisions 2, 5; 123B.42, subdivision 3; 123B.44, subdivisions 1, 5, 6; 123B.49, subdivision 4; 123B.52, subdivision 6; 123B.61; 124D.09, subdivisions 3, 4, 5b, 7, 8, 9, 10, 14, 22; 124D.091, subdivision 3; 124D.111; 124D.12; 124D.121; 124D.122; 124D.126, subdivision 1; 124D.127; 124D.151, subdivision 4, by adding a subdivision; 124D.162; 124D.165, subdivisions 2, 3, 4, by adding subdivisions; 124D.19, subdivision 2; 124D.20, subdivisions 8, 10; 124D.34, subdivisions 2, 3, 4, 5, 8, 12; 124D.531, subdivision 1; 124D.78, subdivision 2; 124D.862, subdivision 1; 124D.98, by adding subdivisions; 124D.99, subdivision 3; 124E.03, subdivision 2; 124E.20, subdivision 1; 125A.08; 125A.091, subdivisions 3a, 7; 125A.71, subdivision 1; 125B.26, subdivisions 4, 5; 126C.10, subdivisions 2, 2e, 24; 126C.17, subdivisions 1, 2, 5, 6, 7, 7a; 126C.19, subdivision 4; 126C.44; 127A.45, subdivisions 11, 16; 128C.03; 128C.20; 136A.1276, subdivision 2; 205A.07, subdivision 2; 299F.30, subdivisions 1, 2; 471.59, subdivision 1; 475.58, subdivision 4; 475.59, subdivision 1; 626.556, subdivisions 2, 3b; Laws 2016, chapter 189, article 25, section 62, subdivisions 4, 15; Laws 2017, First Special Session chapter 5, article 1, section 19, subdivisions 2, 3, 4, 5, 6, 7, 9; article 2, section 57, subdivisions 2, 3, 4, 5, 6, 14, 21, 26; article 4, section 12, subdivisions 2, 3, 4, 5; article 5, section 14, subdivisions 2, 3; article 6, section 3, subdivisions 2, 3, 4; article 8, section 10, subdivisions 3, 4, 5a, 6, 12; article 9, section 2, subdivision 2; article 10, section 6, subdivision 2; article 11, sections 8, as amended; 9, subdivision 2; 12; Laws 2018, chapter 211, article 21, section 4; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 122A; 123B; 124D; 245; repealing Minnesota Statutes 2018, sections 120B.299; 122A.09, subdivision 1; 122A.175; 122A.63, subdivisions 7, 8; 123A.26, subdivision 3; 125A.75, subdivision 9; 126C.16, subdivisions 1, 3; 126C.17, subdivision 9a; 127A.14; 128C.02, subdivision 6; Laws 2016, chapter 189, article 25, section 62, subdivision 16; Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 15; article 11, section 4; Minnesota Rules, parts 3500.1000; 8710.2100, subparts 1, 2."

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

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the motion that S.F. No. 7, as amended, be recommended to pass and be re-referred.

There were yeas 8 and nays 4, as follows:

Those who voted in the affirmative were:

Senators Anderson, P; Chamberlain; Dahms; Eichorn; Housley; Jasinski; Nelson; and Wiger.

Those who voted in the negative were:

Senators Clausen, Cwodzinski, Kent, and Torres Ray.

The motion prevailed.

Senator Newman from the Committee on Transportation Finance and Policy, to which was re-referred

S.F. No. 1093: A bill for an act relating to transportation; expanding uses of appropriations for corridors of commerce program; amending Minnesota Statutes 2018, section 161.088, subdivision 2; Laws 2018, chapter 214, article 1, section 16, subdivision 11.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

TRANSPORTATION APPROPRIATIONS

Section 1. **TRANSPORTATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the trunk highway fund, or another named fund, and are available for the fiscal years indicated for each purpose. Amounts for "Total Appropriation" and sums shown in the corresponding columns marked "Appropriations by Fund" are summary only and do not have legal effect. Unless specified otherwise, the amounts in the second year under "Appropriations by Fund" show the base within the meaning of Minnesota Statutes, section 16A.11, subdivision 3, by fund. The figures "2020" and "2021" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is fiscal years 2020 and 2021.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2020</u>	<u>2021</u>

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>3,050,750,000</u>	<u>\$</u>	<u>3,017,437,000</u>
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<u>Appropriations by Fund</u>		
	<u>2020</u>	<u>2021</u>
<u>General</u>	<u>19,285,000</u>	<u>19,375,000</u>
<u>Airports</u>	<u>20,632,000</u>	<u>20,632,000</u>
<u>C.S.A.H.</u>	<u>833,470,000</u>	<u>846,656,000</u>
<u>M.S.A.S.</u>	<u>208,653,000</u>	<u>211,622,000</u>
<u>Trunk Highway</u>	<u>1,968,710,000</u>	<u>1,919,152,000</u>

The appropriations in this section are to the commissioner of transportation. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Multimodal Systems

(a) Aeronautics

(1) Airport Development and Assistance

15,298,000

15,298,000

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the

legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2022 and 2023.

(2) Aviation Support and Services 6,877,000 6,877,000

Appropriations by Fund

	<u>2020</u>	<u>2021</u>
<u>Airports</u>	<u>5,254,000</u>	<u>5,254,000</u>
<u>Trunk Highway</u>	<u>1,623,000</u>	<u>1,623,000</u>

(3) Civil Air Patrol 80,000 80,000

This appropriation is from the state airports fund for the Civil Air Patrol.

(b) Transit 18,126,000 18,126,000

Appropriations by Fund

	<u>2020</u>	<u>2021</u>
<u>General</u>	<u>17,249,000</u>	<u>17,249,000</u>
<u>Trunk Highway</u>	<u>877,000</u>	<u>877,000</u>

(c) Safe Routes to School 500,000 500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

(d) Freight

Freight and Commercial Vehicle Operations 6,775,000 6,615,000

Appropriations by Fund

	<u>2020</u>	<u>2021</u>
<u>General</u>	<u>1,229,000</u>	<u>1,069,000</u>
<u>Trunk Highway</u>	<u>5,546,000</u>	<u>5,546,000</u>

\$160,000 in the first year is from the general fund for port development assistance grants under Minnesota Statutes, chapter 457A, to the Port Authority of Winona. Any improvements made with the proceeds of the grants must be publicly owned. This is a onetime appropriation and is available in the second year.

\$800,000 in each year is from the general fund for additional rail safety and rail service activities.

The commissioner must not spend this appropriation for passenger rail system planning, alternatives analysis, environmental analysis, design, or preliminary engineering under Minnesota Statutes, sections 174.632 to 174.636.

Subd. 3. State Roads

<u>(a) Operations and Maintenance</u>	<u>318,145,000</u>	<u>311,932,000</u>
<u>(b) Program Planning and Delivery</u>		
<u>(1) Planning and Research</u>	<u>31,467,000</u>	<u>30,950,000</u>

If a balance remains of this appropriation, the commissioner may transfer up to that amount for program delivery under clause (2).

\$130,000 in each year is available for administrative costs of the targeted group business program.

\$266,000 in each year is available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$900,000 in each year is available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available:

(1) to regional development commissions;

(2) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission; and

(3) in regions where no regional development commission or joint powers board is

functioning, to the Department of Transportation district office for that region.

(2) Program Delivery

241,016,000

236,874,000

This appropriation includes use of consultants to support development and management of projects.

\$1,000,000 in each year is available for management of contaminated and regulated material on property owned by the Department of Transportation, including mitigation of property conveyances, facility acquisition or expansion, chemical release at maintenance facilities, and spills on the trunk highway system where there is no known responsible party. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(c) State Road Construction

1,052,295,000

999,282,000

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, consultant usage to support these activities, and the cost of actual payments to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

This appropriation includes federal highway aid.

\$38,000,000 in the first year is appropriated to acquire property or permanent easements for, and to design, engineer, construct, furnish, and equip an expansion of U.S. Highway 212 to four lanes from Tacoma Ave. N. in Norwood Young America to Lake Street West in Cologne. Of this amount, up to \$10,000,000 is for safety improvements to the intersection of Trunk Highway 212 and Carver County Road 51. This is a onetime appropriation.

The commissioner may expend up to one-half of one percent of the federal appropriations under this paragraph as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

The commissioner may transfer up to \$15,000,000 each year to the transportation revolving loan fund.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

(d) Highway Debt Service

236,439,000

250,766,000

\$226,939,000 in fiscal year 2020 and \$241,266,000 in fiscal year 2021 are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget must transfer the deficiency amount under the statutory open appropriation and notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

(e) Statewide Radio Communications

5,851,000

5,851,000

Appropriations by Fund

	<u>2020</u>	<u>2021</u>
<u>General</u>	<u>3,000</u>	<u>3,000</u>
<u>Trunk Highway</u>	<u>5,848,000</u>	<u>5,848,000</u>

\$3,000 in each year is from the general fund to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

Subd. 4. Local Roads

(a) County State-Aid Roads833,470,000846,656,000

This appropriation is from the county state-aid highway fund under Minnesota Statutes, sections 161.081 and 297A.815, subdivision 3, and chapter 162, and is available until June 30, 2029.

If the commissioner of transportation determines that a balance remains in the county state-aid highway fund following the appropriations and transfers made in this paragraph, and that the appropriations made are insufficient for advancing county state-aid highway projects, an amount necessary to advance the projects, not to exceed the balance in the county state-aid highway fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation shall notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The commissioner shall identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(b) Municipal State-Aid Roads208,653,000211,622,000

This appropriation is from the municipal state-aid street fund under Minnesota Statutes, chapter 162, and is available until June 30, 2029.

If the commissioner of transportation determines that a balance remains in the municipal state-aid street fund following the appropriations and transfers made in this paragraph, and that the appropriations made are insufficient for advancing municipal state-aid street projects, an amount necessary to advance the projects, not to exceed the balance in the municipal state-aid street fund,

is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation shall notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The commissioner shall identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

<u>(c) Small Cities Assistance</u>	<u>250,000</u>	<u>500,000</u>
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This appropriation is from the general fund for the small cities assistance program under Minnesota Statutes, section 162.145.

Subd. 5. Agency Management

<u>(a) Agency Services</u>	<u>45,447,000</u>	<u>45,447,000</u>
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<u>(b) Buildings</u>	<u>29,461,000</u>	<u>29,461,000</u>
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<u>Appropriations by Fund</u>		
	<u>2020</u>	<u>2021</u>
<u>General</u>	<u>54,000</u>	<u>54,000</u>
<u>Trunk Highway</u>	<u>29,407,000</u>	<u>29,407,000</u>

Any money appropriated to the commissioner of transportation for building construction for any fiscal year before the first year is available to the commissioner during the biennium to the extent that the commissioner spends the money on the building construction projects for which the money was originally encumbered during the fiscal year for which it was appropriated. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

<u>(c) Tort Claims</u>	<u>600,000</u>	<u>600,000</u>
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If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 6. Transfers

(a) With the approval of the commissioner of management and budget, the commissioner of transportation may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. Transfers under this paragraph must not be made:

(1) between funds;

(2) from the appropriations for state road construction or debt service; or

(3) from the appropriations for operations and maintenance or program delivery, except for a transfer to state road construction or debt service.

(b) The commissioner of transportation must immediately report transfers under paragraph (a) to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance. The authority for the commissioner of transportation to make transfers under Minnesota Statutes, section 16A.285, is superseded by the authority and requirements under this paragraph.

(c) The commissioner of transportation must transfer from the flexible highway account in the county state-aid highway fund the entire amount in each year to the county turnback account in the county state-aid highway fund. The funds transferred are for highway turnback purposes under Minnesota Statutes, section 161.081, subdivision 3.

Subd. 7. Previous State Road Construction Appropriations

Any money appropriated to the commissioner of transportation for state road construction for any fiscal year before the first year is available to the commissioner during the biennium to the extent that the commissioner

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(d) Public Safety Officer Reimbursements 1,367,000 1,367,000

This appropriation is from the general fund to be deposited in the public safety officer's benefit account. This money is available for reimbursements under Minnesota Statutes, section 299A.465.

(e) Soft Body Armor Reimbursements 700,000 700,000

Appropriations by Fund

	<u>2020</u>	<u>2021</u>
<u>General</u>	<u>600,000</u>	<u>600,000</u>
<u>Trunk Highway</u>	<u>100,000</u>	<u>100,000</u>

This appropriation is for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

(f) Technology and Support Service 3,814,000 3,814,000

Appropriations by Fund

	<u>2020</u>	<u>2021</u>
<u>General</u>	<u>1,365,000</u>	<u>1,365,000</u>
<u>H.U.T.D.</u>	<u>19,000</u>	<u>19,000</u>
<u>Trunk Highway</u>	<u>2,430,000</u>	<u>2,430,000</u>

Subd. 3. State Patrol

(a) Patrolling Highways 95,252,000 96,083,000

Appropriations by Fund

	<u>2020</u>	<u>2021</u>
<u>General</u>	<u>37,000</u>	<u>37,000</u>
<u>H.U.T.D.</u>	<u>92,000</u>	<u>92,000</u>
<u>Trunk Highway</u>	<u>95,123,000</u>	<u>95,954,000</u>

From this appropriation, State Patrol trainee salaries as provided under Minnesota Statutes, section 299D.03, subdivision 6, must be provided as follows: (1) for trainees in the Law Enforcement Training Opportunity program, 80 percent of the basic salary for patrol officers; and (2) for all other trainees, 100 percent of the basic salary.

To account for base adjustments provided in Laws 2018, chapter 211, article 21, section 2, paragraph (a), the base appropriation from the trunk highway fund for fiscal years 2022 and 2023 is \$96,784,000.

<u>(b) Commercial Vehicle Enforcement</u>	<u>8,948,000</u>	<u>8,993,000</u>
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To account for base adjustments provided in Laws 2018, chapter 211, article 21, section 2, paragraph (a), the base appropriation from the trunk highway fund for fiscal years 2022 and 2023 is \$9,038,000.

<u>(c) Capitol Security</u>	<u>8,664,000</u>	<u>8,707,000</u>
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This appropriation is from the general fund.

To account for base adjustments provided in Laws 2018, chapter 211, article 21, section 2, paragraph (a), the base appropriation from the general fund for fiscal years 2022 and 2023 is \$8,750,000.

The commissioner must not:

(1) spend any money from the trunk highway fund for capitol security; or

(2) permanently transfer any state trooper from the patrolling highways activity to capitol security.

The commissioner must not transfer any money appropriated to the commissioner under this section:

(1) to capitol security; or

(2) from capitol security.

<u>(d) Vehicle Crimes Unit</u>	<u>793,000</u>	<u>802,000</u>
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This appropriation is from the highway user tax distribution fund.

This appropriation is to investigate:

(1) registration tax and motor vehicle sales tax liabilities from individuals and businesses that currently do not pay all taxes owed; and

(2) illegal or improper activity related to the sale, transfer, titling, and registration of motor vehicles.

To account for base adjustments provided in Laws 2018, chapter 211, article 21, section 2, paragraph (a), the base appropriation from the highway user tax distribution fund for fiscal years 2022 and 2023 is \$811,000.

Subd. 4. Driver and Vehicle Services

(a) Vehicle Services 31,226,000 31,226,000

Appropriations by Fund

	<u>2020</u>	<u>2021</u>
<u>Special Revenue</u>	<u>22,990,000</u>	<u>22,990,000</u>
<u>H.U.T.D.</u>	<u>8,236,000</u>	<u>8,236,000</u>

The special revenue fund appropriation is from the vehicle services operating account.

(b) Driver Services 32,842,000 32,842,000

\$156,000 in each year is to maintain the automated knowledge test system.

Subd. 5. Traffic Safety 964,000 964,000

Appropriations by Fund

	<u>2020</u>	<u>2021</u>
<u>General</u>	<u>470,000</u>	<u>470,000</u>
<u>Trunk Highway</u>	<u>494,000</u>	<u>494,000</u>

The appropriation from the general fund in each year is for maintenance of the crash record system.

Subd. 6. Pipeline Safety 1,443,000 1,443,000

This appropriation is from the pipeline safety account in the special revenue fund.

Sec. 5. APPROPRIATION CANCELLATION.

\$160,000 of the appropriation for port development assistance under Laws 2017, First Special Session chapter 3, article 1, section 2, subdivision 2, paragraph (e), is canceled to the general fund on June 30, 2019.

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

Sec. 6. OFFICE OF THE LEGISLATIVE AUDITOR; APPROPRIATION.

\$400,000 in the first year is appropriated from the general fund to the legislative auditor to carry out the audits under Minnesota Statutes, section 3.972, subdivisions 2c and 2d. This is a onetime appropriation and is available in the second year.

Sec. 7. OFFICE OF THE STATE AUDITOR; APPROPRIATION.

\$50,000 in the first year is appropriated from the general fund to the state auditor to conduct the compensation survey in article 2, section 122. This is a onetime appropriation.

Sec. 8. APPROPRIATIONS BUDGET.

(a) In the budget submission to the legislature under Minnesota Statutes, section 16A.11, for fiscal years 2022 and 2023, the commissioner of transportation, and the commissioner of public safety with respect to the transportation portion of the public safety budget, must present budget narratives and proposed appropriations for each appropriation established in sections 2 and 4.

(b) In the budget submission to the legislature under Minnesota Statutes, section 16A.11, for fiscal years 2022 and 2023, the metropolitan council must present budget narratives and the proposed appropriations, if any, for each of the following categories: metro mobility, contracted bus service, regular route bus service, light rail transit, commuter rail, transportation planning, and allocation to the regional administration.

ARTICLE 2

TRANSPORTATION POLICY

Section 1. Minnesota Statutes 2018, section 3.972, is amended by adding a subdivision to read:

Subd. 2c. **Audits of the Department of Transportation.** The legislative auditor must audit, as resources permit, the programs and services administered by the Department of Transportation.

Sec. 2. Minnesota Statutes 2018, section 3.972, is amended by adding a subdivision to read:

Subd. 2d. **Audits of the Department of Public Safety.** The legislative auditor must audit, as resources permit, the programs and services administered by the Department of Public Safety.

Sec. 3. Minnesota Statutes 2018, section 13.46, subdivision 2, is amended to read:

Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated by the welfare system are private data on individuals, and shall not be disclosed except:

- (1) according to section 13.05;
- (2) according to court order;
- (3) according to a statute specifically authorizing access to the private data;

(4) to an agent of the welfare system and an investigator acting on behalf of a county, the state, or the federal government, including a law enforcement person or attorney in the investigation or prosecution of a criminal, civil, or administrative proceeding relating to the administration of a program;

(5) to personnel of the welfare system who require the data to verify an individual's identity; determine eligibility, amount of assistance, and the need to provide services to an individual or family across programs; coordinate services for an individual or family; evaluate the effectiveness of programs; assess parental contribution amounts; and investigate suspected fraud;

(6) to administer federal funds or programs;

(7) between personnel of the welfare system working in the same program;

(8) to the Department of Revenue to assess parental contribution amounts for purposes of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs and to identify individuals who may benefit from these programs. The following information may be disclosed under this paragraph: an individual's and their dependent's names, dates of birth, Social Security numbers, income, addresses, and other data as required, upon request by the Department of Revenue. Disclosures by the commissioner of revenue to the commissioner of human services for the purposes described in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund and rental credit under section 290A.04, and the Minnesota education credit under section 290.0674;

(9) between the Department of Human Services, the Department of Employment and Economic Development, and when applicable, the Department of Education, for the following purposes:

(i) to monitor the eligibility of the data subject for unemployment benefits, for any employment or training program administered, supervised, or certified by that agency;

(ii) to administer any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system;

(iii) to monitor and evaluate the Minnesota family investment program or the child care assistance program by exchanging data on recipients and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter 256B or 256L, or a medical program formerly codified under chapter 256D; and

(iv) to analyze public assistance employment services and program utilization, cost, effectiveness, and outcomes as implemented under the authority established in Title II, Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999. Health records governed by sections 144.291 to 144.298 and "protected health information" as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code of Federal Regulations, title 45, parts 160-164, including health care claims utilization information, must not be exchanged under this clause;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law 98-527 to protect the legal and human rights of persons with developmental disabilities or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the Minnesota Office of Higher Education to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant Social Security numbers and names collected by the telephone assistance program may be disclosed to the Department of Revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a Minnesota family investment program participant may be disclosed to law enforcement officers who provide the name of the participant and notify the agency that:

(i) the participant:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food support applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food Stamp Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, Social Security number, and, if available, photograph of any member of a household receiving food support shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

(19) the current address of a recipient of Minnesota family investment program, general assistance, or food support may be disclosed to law enforcement officers who, in writing, provide the name of the recipient and notify the agency that the recipient is a person required to register under section 243.166, but is not residing at the address at which the recipient is registered under section 243.166;

(20) certain information regarding child support obligors who are in arrears may be made public according to section 518A.74;

(21) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(22) data in the work reporting system may be disclosed under section 256.998, subdivision 7;

(23) to the Department of Education for the purpose of matching Department of Education student data with public assistance data to determine students eligible for free and reduced-price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(24) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a community health board as defined in section 145A.02, subdivision 5, when the commissioner or community health board has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(25) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(26) to personnel of public assistance programs as defined in section 256.741, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs;

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the Departments of Human Services and Education, on recipients and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter 256B or 256L, or a medical program formerly codified under chapter 256D;

(28) to evaluate child support program performance and to identify and prevent fraud in the child support program by exchanging data between the Department of Human Services, Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph (c), Department of Health, Department of Employment and Economic Development, and other state agencies as is reasonably necessary to perform these functions;

(29) counties operating child care assistance programs under chapter 119B may disseminate data on program participants, applicants, and providers to the commissioner of education;

(30) child support data on the child, the parents, and relatives of the child may be disclosed to agencies administering programs under titles IV-B and IV-E of the Social Security Act, as authorized by federal law;

(31) to a health care provider governed by sections 144.291 to 144.298, to the extent necessary to coordinate services;

(32) to the chief administrative officer of a school to coordinate services for a student and family; data that may be disclosed under this clause are limited to name, date of birth, gender, and address;
or

(33) to county correctional agencies to the extent necessary to coordinate services and diversion programs; data that may be disclosed under this clause are limited to name, client demographics, program, case status, and county worker information; or

(34) between the Department of Human Services and the Metropolitan Council for the following purposes:

(i) to coordinate special transportation service provided under section 473.386 with services for people with disabilities and elderly individuals funded by or through the Department of Human Services; and

(ii) to provide for reimbursement of special transportation service provided under section 473.386.

The data that may be shared under this clause are limited to the individual's first, last, and middle names; date of birth; residential address; and program eligibility status with expiration date for the purposes of informing the other party of program eligibility.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are not subject to the access provisions of subdivision 10, paragraph (b).

For the purposes of this subdivision, a request will be deemed to be made in writing if made through a computer interface system.

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

Sec. 4. Minnesota Statutes 2018, section 13.72, subdivision 10, is amended to read:

Subd. 10. **Transportation service data.** (a) Personal, medical, financial, familial, or locational information data pertaining to applicants for or users of services providing transportation for ~~the disabled~~ people with disabilities or elderly individuals are private data on individuals.

(b) Private transportation service data may be disclosed between the Department of Human Services and the Metropolitan Council for purposes of administering and coordinating human services programs and transportation services for people with disabilities and elderly individuals. The data that may be shared under this paragraph are limited to the individual's first, last, and middle names; date of birth; residential address; and program eligibility status with expiration date for the purposes of informing the other party of program eligibility.

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

Sec. 5. Minnesota Statutes 2018, section 80E.13, is amended to read:

80E.13 UNFAIR PRACTICES BY MANUFACTURERS, DISTRIBUTORS, FACTORY BRANCHES.

It is unlawful and an unfair practice for a manufacturer, distributor, or factory branch to engage in any of the following practices:

(a) delay, refuse, or fail to deliver new motor vehicles or new motor vehicle parts or accessories in reasonable time and in reasonable quantity relative to the new motor vehicle dealer's facilities and sales potential in the dealer's relevant market area, after having accepted an order from a new motor vehicle dealer having a franchise for the retail sale of any new motor vehicle sold or distributed by the manufacturer or distributor, if the new motor vehicle or new motor vehicle parts or accessories are publicly advertised as being available for delivery or actually being delivered. This clause is not violated, however, if the failure is caused by acts or causes beyond the control of the manufacturer;

(b) refuse to disclose to any new motor vehicle dealer handling the same line make, the manner and mode of distribution of that line make within the relevant market area;

(c) obtain money, goods, service, or any other benefit from any other person with whom the dealer does business, on account of, or in relation to, the transaction between the dealer and the

other person, other than for compensation for services rendered, unless the benefit is promptly accounted for, and transmitted to, the new motor vehicle dealer;

(d) increase prices of new motor vehicles which the new motor vehicle dealer had ordered for private retail consumers prior to the dealer's receiving the written official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order if the vehicle is in fact delivered to that customer. In the event of manufacturer price reductions, the amount of any reduction received by a dealer shall be passed on to the private retail consumer by the dealer if the retail price was negotiated on the basis of the previous higher price to the dealer;

(e) offer any refunds or other types of inducements to any new motor vehicle dealer for the purchase of new motor vehicles of a certain line make without making the same offer to all other new motor vehicle dealers in the same line make within geographic areas reasonably determined by the manufacturer;

(f) release to any outside party, except under subpoena or in an administrative or judicial proceeding involving the manufacturer or dealer, any business, financial, or personal information which may be provided by the dealer to the manufacturer, without the express written consent of the dealer or unless pertinent to judicial or governmental administrative proceedings or to arbitration proceedings of any kind;

(g) deny any new motor vehicle dealer the right of free association with any other new motor vehicle dealer for any lawful purpose;

(h) unfairly discriminate among its new motor vehicle dealers with respect to warranty reimbursement or authority granted its new vehicle dealers to make warranty adjustments with retail customers;

(i) compete with a new motor vehicle dealer in the same line make operating under an agreement or franchise from the same manufacturer, distributor, or factory branch. A manufacturer, distributor, or factory branch is considered to be competing when it has an ownership interest, other than a passive interest held for investment purposes, in a dealership of its line make located within the state. A manufacturer, distributor, or factory branch shall not, however, be deemed to be competing when operating a dealership, either temporarily or for a reasonable period, which is for sale to any qualified independent person at a fair and reasonable price, or when involved in a bona fide relationship in which an independent person has made a significant investment subject to loss in the dealership and can reasonably expect to acquire full ownership and full management and operational control of the dealership within a reasonable time on reasonable terms and conditions;

(j) prevent a new motor vehicle dealer from transferring or assigning a new motor vehicle dealership to a qualified transferee. There shall be no transfer, assignment of the franchise, or major change in the executive management of the dealership, except as is otherwise provided in sections 80E.01 to 80E.17, without consent of the manufacturer, which shall not be withheld without good cause. In determining whether good cause exists for withholding consent to a transfer or assignment, the manufacturer, distributor, factory branch, or importer has the burden of proving that the transferee is a person who is not of good moral character or does not meet the franchisor's existing and reasonable capital standards and, considering the volume of sales and service of the new motor vehicle dealer, reasonable business experience standards in the market area. Denial of the request

must be in writing and delivered to the new motor vehicle dealer within 60 days after the manufacturer receives the completed application customarily used by the manufacturer, distributor, factory branch, or importer for dealer appointments. If a denial is not sent within this period, the manufacturer shall be deemed to have given its consent to the proposed transfer or change. In the event of a proposed sale or transfer of a franchise, the manufacturer, distributor, factory branch, or importer shall be permitted to exercise a right of first refusal to acquire the franchisee's assets or ownership if:

(1) the franchise agreement permits the manufacturer, distributor, factory branch, or importer to exercise a right of first refusal to acquire the franchisee's assets or ownership in the event of a proposed sale or transfer;

(2) the proposed transfer of the dealership or its assets is of more than 50 percent of the ownership or assets;

(3) the manufacturer, distributor, factory branch, or importer notifies the dealer in writing within 60 days of its receipt of the complete written proposal for the proposed sale or transfer on forms generally utilized by the manufacturer, distributor, factory branch, or importer for such purposes and containing the information required therein and all documents and agreements relating to the proposed sale or transfer;

(4) the exercise of the right of first refusal will result in the dealer and dealer's owners receiving the same or greater consideration with equivalent terms of sale as is provided in the documents and agreements submitted to the manufacturer, distributor, factory branch, or importer under clause (3);

(5) the proposed change of 50 percent or more of the ownership or of the dealership assets does not involve the transfer or sale of assets or the transfer or issuance of stock by the dealer or one or more dealer owners to a family member, including a spouse, child, stepchild, grandchild, spouse of a child or grandchild, brother, sister, or parent of the dealer owner; to a manager who has been employed in the dealership for at least four years and is otherwise qualified as a dealer operator; or to a partnership or corporation owned and controlled by one or more of such persons; and

(6) the manufacturer, distributor, factory branch, or importer agrees to pay the reasonable expenses, including reasonable attorney fees, which do not exceed the usual customary and reasonable fees charged for similar work done for other clients incurred by the proposed new owner and transferee before the manufacturer, distributor, factory branch, or importer exercises its right of first refusal, in negotiating and implementing the contract for the proposed change of ownership or transfer of dealership assets. However, payment of such expenses and attorney fees shall not be required if the dealer has not submitted or caused to be submitted an accounting of those expenses within 20 days after the dealer's receipt of the manufacturer, distributor, factory branch, or importer's written request for such an accounting. The manufacturer, distributor, factory branch, or importer may request such an accounting before exercising its right of first refusal. The obligation created under this clause is enforceable by the transferee;

(k) threaten to modify or replace or modify or replace a franchise with a succeeding franchise that would adversely alter the rights or obligations of a new motor vehicle dealer under an existing franchise or that substantially impairs the sales or service obligations or investments of the motor vehicle dealer;

(l) unreasonably deny the right to acquire factory program vehicles to any dealer holding a valid franchise from the manufacturer to sell the same line make of vehicles, provided that the manufacturer may impose reasonable restrictions and limitations on the purchase or resale of program vehicles to be applied equitably to all of its franchised dealers. For the purposes of this paragraph, "factory program vehicle" has the meaning given the term in section 80E.06, subdivision 2;

(m) fail or refuse to offer to its same line make franchised dealers all models manufactured for that line make, other than alternative fuel vehicles as defined in section 216C.01, subdivision 1b. Failure to offer a model is not a violation of this section if the failure is not arbitrary and is due to a lack of manufacturing capacity, a strike, labor difficulty, or other cause over which the manufacturer, distributor, or factory branch has no control;

(n) require a dealer to pay an extra fee, or remodel, renovate, or recondition the dealer's existing facilities, or purchase unreasonable advertising displays, training, tools, or other materials, or to require the dealer to establish exclusive facilities or dedicated personnel as a prerequisite to receiving a model or a series of vehicles;

(o) require a dealer by program, incentive provision, or otherwise to adhere to performance standards that are not applied uniformly to other similarly situated dealers.

A performance standard, sales objective, or program for measuring dealership performance that may have a material effect on a dealer, including the dealer's right to payment under any incentive or reimbursement program, and the application of the standard or program by a manufacturer, distributor, or factory branch must be fair, reasonable, equitable, and based on accurate information. Upon written request by any of its franchised dealers located within Minnesota, a manufacturer, distributor, or factory branch must provide the method or formula used by the manufacturer in establishing the sales volumes for receiving a rebate or incentive and the specific calculations for determining the required sales volumes of the inquiring dealer and any of the manufacturer's other Minnesota-franchised new motor vehicle dealers of the same line-make located within 75 miles of the inquiring dealer. Nothing contained in this section requires a manufacturer, distributor, or factory branch to disclose confidential business information of any of its franchised dealers or the required numerical sales volumes that any of its franchised dealers must attain to receive a rebate or incentive. An inquiring dealer may file a civil action as provided in section 80E.17 without a showing of injury if a manufacturer, distributor, or factory branch fails to make the disclosure required by this section.

A manufacturer, distributor, or factory branch has the burden of proving that the performance standard, sales objective, or program for measuring dealership performance is fair, reasonable, and uniformly applied under this section;

(p) assign or change a dealer's area of sales effectiveness arbitrarily or without due regard to the present pattern of motor vehicle sales and registrations within the dealer's market. The manufacturer, distributor, or factory branch must provide at least 90 days' notice of the proposed change. The change may not take effect if the dealer commences a civil action within the 90 days' notice period to determine whether the manufacturer, distributor, or factory branch met its obligations under this section. The burden of proof in such an action shall be on the manufacturer or distributor. In determining at the evidentiary hearing whether a manufacturer, distributor, or factory branch has assigned or changed the dealer's area of sales effectiveness or is proposing to assign or change the dealer's area of sales effectiveness arbitrarily or without due regard to the present pattern of motor

vehicle sales and registrations within the dealer's market, the court may take into consideration the relevant circumstances, including, but not limited to:

(1) the traffic patterns between consumers and the same line-make franchised dealers of the affected manufacturer, distributor, or factory branch who are located within the market;

(2) the pattern of new vehicle sales and registrations of the affected manufacturer, distributor, or factory branch within various portions of the area of sales effectiveness and within the market as a whole;

(3) the growth or decline in population, density of population, and new car registrations in the market;

(4) the presence or absence of natural geographical obstacles or boundaries, such as rivers;

(5) the proximity of census tracts or other geographic units used by the affected manufacturer, factory branch, distributor, or distributor branch in determining the same line-make dealers' respective areas of sales effectiveness; and

(6) the reasonableness of the change or proposed change to the dealer's area of sales effectiveness, considering the benefits and harm to the petitioning dealer, other same line-make dealers, and the manufacturer, distributor, or factory branch;

(q) to charge back, withhold payment, deny vehicle allocation, or take any other adverse action against a dealer when a new vehicle sold by the dealer has been exported to a foreign country, unless the manufacturer, distributor, or factory branch can show that at the time of sale, the customer's information was listed on a known or suspected exporter list made available to the dealer, or the dealer knew or reasonably should have known of the purchaser's intention to export or resell the motor vehicle in violation of the manufacturer's export policy. There is a rebuttable presumption that the dealer did not know or should not have reasonably known that the vehicle would be exported or resold in violation of the manufacturer's export policy if the vehicle is titled and registered in any state of the United States; ~~or~~

(r) to implement a charge back or withhold payment to a dealer that is solely due to an unreasonable delay by the registrar, as defined in section 168.002, subdivision 29, in the transfer or registration of a new motor vehicle. The dealer must give the manufacturer notice of the state's delay in writing. Within 30 days of any notice of a charge back, withholding of payments, or denial of a claim, the dealer must transmit to the manufacturer (1) documentation to demonstrate the vehicle sale and delivery as reported, and (2) a written attestation signed by the dealer operator or general manager stating that the delay is attributable to the state. This clause expires on June 30, 2022; or

~~(s)~~ (s) to require a dealer or prospective dealer by program, incentive provision, or otherwise to construct improvements to its or a predecessor's facilities or to install new signs or other franchisor image elements that replace or substantially alter improvements, signs, or franchisor image elements completed within the preceding ten years that were required and approved by the manufacturer, distributor, or factory branch, including any such improvements, signs, or franchisor image elements that were required as a condition of the dealer or predecessor dealer receiving an incentive or other compensation from the manufacturer, distributor, or factory branch.

This paragraph shall not apply to a program or agreement that provides lump sum payments to assist dealers in making facility improvements or to pay for signs or franchisor image elements when such payments are not dependent on the dealer selling or purchasing specific numbers of new vehicles and shall not apply to a program that is in effect with more than one Minnesota dealer on August 1, 2018, nor to any renewal of such program, nor to a modification that is not a substantial modification of a material term or condition of such program.

EFFECTIVE DATE. This section is effective August 1, 2019.

Sec. 6. Minnesota Statutes 2018, section 160.262, subdivision 1, is amended to read:

Subdivision 1. **Bikeways; powers and duties; design guidelines.** (a) The legislature determines that it is in the interests of the public health, safety and welfare, to provide for the addition of bikeways to proposed and existing public highways. The commissioner of transportation is authorized to plan, design, establish, and maintain bikeways on the right-of-way of any trunk highway. The commissioner is responsible for the design and construction of all bikeway projects within the right-of-way of any trunk highway. The commissioner must consider the development of bikeways during the planning, design, construction, reconstruction, or improvement of any trunk highway, or allow the establishment of such bikeways within trunk highway right-of-way.

(b) The commissioner must maintain bikeway design guidelines consistent with the state transportation goals in section 174.01.

(c) The commissioner must compile and maintain a map of bikeways in the state and must publish and distribute the map's information at least once every two years in a form and manner suitable to assist persons wishing to use the bikeways.

(d) The commissioner must maintain bikeways within the limits of trunk highway right-of-way unless a written agreement or limited use permit provides otherwise.

(e) The commissioner must not spend any money from the trunk highway fund on creating, constructing, expanding, marking, or maintaining bicycle lanes or routes.

Sec. 7. Minnesota Statutes 2018, section 160.263, subdivision 2, is amended to read:

Subd. 2. **Powers of political subdivisions.** (a) The governing body of any political subdivision may by ordinance or resolution:

(1) designate any roadway or shoulder or portion thereof under its jurisdiction as a bicycle lane or bicycle route;

(2) designate any sidewalk or portion thereof under its jurisdiction as a bicycle path provided that the designation does not destroy a pedestrian way or pedestrian access;

(3) develop and designate bicycle paths;

(4) designate as bikeways all bicycle lanes, bicycle routes, and bicycle paths.

(b) A governing body may not prohibit or otherwise restrict operation of an electric-assisted bicycle, as defined in section 169.011, subdivision 27, on any bikeway, roadway, or shoulder, unless

the governing body determines that operation of the electric-assisted bicycle is not consistent with (1) the safety or general welfare of bikeway, roadway, or shoulder users; or (2) the terms of any property conveyance.

(c) A governing body is prohibited from establishing a bikeway in a segment of public road right-of-way that results in the elimination or relocation of any disability parking that is designated under section 169.346, subdivision 2.

EFFECTIVE DATE. This section is effective June 1, 2019.

Sec. 8. Minnesota Statutes 2018, section 160.264, is amended to read:

160.264 REPLACING BIKEWAYS AND PEDESTRIAN WAYS.

Whenever an existing bikeway, pedestrian way, or roadway used by bicycles or pedestrians or the sole access to such is destroyed by any new, reconstructed, or relocated federal, state, or local highway, the road authority responsible shall replace the destroyed facility or access with a comparable facility or access. Replacement is not required where it would be contrary to public safety or when sparsity of population, other available ways or other factors indicate an absence of need for such facility or access. Replacement is prohibited where money from the trunk highway fund would be used for the replacement.

Sec. 9. Minnesota Statutes 2018, section 160.266, subdivision 5, is amended to read:

Subd. 5. **Funding.** (a) Shared use paths included within state bicycle routes and not administered by the commissioner of natural resources are eligible for funding from the environment and natural resources trust fund under chapter 116P, from the parks and trails grant program under section 85.535, from the local recreation grants program under section 85.019, subdivision 4b, and from other sources.

(b) The commissioner must not spend any money from the trunk highway fund on creating, constructing, expanding, marking, or maintaining a state bicycle route.

Sec. 10. Minnesota Statutes 2018, section 160.93, subdivision 1, is amended to read:

Subdivision 1. **Fees authorized.** To improve efficiency and provide more options to individuals traveling in a trunk highway corridor, the commissioner of transportation may charge user fees to owners or operators of ~~single-occupant~~ low-occupancy vehicles using dynamic shoulder lanes as designated by the commissioner and any designated high-occupancy vehicle lanes. The fees may be collected using electronic or other toll-collection methods and may vary in amount with the time of day and level of traffic congestion within the corridor. The commissioner shall consult with the Metropolitan Council and obtain necessary federal authorizations before implementing user fees on a high-occupancy vehicle lane or dynamic shoulder lane. Fees under this section are not subject to section 16A.1283.

Sec. 11. Minnesota Statutes 2018, section 160.93, subdivision 2, is amended to read:

Subd. 2. **Deposit of revenues; appropriation.** (a) ~~Except as provided in subdivision 2a,~~ Money collected from fees authorized under subdivision 1 must be deposited in a high-occupancy vehicle

lane user fee account in the special revenue fund. A separate account must be established for each trunk highway corridor. Money in the account is appropriated to the commissioner.

(b) From this appropriation the commissioner shall ~~first~~:

(1) first, repay the trunk highway fund and any other fund source for money spent to install, equip, or modify the corridor for the purposes of subdivision 1, and then shall;

(2) second, pay all the costs of implementing and administering the fee collection system for that corridor;

~~(c) The commissioner shall spend remaining money in the account as follows:~~

~~(1) one half must be spent~~ (3) third, pay for transportation capital improvements within the corridor; ~~and~~

(4) fourth, pay for maintenance of the corridor; and

~~(2) one half must be transferred~~ (5) fifth, transfer any funds not spent according to clauses (1) to (4) to the Metropolitan Council for expansion and improvement of bus transit services within the corridor beyond the level of service provided on the date of implementation of subdivision 1.

Sec. 12. Minnesota Statutes 2018, section 160.93, subdivision 4, is amended to read:

Subd. 4. **Prohibition.** No person may operate a ~~single-occupant~~ low-occupancy vehicle in a designated high-occupancy vehicle lane or dynamic shoulder lane except in compliance with the requirements of ~~the commissioner~~ this section. A person who violates this subdivision is guilty of a petty misdemeanor and is subject to sections 169.89, subdivisions 1, 2, and 4, and 169.891 and any other provision of chapter 169 applicable to the commission of a petty misdemeanor traffic offense.

Sec. 13. Minnesota Statutes 2018, section 160.93, subdivision 5, is amended to read:

Subd. 5. **Dynamic shoulder lanes.** (a) The commissioner may designate dynamic shoulder lanes on freeways. The commissioner may operate dynamic shoulder lanes as priced lanes, general purpose lanes, high-occupancy vehicle lanes, or as shoulders as defined in section 169.011, subdivision 74. The commissioner may prescribe the conditions under which the lanes may be used.

(b) The commissioner may not operate a dynamic shoulder lane on marked Trunk Highway 35W from its intersection with marked Trunk Highway 94 to its intersection with marked Trunk Highway 62 as a general purpose lane. A dynamic shoulder lane along this portion of marked Trunk Highway 35W may only be used by:

(1) a vehicle with more than one occupant;

(2) a ~~single-occupant~~ low-occupancy vehicle if the fee under subdivision 1 is paid;

(3) a transit bus providing public transit, as defined in section 174.22, subdivision 7; and

(4) an authorized emergency vehicle, as defined in section 169.011, subdivision 3.

(c) The commissioner shall erect signs to indicate when the lanes may be used.

Sec. 14. Minnesota Statutes 2018, section 160.93, is amended by adding a subdivision to read:

Subd. 6. **Low-occupancy vehicle.** For purposes of this section, a "low-occupancy vehicle" is a motor vehicle with an occupancy of one or two individuals.

Sec. 15. Minnesota Statutes 2018, section 161.04, is amended by adding a subdivision to read:

Subd. 7. **Prohibition on use for bicycle lanes or routes.** No money from the trunk highway fund may be spent on creating, constructing, expanding, marking, or maintaining bicycle lanes or routes. Money from the trunk highway fund must not be spent to convert a vehicle travel lane to a bicycle lane or route.

Sec. 16. **[161.089] REPORT ON DEDICATED FUND EXPENDITURES.**

By January 15 of each odd-numbered year, the commissioners of transportation and public safety, in consultation with the commissioner of management and budget, must jointly submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance. The report must list detailed expenditures and transfers from the trunk highway fund and highway user tax distribution fund for the previous two fiscal years and must include information on the purpose of each expenditure.

Sec. 17. Minnesota Statutes 2018, section 161.14, subdivision 16, is amended to read:

Subd. 16. **Eisenhower Memorial Bridge of Valor.** The bridge over the Mississippi River at the city of Red Wing, being part of Legislative Route No. 161, is hereby named and designated the "Eisenhower Memorial Bridge." Any plaques or signs memorializing this bridge should be furnished by other than the Minnesota Department of Transportation and approved by the commissioner of transportation, as "Bridge of Valor." Subject to section 161.139, the commissioner must adopt a suitable design to mark this bridge and erect appropriate signs.

Sec. 18. Minnesota Statutes 2018, section 161.14, is amended by adding a subdivision to read:

Subd. 88. **Captain Jeffrey Vollmer Memorial Highway.** That segment of marked Trunk Highway 25 from marked Trunk Highway 7 to Carver County Road 30 is designated as "Captain Jeffrey Vollmer Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 19. Minnesota Statutes 2018, section 161.14, is amended by adding a subdivision to read:

Subd. 89. **Corrections Officer Joseph Gomm Memorial Highway.** That segment of marked Trunk Highway 95 in West Lakeland Township, Bayport, and Oak Park Heights from the intersection with signed Interstate Highway 94 to the intersection with marked Trunk Highway 36 is designated "Corrections Officer Joseph Gomm Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 20. Minnesota Statutes 2018, section 161.14, is amended by adding a subdivision to read:

Subd. 90. **Kenneth E. Sellon and Eugene B. Schlotfeldt Memorial Highway.** That segment of marked Interstate Highway 94 from Sauk Centre to Alexandria is designated as "Kenneth E. Sellon and Eugene B. Schlotfeldt Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 21. Minnesota Statutes 2018, section 161.14, is amended by adding a subdivision to read:

Subd. 91. **Richard J. Ames Memorial Highway.** (a) The following route between the city of Jordan and marked U.S. Highway 61 shall be known as the "Richard J. Ames Memorial Highway":

Beginning at a point at the eastern city limits of Jordan; thence extending easterly along marked Trunk Highway 282 to its junction with marked Trunk Highway 13; thence extending northerly along marked Trunk Highway 13 to its junction with Eagle Creek Avenue in the city limits of Prior Lake; thence extending easterly along Eagle Creek Avenue and 185th Street East to its junction with Kenwood Trail and Dakota County State-Aid Highway 50; thence extending easterly and southerly along Kenwood Trail and Dakota County State-Aid Highway 50 to its junction with marked Trunk Highway 3 in the city limits of Farmington; thence extending southerly along marked Trunk Highway 3 to its junction with marked Trunk Highway 50; thence extending easterly along marked Trunk Highway 50 to its terminus at its junction with marked Trunk Highway 20 and marked U.S. Highway 61 near Miesville.

(b) Subject to section 161.139, the commissioner shall adopt a suitable design to mark this highway and erect appropriate signs along U.S. and trunk highways. The appropriate local road authority shall erect appropriate signs on local roads, once the local road authority is assured of the availability of funds from nonstate sources as provided in section 161.139.

Sec. 22. Minnesota Statutes 2018, section 161.14, is amended by adding a subdivision to read:

Subd. 92. **Ryane Clark Memorial Highway.** That segment of marked Trunk Highway 23 in Kandiyohi County between New London and Spicer is designated as "Ryane Clark Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 23. Minnesota Statutes 2018, section 161.14, is amended by adding a subdivision to read:

Subd. 93. **State Trooper Ray Krueger Memorial Highway.** That segment of marked Trunk Highway 210 within Cass County is designated as "State Trooper Ray Krueger Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable design to mark this highway and erect appropriate signs in the vicinity of the location where Trooper Krueger died.

Sec. 24. Minnesota Statutes 2018, section 161.14, is amended by adding a subdivision to read:

Subd. 94. **Tom Rukavina Memorial Bridge.** The bridge on marked U.S. Highway 53 over a mining area easterly of 2nd Avenue West in the city of Virginia is designated as "Tom Rukavina Memorial Bridge." Subject to section 161.139, the commissioner shall adopt a suitable design to mark this bridge and erect appropriate signs.

Sec. 25. Minnesota Statutes 2018, section 161.14, is amended by adding a subdivision to read:

Subd. 95. **Warrant Officer Dennis A. Groth Memorial Bridge.** The bridge on marked U.S. Highway 52 over Dakota County State-Aid Highway 42, known as 145th Street within the city of Rosemount, is designated as "Warrant Officer Dennis A. Groth Memorial Bridge." Subject to section 161.139, the commissioner shall adopt a suitable design to mark the bridge and erect appropriate signs.

Sec. 26. Minnesota Statutes 2018, section 168.002, subdivision 8, is amended to read:

Subd. 8. **Farm truck.** (a) "Farm truck" means all single-unit trucks, pickup trucks, truck-tractors, tractors, semitrailers, and trailers used by the owner thereof to transport agricultural, horticultural, dairy, and other farm products, including livestock, produced or finished by the owner of the truck, and any other personal property owned by the farmer to whom the license for the truck is issued, from the farm to market, and to transport property and supplies to the farm of the owner. Trucks, pickup trucks, truck-tractors, tractors, semitrailers, and trailers registered as "farm trucks" may be used by the owner thereof to occasionally transport unprocessed and raw farm products, not produced by the owner of the truck, from the place of production to market when the transportation constitutes the first haul of the products, and may be used by the owner thereof, either farmer or logger who harvests and hauls forest products only, to transport logs, pulpwood, lumber, chips, railroad ties and other raw and unfinished forest products from the place of production to an intermediate or final assembly point or transfer yard or railhead, which transportation may be continued by another farm truck to a place for final processing or manufacture located within 200 miles of the place of production and all of which is deemed to constitute the first haul of unfinished wood products; provided that the owner and operator of the vehicle transporting planed lumber shall have in immediate possession a statement signed by the producer of the lumber designating the governmental subdivision, section, and township where the lumber was produced and that this haul, indicating the date, is the first haul thereof. The licensed vehicles may also be used by the owner thereof to transport, to and from timber-harvesting areas, equipment and appurtenances incidental to timber harvesting, and gravel and other road-building materials for timber haul roads.

(b) "Farm trucks" shall also include only single-unit trucks that, because of their construction, cannot be used for any other purpose and are used exclusively to transport milk and cream en route from a farm to an assembly point or place for final manufacture, and for transporting milk and cream from an assembly point to a place for final processing or manufacture. This section shall not be construed to mean that the owner or operator of the truck cannot carry on usual accommodation services for patrons on regular return trips, such as butter, cream, cheese, and other dairy supplies.

Sec. 27. Minnesota Statutes 2018, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in section 168.002, subdivision 24, and hearses, except as otherwise provided, the tax is \$10 plus an additional tax equal to 1.25 percent of the base value.

(b) Subject to the classification provisions herein, "base value" means the manufacturer's suggested retail price of the vehicle including destination charge using list price information published by the manufacturer or determined by the registrar if no suggested retail price exists, and shall not include the cost of each accessory or item of optional equipment separately added to the vehicle and the suggested retail price. In the case of the first registration of a new vehicle sold or leased by a licensed dealer, the dealer may elect to individually determine the base value of the vehicle using

suggested retail price information provided by the manufacturer. The registrar must use the base value determined by the dealer to properly classify the vehicle. A dealer that elects to make the determination must retain a copy of the suggested retail price label or other supporting documentation with the vehicle transaction records maintained under Minnesota Rules, part 7400.5200.

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

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

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

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

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

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

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

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

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

(j) For any vehicle previously registered in Minnesota and regardless of prior ownership, the total amount due under this subdivision and ~~subdivision 1m~~ subdivisions 1m and 1n must not exceed the smallest total amount previously paid or due on the vehicle.

EFFECTIVE DATE. This section is effective August 1, 2019.

Sec. 28. Minnesota Statutes 2018, section 168.013, subdivision 1m, is amended to read:

Subd. 1m. **Electric vehicle.** In addition to the tax under subdivision 1a, a surcharge of ~~\$75~~ \$200 is imposed for an all-electric vehicle, as defined in section 169.011, subdivision 1a. Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision must be deposited in the highway user tax distribution fund.

Sec. 29. Minnesota Statutes 2018, section 168.013, is amended by adding a subdivision to read:

Subd. 1n. Plug-in hybrid electric vehicle. In addition to the tax under subdivision 1a, a surcharge of \$100 is imposed for a plug-in hybrid electric vehicle as defined in section 169.011, subdivision 54a. Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision must be deposited in the highway user tax distribution fund.

Sec. 30. Minnesota Statutes 2018, section 168.013, subdivision 6, is amended to read:

Subd. 6. **Listing by dealers.** The owner of every motor vehicle not exempted by section 168.012 or 168.28, ~~shall must~~, so long as it is subject to taxation within the state, annually list and register the same and pay the tax herein provided annually under this section; provided, however, that any dealer in motor vehicles, to whom dealer's plates have been issued as provided in this chapter, coming into the possession of ~~any such~~ a motor vehicle to be held solely for the purpose of sale or demonstration or both, ~~shall be~~ is entitled to withhold the tax due on the vehicle from the prior registration period or becoming due on such vehicle for the following year and no lien for registration tax as provided in section 168.31, subdivision 6, shall attach. When, thereafter, ~~such the~~ vehicle is otherwise used or is sold, leased, or rented to another person, firm, corporation, or association, the tax for the remainder of the year, prorated on a monthly basis, ~~shall become~~ becomes payable immediately.

EFFECTIVE DATE. This section is effective August 1, 2019.

Sec. 31. Minnesota Statutes 2018, section 168.10, subdivision 1h, is amended to read:

Subd. 1h. **Collector military vehicle.** (a) A motor vehicle, including a truck, shall be listed and registered under this section if it meets the following conditions:

(1) it is at least 20 years old;

(2) its first owner following its manufacture was a branch of the armed forces of the United States and it presently conforms to the vehicle specifications required during the time of military ownership, or it has been restored and presently conforms to the specifications required by a branch of the armed forces for the model year that the restored vehicle could have been owned by that branch of the armed forces; and

(3) it is owned by a nonprofit organization and operated solely as a collector's vehicle. For purposes of this subdivision, "nonprofit organization" means a corporation, society, association, foundation, or institution organized and operated exclusively for historical or educational purposes, no part of the net earnings of which inures to the benefit of a private individual.

(b) The owner of the vehicle shall execute an affidavit stating the name and address of the person from whom purchased and of the new owner; the make, year, and model number of the motor vehicle; the manufacturer's identification number; and the collector military vehicle identification number, if any, located on the exterior of the vehicle. The affidavit must affirm that the vehicle is owned by a nonprofit organization and is operated solely as a collector's item and not for general transportation purposes. If the commissioner is satisfied that the affidavit is true and correct and the owner pays a \$25 tax and the plate fee authorized under section 168.12, the commissioner shall list the vehicle for taxation and registration and shall issue number plates. The number plates shall bear the inscriptions "Collector" and "Minnesota" and the registration number, but no date. The number plates are valid without renewal as long as the vehicle is in existence in Minnesota. The commissioner may revoke the plates for failure to comply with this subdivision.

(c) Notwithstanding section 168.09, 168.12, or other law to the contrary, the owner of a registered collector military vehicle is not required to display registration plates on the exterior of the vehicle if the vehicle has an exterior number identification that conforms to the identifying system for military vehicles in effect when the vehicle was last owned by the branch of the armed forces of the United States or in effect in the year to which the collector military vehicle has been restored. However, the state registration plates must be carried in or on the collector military vehicle at all times.

(d) The owner of a registered collector military vehicle that is not required to display registration plates under paragraph (c) may tow a registered trailer behind it. The trailer is not required to display registration plates if the trailer:

- (1) does not exceed a gross weight of 15,000 pounds;
- (2) otherwise conforms to registration, licensing, and safety laws and specifications;
- (3) conforms to military specifications for appearance and identification;
- (4) is intended to represent and does represent a military trailer; and
- (5) carries registration plates on or in the trailer or the collector military vehicle towing the trailer.

(e) This subdivision does not apply to a decommissioned military vehicle that (1) was also manufactured and sold as a comparable civilian vehicle, and (2) has the same size dimensions and vehicle weight as the comparable civilian vehicle. A decommissioned military vehicle under this paragraph is eligible for a motor vehicle title under chapter 168A and is subject to the same registration, insurance, equipment, and operating requirements as a motor vehicle.

Sec. 32. Minnesota Statutes 2018, section 168.1294, subdivision 6, is amended to read:

Subd. 6. **Contributions; memorial account; appropriation.** Contributions collected under subdivision 1, clause (4), must be deposited in the Minnesota law enforcement memorial account, which is established in the special revenue fund. Money in the account is appropriated to the commissioner of public safety. This appropriation is first for the annual cost of administering the account funds, and the remaining funds are for distribution to the Minnesota Law Enforcement Memorial Association; ~~to be used.~~ By August 15 of each year, the commissioner must distribute all

funds remaining to the association. The association must use the funds to further the mission of the association in assisting the families and home agencies of Minnesota law enforcement officers who have died in the line of duty. By January 15 of each year, the association must report to the commissioner of public safety and to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must include an itemized list of each expenditure the association made with the funds received under this section for the previous calendar year.

Sec. 33. Minnesota Statutes 2018, section 168.27, is amended by adding a subdivision to read:

Subd. 32. **Multiple licenses.** If a single legal entity holds more than one new or used vehicle dealer license, new and used vehicles owned by the entity may be held and offered for sale at any of the licensed dealership locations without assigning vehicle ownership or title from one licensee to another. This subdivision does not authorize the sale or offering for sale of new vehicles by a licensee that is not authorized by the manufacturer to sell that make of new vehicles.

EFFECTIVE DATE. This section is effective August 1, 2019.

Sec. 34. Minnesota Statutes 2018, section 168.27, is amended by adding a subdivision to read:

Subd. 33. **Designated dealer title and registration liaison.** The registrar must designate by name and provide contact information for one or more registrar employees as needed to (1) promptly and effectively respond to questions from licensed dealers, and (2) troubleshoot dealer issues related to vehicle titling and registration.

EFFECTIVE DATE. This section is effective August 1, 2019.

Sec. 35. Minnesota Statutes 2018, section 168.301, subdivision 3, is amended to read:

Subd. 3. **Late fee.** In addition to any fee or tax otherwise authorized or imposed upon the transfer of title for a motor vehicle, the commissioner of public safety shall impose a \$2 additional fee for failure to deliver a title transfer within ten business days. This subdivision does not apply to transfers from licensed vehicle dealers.

EFFECTIVE DATE. This section is effective July 1, 2020, or upon completion of the necessary programming changes to the driver and vehicle services information system, whichever is earlier.

Sec. 36. Minnesota Statutes 2018, section 168.33, subdivision 8a, is amended to read:

Subd. 8a. **Electronic transmission.** (a) If the commissioner accepts electronic transmission of a motor vehicle transfer and registration by a new or used motor vehicle dealer, a deputy registrar who is equipped with electronic transmission technology and trained in its use shall receive the filing fee provided for in subdivision 7 and review the transfer of each new or used motor vehicle to determine its genuineness and regularity before issuance of a certificate of title, and shall receive and retain the filing fee under subdivision 7, paragraph (a), clause ~~(ii)~~ (2).

(b) The commissioner must establish reasonable performance, security, technical, and financial standards to approve companies that provide computer software and services to motor vehicle dealers

to electronically transmit vehicle title transfer and registration information. An approved company must be offered access to department facilities, staff, and technology on a fair and reasonable basis.

EFFECTIVE DATE. This section is effective August 1, 2019.

Sec. 37. Minnesota Statutes 2018, section 168A.02, subdivision 1, is amended to read:

Subdivision 1. **Application for certificate of title.** (a) Except as provided in section 168A.03, every owner of a vehicle which is in this state and for which no currently effective certificate of title has been issued in this state ~~shall make application~~ must apply to the department for a certificate of title of the vehicle, pursuant to rules adopted by the department under section 168A.24, subdivision 2, clause 3 ~~(3)~~.

(b) A decommissioned military vehicle that (1) was also manufactured and sold as a comparable civilian vehicle, and (2) has the same size dimensions and vehicle weight as the comparable civilian vehicle, is eligible for a certificate of title under this chapter.

Sec. 38. Minnesota Statutes 2018, section 168A.12, subdivision 2, is amended to read:

Subd. 2. **Owner's interest terminated or vehicle sold by secured party.** If the interest of the owner is terminated or the vehicle is sold under a security agreement by a secured party named in the certificate of title or an assignee of the secured party, the transferee shall promptly mail or deliver to the department the last certificate of title, if available, an application for a new certificate in the format the department prescribes, and an affidavit made by or on behalf of the secured party or assignee that the interest of the owner was lawfully terminated or the vehicle sold pursuant to the terms of the security agreement. If the secured party or assignee succeeds to the interest of the owner and holds the vehicle for resale, the secured party or assignee need not secure a new certificate of title provided that a notice thereof in a format designated by the department is mailed or delivered by the secured party or assignee to the department in duplicate within 48 hours, but upon transfer to another person the secured party or assignee shall promptly execute assignment and warranty of title and mail or deliver to the transferee or the department the certificate, if available, the affidavit, and other documents required to be sent to the department by the transferee.

EFFECTIVE DATE. This section is effective August 1, 2019.

Sec. 39. Minnesota Statutes 2018, section 168A.17, is amended by adding a subdivision to read:

Subd. 4. **Notice of perfection by dealer.** When a security interest in a vehicle sold by a dealer licensed under section 168.27 is perfected under subdivision 2, the dealer may provide a statement of perfection to the secured party on a form provided by the department. The statement must certify compliance with subdivision 2 and contain the date of delivery to the department. The information provided in the dealer's statement is considered prima facie evidence of the facts contained in it.

EFFECTIVE DATE. This section is effective August 1, 2019.

Sec. 40. **[168A.241] DRIVER AND VEHICLE SERVICES EXECUTIVE STEERING COMMITTEE.**

Subdivision 1. **Definition.** For purposes of this section, "committee" means the Driver and Vehicle Services Executive Steering Committee established in this section.

Subd. 2. **Members.** The committee consists of 22 members, appointed as follows:

(1) five members appointed by the commissioner of public safety who are employees who work in the Driver and Vehicle Services Division;

(2) five members appointed by the chief information officer who are employees who work in the Office of MN.IT Services, which must include leadership staff for the driver and vehicle services information system;

(3) two members appointed by the executive director of the Minnesota Automobile Dealers Association;

(4) one member appointed by the executive director of the Northland Independent Automobile Dealer Association;

(5) one member who performs auctions exclusively for dealers licensed under section 168.27 and not for the general public, appointed by the commissioner following consultation with eligible auto auctions;

(6) six members appointed by the board of directors of the Minnesota Deputy Registrars Association; and

(7) two members appointed by the board of directors of the Minnesota Deputy Registrar Business Owners Association.

Subd. 3. **Terms; vacancies.** Section 15.059 governs the committee, except that committee members must not receive compensation for serving on the committee.

Subd. 4. **Chair.** The committee must elect a chair from among its members. The chair serves for a term of four years and may not serve more than two full consecutive terms. If a chair ceases to be a member of the committee, the committee shall select a chair to serve the remainder of the vacated term and that partial term shall not count toward the chair's term limit.

Subd. 5. **Meetings.** (a) The chair must convene the committee at least two times per year.

(b) The committee is subject to chapter 13D. A committee meeting occurs when a quorum is present and the members receive information, discuss, or take action on any matter relating to the committee's duties. The committee may conduct meetings as provided in section 13D.015 or 13D.02. The committee may conduct meetings at any location in the state that is appropriate for the purposes of the committee, provided the location is open and accessible to the public. Enforcement of this paragraph is governed by section 13D.06, subdivisions 1 and 2.

Subd. 6. **Administrative support.** The commissioner must provide support staff, office space, and administrative services for the committee.

Subd. 7. **Duties.** The committee's duties include, but are not limited to:

(1) serving in an advisory capacity to the commissioner of public safety and the director of driver and vehicle services on matters relevant to oversight and accountability of projects within driver and vehicle services that impact the information systems used to issue identification cards and motor vehicle titles and registrations by reviewing status reports from Independent Verification and Validation (IV&V) services for projects and audits that impact driver and vehicle services information systems;

(2) reviewing and making recommendations with respect to work plans, policy initiatives, major activities, and strategic planning, with regard to the issuance of identification cards and providing motor vehicle title and registration services; and

(3) reviewing and making recommendations on information system changes used for the issuance of identification cards and motor vehicle titles and registrations.

Subd. 8. **Report and recommendations.** By February 15 each year, the commissioner must submit to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over motor vehicle title and registration a report that summarizes the committee's activities in the previous calendar year, the issues identified by the committee, methods taken or suggested to address the issues, and recommendations for legislative action, if needed. The report must include draft legislation to implement recommended legislative action.

Subd. 9. **Expiration.** The committee expires June 30, 2022.

Sec. 41. Minnesota Statutes 2018, section 169.011, is amended by adding a subdivision to read:

Subd. 3b. **Automated driving system.** "Automated driving system" means technology that allows a vehicle to be tested without any control or monitoring by a human.

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

Sec. 42. Minnesota Statutes 2018, section 169.011, is amended by adding a subdivision to read:

Subd. 34a. **Highly automated vehicle.** "Highly automated vehicle" means a motor vehicle equipped with automated technology with the capability to function without a human operator present in the vehicle. A highly automated vehicle does not include a vehicle enabled with active safety systems or operator assistance systems, including but not limited to a system to provide electronic blind spot assistance, crash avoidance, emergency braking, parking assistance, adaptive cruise control, lane-keeping assistance, lane departure warning, or traffic jam and queuing assistance, unless these technologies alone or in combination with other systems enable the vehicle to test without any control or monitoring by an operator.

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

Sec. 43. Minnesota Statutes 2018, section 169.011, is amended by adding a subdivision to read:

Subd. 54b. **Platooning system.** "Platooning system" means driver-assisted vehicle-to-vehicle technology that integrates electronic communications between and among multiple vehicles to synchronize speed, acceleration, and braking while leaving system monitoring and intervention in the control of each vehicle's human operator.

Sec. 44. Minnesota Statutes 2018, section 169.011, is amended by adding a subdivision to read:

Subd. 62a. **Recycling vehicle.** "Recycling vehicle" means a vehicle hauling recyclable materials as authorized by section 115A.93, subdivision 1.

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

Sec. 45. Minnesota Statutes 2018, section 169.011, is amended by adding a subdivision to read:

Subd. 76a. **Solid waste vehicle.** "Solid waste vehicle" means a vehicle hauling solid waste as authorized by section 115A.93, subdivision 1.

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

Sec. 46. Minnesota Statutes 2018, section 169.011, is amended by adding a subdivision to read:

Subd. 92a. **Vehicle platoon.** "Vehicle platoon" means a group of not more than three commercial vehicles traveling in a unified manner through use of a platooning system or systems. A vehicle platoon consists of a lead vehicle and following vehicles. A vehicle platoon is not a combination vehicle under this chapter.

Sec. 47. Minnesota Statutes 2018, section 169.06, subdivision 4a, is amended to read:

Subd. 4a. **Obedience to work zone flagger; violation, penalty.** (a) A flagger in a work zone may stop vehicles ~~and~~, hold vehicles in place ~~until it is safe for the vehicles to proceed. A person operating a motor vehicle that has been stopped by a flagger in a work zone may proceed after stopping only on instruction by the flagger or a police officer,~~ and direct vehicles to proceed when it is safe.

(b) A person convicted of operating a motor vehicle in violation of a speed limit in a work zone, or any other provision of this section while in a work zone, shall be required to pay a fine of \$300. This fine is in addition to the surcharge under section 357.021, subdivision 6.

(c) If a motor vehicle is operated in violation of paragraph (a), the owner of the vehicle, or for a leased motor vehicle the lessee of the vehicle, is guilty of a petty misdemeanor and is subject to a fine as provided in paragraph (b). The owner or lessee may not be fined under this paragraph if (1) another person is convicted for that violation, or (2) the motor vehicle was stolen at the time of the violation. This paragraph does not apply to a lessor of a motor vehicle if the lessor keeps a record of the name and address of the lessee.

(d) Paragraph (c) does not prohibit or limit the prosecution of a motor vehicle operator for violating paragraph (a).

(e) A violation under paragraph (c) does not constitute grounds for revocation or suspension of a driver's license.

(f) A peace officer may issue a citation to the operator of a motor vehicle if the peace officer has probable cause to believe that the person has operated the vehicle in violation of paragraph (a). A citation may be issued even though the violation did not occur in the officer's presence. In addition

to other evidentiary elements or factors, a peace officer has probable cause under this subdivision if:

(1) a qualified work zone flagger has provided a report of a violation of paragraph (a) that includes a description and the license plate number of the vehicle used to commit the offense, and the time of the incident;

(2) the person is operating the vehicle described in the report; and

(3) it is within the four-hour period following the time of the incident, as specified in the report.

(g) A work zone flagger is qualified to provide a report under paragraph (f) if each flagger involved in the reporting has completed training that includes information on flagging operations, equipment, traffic laws, observation and accurate identification of motor vehicles, and delegation of duties involving a report under paragraph (f).

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to violations that occur on or after that date.

Sec. 48. Minnesota Statutes 2018, section 169.13, subdivision 1, is amended to read:

Subdivision 1. **Reckless driving.** (a) A person who drives a motor vehicle or light rail transit vehicle while aware of and consciously disregarding a substantial and unjustifiable risk that the driving may result in harm to another or another's property is guilty of reckless driving. The risk must be of such a nature and degree that disregard of it constitutes a significant deviation from the standard of conduct that a reasonable person would observe in the situation.

(b) A person shall not race any vehicle upon any street or highway of this state. Any person who willfully compares or contests relative speeds by operating one or more vehicles is guilty of racing, which constitutes reckless driving, whether or not the speed contested or compared is in excess of the maximum speed prescribed by law.

(c) A person who violates paragraph (a) or (b) is guilty of a misdemeanor. A person who violates paragraph (a) or (b) and causes great bodily harm or death to another is guilty of a gross misdemeanor.

(d) For purposes of this section, "great bodily harm" has the meaning given in section 609.02, subdivision 8.

Sec. 49. Minnesota Statutes 2018, section 169.13, subdivision 2, is amended to read:

Subd. 2. **Careless driving.** (a) Any person who operates or halts any vehicle upon any street or highway carelessly or heedlessly in disregard of the rights of others, or in a manner that endangers or is likely to endanger any property or any person, including the driver or passengers of the vehicle, is guilty of a misdemeanor.

(b) Any person who operates or halts a light rail transit vehicle carelessly or heedlessly in disregard of the rights of others, or in a manner that endangers or is likely to endanger any property or any person, including the operator or passengers on the light rail transit vehicle, is guilty of a misdemeanor.

Sec. 50. Minnesota Statutes 2018, section 169.14, subdivision 2a, is amended to read:

Subd. 2a. **Increased speed limit when passing.** (a) Notwithstanding subdivision 2, the speed limit is increased by ten miles per hour over the posted speed limit when the driver:

- (1) is on a two-lane highway having one lane for each direction of travel;
- (2) is on a highway with a posted speed limit that is equal to or higher than 55 miles per hour;
- (3) is overtaking and passing another vehicle proceeding in the same direction of travel; and
- (4) meets the requirements in section 169.18.

(b) Notwithstanding subdivision 2, the speed limit is increased by five miles per hour over the posted speed limit when the driver:

- (1) is on a highway having two or more lanes for each direction of travel;
- (2) is on a highway with a posted speed limit that is equal to or higher than 55 miles per hour;
- (3) is overtaking and passing another vehicle proceeding in the same direction of travel; and
- (4) meets the requirements in section 169.18.

Sec. 51. Minnesota Statutes 2018, section 169.14, subdivision 5, is amended to read:

Subd. 5. **Zoning within local area.** (a) When local authorities believe that the existing speed limit upon any street or highway, or part thereof, within their respective jurisdictions and not a part of the trunk highway system is greater or less than is reasonable or safe under existing conditions, they may request the commissioner to authorize, upon the basis of an engineering and traffic investigation, the erection of appropriate signs designating what speed is reasonable and safe, and the commissioner may authorize the erection of appropriate signs designating a reasonable and safe speed limit thereat, which speed limit shall be effective when such signs are erected. Any speeds in excess of these speed limits shall be prima facie evidence that the speed is not reasonable or prudent and that it is unlawful; except that any speed limit within any municipality shall be a maximum limit and any speed in excess thereof shall be unlawful. Alteration of speed limits on streets and highways shall be made only upon authority of the commissioner except as provided in paragraph (b) and subdivision 5a.

(b) Notwithstanding paragraph (a), a city may establish speed limits for city streets under the city's jurisdiction other than the limits provided in subdivision 2. This paragraph does not apply to town roads, county highways, or trunk highways in the city. A city that establishes speed limits pursuant to this section must implement speed limit changes in a consistent and understandable manner. The city must erect appropriate signs to display the speed limit. A city that uses the authority under this paragraph must develop procedures to set speed limits based on the city's safety, engineering, and traffic analysis. At a minimum, the safety, engineering, and traffic analysis must consider national urban speed limit guidance and studies, local traffic crashes, and methods to effectively communicate the change to the public.

Sec. 52. Minnesota Statutes 2018, section 169.18, subdivision 1, is amended to read:

Subdivision 1. **Keep to the right.** (a) Upon all roadways of sufficient width a vehicle shall be driven upon the right half of the roadway, except as follows:

(1) when overtaking and passing another vehicle proceeding in the same direction under the rules governing such movement;

(2) when the right half of a roadway is closed to traffic while under construction or repair;

(3) upon a roadway divided into three marked lanes for traffic under the rules applicable thereon;

(4) upon a roadway designated and signposted for one-way traffic as a one-way roadway;

(5) as necessary to comply with subdivision 11 when approaching an authorized emergency vehicle parked or stopped on the roadway; or

(6) as necessary to comply with subdivision 12 when approaching a road maintenance or construction vehicle parked or stopped on the roadway.

(b) Upon a roadway with two or more lanes in the same direction, a person must not drive a vehicle in the left-most lane if another vehicle is immediately behind the first vehicle, except if:

(1) the vehicle is overtaking and passing another vehicle proceeding in the same direction;

(2) the vehicle is preparing to turn left at an intersection or into a private road or driveway;

(3) a specific lane is designated and posted for a specific type of traffic;

(4) the vehicle is preparing to exit a controlled-access highway by using an exit on the left side of the road or the vehicle is entering a controlled-access highway by using an on-ramp that enters on the left side of the road;

(5) when traffic conditions, congestion, inclement weather, or hazards make it impractical;

(6) the vehicle is a law enforcement vehicle, ambulance, or other emergency vehicle engaged in official duties; or

(7) the vehicle is engaged in highway maintenance or construction operations.

If a person is driving a vehicle in the left-most lane to overtake or pass a vehicle as provided in clause (1) and another vehicle approaches the first vehicle in the same lane from behind, the first vehicle must exit the left-most lane as soon as possible.

(c) A person who violates this subdivision must pay a fine of not less than \$100.

Sec. 53. Minnesota Statutes 2018, section 169.18, subdivision 7, is amended to read:

Subd. 7. **Laned highway.** When any roadway has been divided into two or more clearly marked lanes for traffic, the following rules, in addition to all others consistent ~~herewith, shall~~ with this subdivision, apply:

~~(a)~~ (1) A vehicle shall be driven as nearly as practicable entirely within a single lane and shall not be moved from ~~such the~~ lane until the driver has first ascertained that ~~such the~~ movement can be made with safety;

~~(b)~~ (2) Upon a roadway which is not a one-way roadway and which is divided into three lanes, a vehicle shall not be driven in the center lane except when overtaking and passing another vehicle where the roadway is clearly visible and ~~such the~~ center lane is clear of traffic within a safe distance, or in preparation for a left turn or where ~~such the~~ center lane is at the time allocated exclusively to traffic moving in the direction the vehicle is proceeding, and is signposted to give notice of ~~such the~~ allocation. The left lane of a three-lane roadway which is not a one-way roadway shall not be used for overtaking and passing another vehicle;

~~(c)~~ (3) Official signs may be erected directing slow-moving traffic to use a designated lane or allocating specified lanes to traffic moving in the same direction, and drivers of vehicles shall obey the ~~directions of every such~~ sign;

~~(d)~~ (4) Whenever a bicycle lane has been established on a roadway, any person operating a motor vehicle on ~~such the~~ roadway shall not drive in the bicycle lane except to perform parking maneuvers in order to park where parking is permitted, to enter or leave the highway, to prepare for a turn as provided in section 169.19, subdivision 1, or to stop a school bus for the purpose of receiving or discharging any person provided the school bus is equipped and identified as provided in sections 169.441 and 169.442, subdivision 1, and the flashing red signals are activated and stop-signal arm is extended; and

(5) notwithstanding clause (1), the operator of a vehicle with a total length in excess of 40 feet, a total width exceeding ten feet, or any combination of vehicles may, with due regard for all other traffic, deviate from the lane in which the operator is driving to the extent necessary to approach and drive through a roundabout.

Sec. 54. Minnesota Statutes 2018, section 169.18, subdivision 8, is amended to read:

Subd. 8. **Following vehicle too closely.** (a) The driver of a motor vehicle shall not follow another vehicle more closely than is reasonable and prudent, having due regard for the speed of such vehicles and the traffic upon and the conditions of the highway.

(b) The driver of any motor vehicle drawing another vehicle, or the driver of any motor truck or bus, when traveling upon a roadway outside of a business or residence district, shall not follow within 500 feet of another vehicle. The provisions of this paragraph shall not be construed to prevent overtaking and passing nor shall the same apply upon any lane specially designated for use by motor trucks. This paragraph does not apply to following vehicles in a vehicle platoon if the operator has an approved plan in compliance with section 169.881.

(c) The driver of a motor vehicle shall not follow within 500 feet of an authorized emergency vehicle that is traveling in response to an emergency.

Sec. 55. Minnesota Statutes 2018, section 169.18, subdivision 11, is amended to read:

Subd. 11. **Passing parked emergency authorized vehicle; citation; probable cause.** (a) For purposes of this subdivision, "authorized vehicle" means an authorized emergency vehicle, as defined

under section 169.011, subdivision 3; a tow truck or towing vehicle, as defined under section 168B.011, subdivision 12a; a freeway service patrol vehicle; a road maintenance vehicle; a utility company vehicle; a construction vehicle; a solid waste vehicle; or a recycling vehicle.

(b) When approaching and before passing an authorized ~~emergency~~ vehicle with its emergency, flashing, or warning lights activated that is parked or otherwise stopped on or next to a street or highway having two lanes in the same direction, the driver of a vehicle shall safely move the vehicle to the lane farthest away from the ~~emergency~~ authorized vehicle, if it is possible to do so.

~~(b)~~ (c) When approaching and before passing an authorized ~~emergency~~ vehicle with its emergency, flashing, or warning lights activated that is parked or otherwise stopped on or next to a street or highway having more than two lanes in the same direction, the driver of a vehicle shall safely move the vehicle so as to leave a full lane vacant between the driver and any lane in which the ~~emergency~~ authorized vehicle is completely or partially parked or otherwise stopped, if it is possible to do so.

~~(e)~~ (d) If a lane change under paragraph ~~(a)~~ (b) or ~~(b)~~ (c) is impossible, or when approaching and before passing an authorized ~~emergency~~ vehicle with its emergency, flashing, or warning lights activated that is parked or otherwise stopped on or next to a street or highway having only one lane in the same direction, the driver of a vehicle must reduce the speed of the motor vehicle to a speed that is reasonable and prudent under the conditions until the motor vehicle has completely passed the parked or stopped ~~emergency~~ authorized vehicle, if it is possible to do so.

~~(d)~~ (e) A peace officer may issue a citation to the driver of a motor vehicle if the peace officer has probable cause to believe that the driver has operated the vehicle in violation of this subdivision within the four-hour period following the termination of the incident or a receipt of a report under paragraph ~~(e)~~ (f). The citation may be issued even though the violation was not committed in the presence of the peace officer.

~~(e)~~ (f) Although probable cause may be otherwise satisfied by other evidentiary elements or factors, probable cause is sufficient for purposes of this subdivision when the person cited is operating the vehicle described by a member of the crew of an authorized emergency vehicle or a towing vehicle as defined in section 168B.011, subdivision 12a, responding to an incident in a timely report of the violation of this subdivision, which includes a description of the vehicle used to commit the offense and the vehicle's license plate number. For the purposes of issuance of a citation under paragraph ~~(d)~~ (e), "timely" means that the report must be made within a four-hour period following the termination of the incident.

~~(f)~~ For purposes of paragraphs (a) to (e) only, "authorized emergency vehicle" and "emergency vehicle" include a towing vehicle defined in section 168B.011, subdivision 12a, that has activated flashing lights authorized under section 169.64, subdivision 3, in addition to the vehicles described in the definition for "authorized emergency vehicle" in section 169.011, subdivision 3.

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

Sec. 56. Minnesota Statutes 2018, section 169.20, subdivision 7, is amended to read:

Subd. 7. **Transit bus; school bus.** (a) The driver of a vehicle traveling in the right-hand lane of traffic shall yield the right-of-way to any transit bus attempting to enter that lane from a bus stop or shoulder, as indicated by a flashing left turn signal.

(b) The driver of a vehicle traveling in the right-hand lane of traffic shall yield the right-of-way to any school bus attempting to enter that lane from a shoulder, right-turn lane, or other location where the school bus has stopped to load or unload passengers. The school bus must indicate the intent to enter the right-hand lane of traffic by activating a flashing left turn signal.

Sec. 57. Minnesota Statutes 2018, section 169.20, is amended by adding a subdivision to read:

Subd. 8. **Roundabouts.** If two vehicles with a total length in excess of 40 feet, a total width in excess of ten feet, or any combination of vehicles, approach or drive through a roundabout at approximately the same time or so closely as to constitute a hazard of collision, the operator of the vehicle or combination of vehicles on the right must yield the right-of-way to the vehicle or combination of vehicles on the left and, if necessary, must reduce speed or stop in order to so yield.

Sec. 58. **[169.203] HIGHLY AUTOMATED VEHICLES PROHIBITION ON HIGHWAYS.**

No person may drive or operate a highly automated vehicle or engage an automated driving system on a street or highway of this state.

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

Sec. 59. Minnesota Statutes 2018, section 169.26, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) Except as provided in section 169.28, subdivision 1, when any person driving a vehicle approaches a railroad grade crossing under any of the circumstances stated in this paragraph, the driver shall stop the vehicle not less than ten feet from the nearest railroad track and shall not proceed until safe to do so and until the roadway is clear of traffic so that the vehicle can proceed without stopping until the rear of the vehicle is at least ten feet past the farthest railroad track. These requirements apply when:

(1) a clearly visible electric or mechanical signal device warns of the immediate approach of a railroad train or other on-track equipment; or

(2) an approaching railroad train or other on-track equipment is plainly visible and is in hazardous proximity.

(b) The fact that a moving railroad train or other on-track equipment approaching a railroad grade crossing is visible from the crossing is prima facie evidence that it is not safe to proceed.

(c) The driver of a vehicle shall stop and remain stopped and not traverse the grade crossing when (1) a human flagger signals the approach or passage of a railroad train or other on-track equipment or ~~when~~ (2) a crossing gate is lowered warning of the immediate approach or passage of a railroad train or other on-track equipment. No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals that the way is clear to proceed or drive a vehicle past a lowered crossing gate.

Sec. 60. Minnesota Statutes 2018, section 169.26, subdivision 4, is amended to read:

Subd. 4. **Pedestrians; penalty.** (a) A pedestrian shall not pass through, around, over, or under any crossing gate or barrier at a railroad grade crossing while the gate or barrier is closed or is being opened or closed.

(b) A pedestrian shall not enter, remain upon, or traverse over a railroad track, grade crossing, or pedestrian walkway crossing a railroad track when an audible bell or clearly visible electric or mechanical signal device is operational and warning of the presence, approach, passage, or departure of a railroad train or other on-track equipment.

(c) A person who violates this subdivision is subject to a fine of up to \$100.

Sec. 61. Minnesota Statutes 2018, section 169.28, is amended to read:

169.28 CERTAIN VEHICLES TO STOP AT RAILROAD CROSSING.

Subdivision 1. **Requirements.** (a) The driver of any motor vehicle carrying passengers for hire, or of any school bus whether carrying passengers or not, or of any Head Start bus whether carrying passengers or not, or of any vehicle that is required to stop at railroad grade crossings under Code of Federal Regulations, title 49, section 392.10, before crossing at grade any track or tracks of a railroad, shall stop the vehicle not less than 15 feet nor more than 50 feet from the nearest rail of the railroad and while so stopped shall listen and look in both directions along the track for any approaching railroad train or other on-track equipment, and for signals indicating the approach of a railroad train or other on-track equipment, except as ~~hereinafter otherwise provided, and shall in this section.~~ The driver must not proceed until safe to do so and until the roadway is clear of traffic so that the vehicle can proceed without stopping until the rear of the vehicle is at least ten feet past the farthest railroad track. The driver must not shift gears while crossing the railroad tracks.

(b) A school bus or Head Start bus shall not be flagged across railroad grade crossings except at those railroad grade crossings that the local school administrative officer may designate.

(c) A type III vehicle, as defined in section 169.011, is exempt from the requirement of school buses to stop at railroad grade crossings.

(d) The requirements of this subdivision do not apply to the crossing of light rail vehicle track or tracks that are located in a public street when:

(1) the crossing occurs within the intersection of two or more public streets;

(2) the intersection is controlled by a traffic-control signal; and

(3) the intersection is marked with signs indicating to drivers that the requirements of this subdivision do not apply. Notwithstanding any other provision of law, the owner or operator of the track or tracks is authorized to place, maintain, and display the signs upon and in the view of the public street or streets.

Subd. 2. **Exempt crossing.** (a) The commissioner may designate a crossing as an exempt crossing:

(1) if the crossing is on a rail line on which service has been abandoned;

(2) if the crossing is on a rail line that carries fewer than five railroad trains each year, traveling at speeds of ten miles per hour or less; or

(3) as agreed to by the operating railroad and the Department of Transportation, following a diagnostic review of the crossing.

(b) The commissioner shall direct the railroad to erect at the crossing signs bearing the word "Exempt" that conform to section 169.06. The installation or presence of an exempt sign does not relieve a driver of the duty to use due care.

(c) A railroad train or other on-track equipment must not proceed across an exempt crossing unless a police officer is present to direct traffic or a railroad employee is on the ground to warn traffic until the railroad train enters the crossing.

~~(e)~~ (d) A vehicle that must stop at grade crossings under subdivision 1 is not required to stop at a marked exempt crossing unless directed otherwise by a police officer or a railroad employee.

Sec. 62. Minnesota Statutes 2018, section 169.29, is amended to read:

169.29 CROSSING RAILROAD TRACKS WITH CERTAIN EQUIPMENT.

(a) No person shall operate or move any caterpillar tractor, steam shovel, derrick, roller, or any equipment or structure having a normal operating speed of six or less miles per hour or a vertical body or load clearance of less than nine inches above the level surface of a roadway upon or across any tracks at a railroad grade crossing without first complying with this section.

(b) Before making any crossing, the person operating or moving any vehicle or equipment set forth in this section shall first stop the same not less than ten, nor more than 50, feet from the nearest rail of the railway, and while so stopped shall listen and look in both directions along the track for any approaching railroad train or other on-track equipment and for signals indicating the approach of a railroad train or other on-track equipment, and shall not proceed until the crossing can be made safely.

(c) No crossing shall be made when warning is given by automatic signal or crossing gates or a flagger or otherwise of the immediate approach of a railroad train or other on-track equipment or car.

(d) ~~No~~ A stop need be made is not required at a crossing on a rail line on which service has been abandoned and where a sign erected in conformance with section 169.06 and bearing the word "Exempt" has been installed, unless directed otherwise by a flagger. The installation or presence of an exempt sign shall not relieve any driver of the duty to use due care.

Sec. 63. Minnesota Statutes 2018, section 169.443, subdivision 2, is amended to read:

Subd. 2. **Use of stop-signal arm.** (a) The stop-signal arm system of a school bus must be used in conjunction with the flashing red signals only when the school bus is stopped on a street or highway to load or unload school children.

(b) A local authority, including the governing body of an Indian tribe, may by ordinance require that a school bus activate the stop-signal arm system and flashing red signals while stopped to unload

school children at a location other than a location on a street or highway. The ordinance must designate each location where the requirement is imposed. The requirement is effective only if the local authority has erected signs at or near the location to provide adequate notice that other vehicles are required to obey section 169.444, subdivision 1, when those signals are activated.

(c) A school bus driver is prohibited from loading or unloading passengers in a designated right-turn lane or in a lane immediately adjacent to a designated right-turn lane unless:

(1) a school bus stop designated by the district transportation safety director is located in the right-turn lane;

(2) the driver stops the bus at the extreme right side of the right-turn lane; and

(3) the driver activates the prewarning flashing amber signals, flashing red signals, and stop-signal arm, unless the school board or its designee, based on safety considerations, provides written direction to the driver not to do so.

After loading or unloading passengers, the school bus driver may re-enter the right-hand lane of traffic without turning right. The school bus must indicate the intent to enter the right-hand lane of traffic by activating a flashing left turn signal.

Sec. 64. Minnesota Statutes 2018, section 169.4503, subdivision 5, is amended to read:

Subd. 5. **Colors.** Fenderettes may be black. The beltline may be painted yellow over black or black over yellow. The rub rails ~~shall~~ adjacent to the beltline may be black or yellow. All other rub rails must be black. The area around the lenses of alternately flashing signal lamps extending outward from the edge of the lamp three inches, plus or minus one-quarter inch, to the sides and top and at least one inch to the bottom, ~~shall~~ must be black. Visors or hoods, black in color, with a minimum of four inches may be provided.

Sec. 65. Minnesota Statutes 2018, section 169.58, is amended by adding a subdivision to read:

Subd. 5. **Transportation network company vehicle.** (a) For purposes of this subdivision, the definitions in section 65B.472, subdivision 1, apply except that "transportation network company vehicle" has the meaning given to "personal vehicle" in section 65B.472, subdivision 1, paragraph (c).

(b) A transportation network company vehicle may be equipped with no more than two removable, interior-mounted, trade dress identifying devices as provided by the transportation network company that are designed to assist riders in identifying and communicating with drivers. The identifying device may be illuminated and emit a steady beam of solid colored light in any direction when the driver is logged into the digital network. The identifying device must not: (1) display the colors red, amber, or blue; (2) project a flashing, oscillating, alternating, or rotating light; or (3) project a glaring or dazzling light.

Sec. 66. Minnesota Statutes 2018, section 169.64, subdivision 9, is amended to read:

Subd. 9. **Warning lamp on vehicles collecting solid waste or recycling.** ~~A vehicle used to collect solid waste~~ vehicle or recycling vehicle may be equipped with a single amber ~~gaseous~~

~~discharge~~ warning lamp that meets the most current Society of Automotive Engineers standard ~~‡ 1318~~ for authorized maintenance and service vehicles, Class 2. The lamp may be operated only when the collection vehicle is in the process of collecting solid waste or recycling and is either:

- (1) stopped at an establishment where solid waste or recycling is to be collected; or
- (2) traveling at a speed that is at least ten miles per hour below the posted speed limit and moving between establishments where solid waste or recycling is to be collected.

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

Sec. 67. Minnesota Statutes 2018, section 169.71, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions generally; exceptions.** (a) A person shall not drive or operate any motor vehicle with:

- (1) a windshield cracked or discolored to an extent to limit or obstruct proper vision;
- (2) any objects suspended between the driver and the windshield, other than:
 - (i) sun visors;
 - (ii) rearview mirrors;
 - (iii) driver feedback and safety monitoring equipment when mounted immediately behind, slightly above, or slightly below the rearview mirror;
 - (iv) global positioning systems or navigation systems when mounted or located near the bottommost portion of the windshield; ~~and~~
 - (v) electronic toll collection devices; ~~or~~ and
 - (vi) an identifying device as provided in section 169.58, subdivision 5, when the device is mounted or located near the bottommost portion of the windshield; or

(3) any sign, poster, or other nontransparent material upon the front windshield, sidewings, or side or rear windows of the vehicle, other than a certificate or other paper required to be so displayed by law or authorized by the state director of the Division of Emergency Management or the commissioner of public safety.

(b) Paragraph (a), clauses (2) and (3), do not apply to law enforcement vehicles.

(c) Paragraph (a), clause (2), does not apply to authorized emergency vehicles.

Sec. 68. Minnesota Statutes 2018, section 169.71, subdivision 4, is amended to read:

Subd. 4. **Glazing material; prohibitions ~~and exceptions.~~** (a) ~~No~~ A person ~~shall~~ must not drive or operate any motor vehicle required to be registered in the state of Minnesota upon any street or highway under the following conditions:

(1) when the windshield is composed of, covered by, or treated with any material which has the effect of making the windshield more reflective or in any other way reducing light transmittance through the windshield;

(2) when any window on the vehicle is composed of, covered by, or treated with any material that has a highly reflective or mirrored appearance;

(3) when any side window or rear window is composed of or treated with any material so as to obstruct or substantially reduce the driver's clear view through the window or has a light transmittance of less than 50 percent plus or minus three percent in the visible light range or a luminous reflectance of more than 20 percent plus or minus three percent; or

(4) when any material has been applied after August 1, 1985, to any motor vehicle window without an accompanying permanent marking which indicates the percent of transmittance and the percent of reflectance afforded by the material. The marking must be in a manner so as not to obscure vision and be readable when installed on the vehicle.

Subd. 4a. Glazing material; exceptions. ~~(b) This (a) Subdivision 4~~ does not apply to glazing materials ~~which~~ that:

(1) have not been modified since the original installation, nor to original replacement windows and windshields, that were originally installed or replaced in ~~conformance~~ conformity with Federal Motor Vehicle Safety Standard 205;

(2) are required to satisfy prescription or medical needs ~~of the driver of the vehicle or a passenger if,~~ provided:

(i) the vehicle's driver or a passenger ~~is in possession of the~~ possesses a prescription or a physician's statement of medical need;

(ii) the prescription or statement specifically states the minimum percentage that light transmittance may be reduced to satisfy the prescription or medical needs of the patient; and

(iii) the prescription or statement contains an expiration date, which must be no more than two years after the date the prescription or statement was issued; or

(3) are applied to:

(i) the rear windows of a pickup truck as defined in section 168.002, subdivision 26;

(ii) the rear windows or the side windows on either side behind the driver's seat of a van as defined in section 168.002, subdivision 40;

(iii) the side and rear windows of a vehicle used to transport human remains by a funeral establishment holding a license under section 149A.50;

(iv) the side and rear windows of a limousine as defined in section 168.002, subdivision 15; or

(v) the rear and side windows of a police vehicle.

(b) For the purposes of paragraph (a), clause (2), a driver of a vehicle may rely on a prescription or physician's statement of medical need issued to a person not present in the vehicle if:

(1) the prescription or physician's statement of medical need is issued to the driver's parent, child, grandparent, sibling, or spouse;

(2) the prescription or physician's statement of medical need specifies the make, model, and license plate of one or two vehicles that will have tinted windows; and

(3) the driver is in possession of the prescription or physician's statement of medical need.

EFFECTIVE DATE. Paragraph (b) is effective on November 1, 2019.

Sec. 69. Minnesota Statutes 2018, section 169.829, is amended by adding a subdivision to read:

Subd. 5. **Sewage septic tank trucks.** (a) Sections 169.823 and 169.826 to 169.828 do not apply to a sewage septic tank truck used exclusively to transport sewage from septic or holding tanks.

(b) The weight limitations under section 169.824 are increased by ten percent for a single-unit vehicle transporting sewage from the point of service to (1) another point of service, or (2) the point of unloading.

(c) Notwithstanding sections 169.824, subdivision 1, paragraph (d); 169.826, subdivision 3; or any other law to the contrary, a permit is not required to operate a vehicle under this subdivision.

(d) The seasonal weight increases under section 169.826, subdivision 1, do not apply to a vehicle operated under this subdivision, except that the vehicle may not exceed 20,000 pounds per single axle.

(e) A vehicle operated under this subdivision is subject to bridge load limits posted under section 169.84.

(f) A vehicle operated under this section must not be operated with a load that exceeds the tire manufacturer's recommended load, the manufacturer's gross vehicle weight rating as affixed to the vehicle, or other certification of gross vehicle weight rating under Code of Federal Regulations, title 49, sections 567.4 to 567.7.

EFFECTIVE DATE. This section is effective June 1, 2019.

Sec. 70. Minnesota Statutes 2018, section 169.864, subdivision 1, is amended to read:

Subdivision 1. **Special three-unit vehicle permit.** The commissioner may issue a permit for a vehicle that meets the following requirements:

(1) is a combination of vehicles, including a truck-tractor and a semitrailer drawing one additional semitrailer, which may be equipped with an auxiliary dolly, and no semitrailer used in the three-vehicle combination has an overall length in excess of 28-1/2 feet;

(2) has a maximum gross vehicle weight of 108,000 pounds;

(3) complies with the axle weight limits in section 169.824;

(4) complies with the tire weight limits in section 169.823 or the tire manufacturers' recommended load, whichever is less;

(5) is operated only in this state on Trunk Highway marked 2 between Grand Rapids and the port of Duluth; on Trunk Highway marked 169 between Grand Rapids and its junction with Trunk Highway marked 53; on Trunk Highway marked 194 between Trunk Highway marked 2 and Trunk Highway marked 53; and on Trunk Highway marked 53 ~~between Virginia and the port of Duluth;~~ and

(6) the seasonal weight increases authorized under section 169.826, subdivision 1, do not apply.

Sec. 71. Minnesota Statutes 2018, section 169.865, subdivision 1, is amended to read:

Subdivision 1. **Six-axle vehicles.** (a) A road authority may issue an annual permit authorizing a vehicle or combination of vehicles with a total of six or more axles to haul ~~raw or unprocessed~~ qualifying agricultural products and be operated with a gross vehicle weight of up to:

(1) 90,000 pounds; and

(2) 99,000 pounds during the period set by the commissioner under section 169.826, subdivision 1.

(b) Notwithstanding subdivision 3, paragraph (a), clause (4), a vehicle or combination of vehicles operated under this subdivision and transporting only sealed intermodal containers may be operated on an interstate highway if allowed by the United States Department of Transportation.

(c) The fee for a permit issued under this subdivision is \$300, or a proportional amount as provided in section 169.86, subdivision 5.

Sec. 72. Minnesota Statutes 2018, section 169.865, subdivision 2, is amended to read:

Subd. 2. **Seven-axle vehicles.** (a) A road authority may issue an annual permit authorizing a vehicle or combination of vehicles with a total of seven or more axles to haul ~~raw or unprocessed~~ qualifying agricultural products and be operated with a gross weight of up to:

(1) 97,000 pounds; and

(2) 99,000 pounds during the period set by the commissioner under section 169.826, subdivision 1.

(b) Drivers of vehicles operating under this subdivision must comply with driver qualification requirements adopted under section 221.0314, subdivisions 2 to 5, and Code of Federal Regulations, title 49, parts 40 and 382, unless exempt under section 221.031, subdivision 2c.

(c) The fee for a permit issued under this subdivision is \$500, or a proportional amount as provided in section 169.86, subdivision 5.

Sec. 73. Minnesota Statutes 2018, section 169.865, is amended by adding a subdivision to read:

Subd. 6. **Definition.** For purposes of this section, "qualifying agricultural products" means:

(1) agricultural crops, including but not limited to corn, soybeans, oats, grain and by-products of agricultural crops;

(2) livestock, including but not limited to cattle, hogs, and poultry;

(3) food crops, including but not limited to, sugar beets, potatoes, carrots, and onions;

(4) fluid milk;

(5) seed and material used for or in livestock and poultry feed; and

(6) natural and commercial fertilizers, potash and agricultural lime, not including those materials that require the vehicle to be marked or placarded in accordance with section 221.033 and Code of Federal Regulations, title 49, part 172.

Sec. 74. Minnesota Statutes 2018, section 169.87, subdivision 6, is amended to read:

Subd. 6. **Recycling and garbage vehicles.** ~~(a) Except as provided in paragraph (b) While a vehicle is engaged in the type of collection the vehicle was designed to perform, weight restrictions imposed under subdivisions 1 and 2 do not apply to:~~

(1) a vehicle that does not exceed 20,000 pounds per single axle and is designed and used exclusively for recycling, while engaged in recycling operating in a political subdivision that mandates curbside recycling pickup;

~~(b) Weight restrictions imposed under subdivisions 1 and 2 do not apply to: (1) (2) a vehicle that does not exceed 14,000 pounds per single axle and is used exclusively for recycling as described in paragraph (a);~~

~~(2) (3) a vehicle that does not exceed 14,000 pounds per single axle and is designed and used exclusively for collecting mixed municipal solid waste, as defined in section 115A.03, subdivision 21, while engaged in such collection; or~~

~~(3) (4) a portable toilet service vehicle that does not exceed 14,000 pounds per single axle or 26,000 pounds gross vehicle weight, and is designed and used exclusively for collecting liquid waste from portable toilets, while engaged in such collection; or~~

(5) a sewage septic tank truck that does not exceed 20,000 pounds per single axle and is designed and used exclusively to haul sewage from septic or holding tanks.

~~(e) (b) Notwithstanding section 169.80, subdivision 1, a violation of the owner or operator of a vehicle that violates the weight restrictions imposed under subdivisions 1 and 2 by a vehicle designed and used exclusively for recycling while engaged in recycling in a political subdivision that mandates curbside recycling pickup while engaged in such collection, by a vehicle that is designed and used exclusively for collecting mixed municipal solid waste as defined in section 115A.03, subdivision 21, while engaged in such collection, or by a portable toilet service vehicle that is designed and used exclusively for collecting liquid waste from portable toilets, while engaged in such collection, is not subject to criminal penalties but is subject to a civil penalty for excess weight under section~~

169.871 if the vehicle (1) meets the requirements under paragraph (a), and (2) is engaged in the type of collection the vehicle was designed to perform.

EFFECTIVE DATE. This section is effective June 1, 2019.

Sec. 75. **[169.881] VEHICLE PLATOONS.**

Subdivision 1. **Vehicle platoon plan.** A person may apply to the commissioner for approval of a plan to use a platooning system on freeways and expressways under the jurisdiction of the commissioner. A platooning system may only be used if a plan has been approved by the commissioner. The commissioner must consult with the commissioner of public safety prior to approving the plan, regarding identifiable public safety concerns. A plan is valid for one year from the date of issuance, unless the plan is for a shorter period of time, in which case the plan is valid for the shorter time period.

Subd. 2. **Required information.** The plan must include but is not limited to the following information on a form prescribed by the commissioner:

(1) total length of the vehicle platoon;

(2) the configuration of the vehicle platoon, including spacing between vehicles;

(3) proposed route and section of freeway or expressway;

(4) proposed time frames the vehicle platoon will be operating;

(5) certification that each human driver in the vehicle platoon has a valid driver's license for the type or class of vehicle being driven;

(6) certification that the vehicle height, width, and load limits conform to this chapter; and

(7) vehicle identification information.

Subd. 3. **Authority to approve plan.** (a) The commissioner may grant or deny a vehicle platoon plan. The approved plan may include reasonable conditions and restrictions to ensure public safety, minimize congestion, or prevent undue damage to roads or structures.

(b) The commissioner must provide written notice to the applicant and to the commissioner of public safety if a plan is denied and lists the reasons for the denial. The commissioner must approve or deny a plan within 60 days.

Subd. 4. **Requirements.** Vehicle platoons must meet the following requirements:

(1) must not include more than three vehicles;

(2) each vehicle in the vehicle platoon must have a platooning system installed;

(3) while platooning, each vehicle must have the platooning system engaged;

(4) each vehicle in the vehicle platoon must have a human driver present and in the driver seat who is monitoring performance of the vehicle at all times and who holds a valid driver's license for the type or class of vehicle being driven;

(5) each vehicle in the vehicle platoon must meet the vehicle height, width, and load limits under this chapter;

(6) each vehicle in the platoon must possess minimum liability insurance; and

(7) each vehicle in the platoon must have a paper or electronic copy of the approved plan in the vehicle.

Subd. 5. **Operations.** Notwithstanding any other law to the contrary, a vehicle platoon must allow reasonable access for the movement of other motor vehicles to change lanes and enter or exit the roadway.

Subd. 6. **Violations.** Each vehicle and each driver within the vehicle platoon must comply with all applicable traffic laws under this chapter. Each driver and each vehicle within the vehicle platoon must comply with any lawful order or direction of any peace officer.

Sec. 76. **[174.20] PAVEMENT SELECTION GUIDELINES.**

(a) The commissioner of transportation shall develop, implement, and adhere to a pavement investment guide.

(b) Each department district office, in collaboration with the central office, must choose priority roads for construction, reconstruction, rehabilitation, or preservation within each district. The central office pavement engineer shall review and approve all pavement selections for construction, reconstruction, rehabilitation, or preservation and ensure that the pavement selection is consistent with the pavement investment guide.

Sec. 77. Minnesota Statutes 2018, section 174.37, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** (a) The commissioner of transportation shall establish an advisory committee on nonmotorized transportation. The committee shall make recommendations to the commissioner on items related to nonmotorized transportation, including safety, education, and development programs. The committee shall review and analyze issues and needs relating to operating nonmotorized transportation on public rights-of-way, and identify solutions and goals for addressing identified issues and needs. The committee must not make any recommendations that would spend money from the trunk highway fund on bicycle lanes or routes.

(b) For purposes of this section, "nonmotorized transportation" includes bicycling, pedestrian activities, and other forms of nonmotorized transportation.

Sec. 78. Minnesota Statutes 2018, section 174.75, is amended by adding a subdivision to read:

Subd. 6. **Bicycle lane or route funding limitation.** Notwithstanding any complete street policy or plan, the commissioner is prohibited from spending any money from the trunk highway fund on creating, constructing, expanding, marking, or maintaining bicycle lanes or routes.

Sec. 79. **[296A.075] TAX ON USE OF ELECTRIC VEHICLE CHARGING STATION.**

Subdivision 1. **Definitions.** For the purposes of this section, "electric vehicle charging station" or "charging station" means any facility or equipment that is used to charge a battery or other energy storage device of an electric vehicle at any location where a vehicle may park at any public or private location, except parking spaces for single-family or multifamily dwellings.

Subd. 2. **Tax on kilowatt hours; electric vehicle charging stations.** (a) Beginning January 1, 2020, a tax of five cents is imposed on each kilowatt hour of electricity delivered or placed into the battery or other energy source of an electric vehicle at an electric vehicle charging station. The tax must be collected at the time the charging station is used from each electric vehicle that uses the charging station.

(b) The owner of the charging station must remit the tax required under this subdivision to the commissioner of revenue in the same manner as required under sections 289A.18 and 289A.20. The commissioner of revenue must deposit the proceeds of the tax collected under this paragraph into the highway user tax distribution fund.

Subd. 3. **Annual fee for charging stations.** Notwithstanding subdivision 2, a charging station installed prior to January 1, 2020, that does not have the functional capability to collect the tax required by subdivision 2, the owner of the charging station must pay an annual fee of \$200 per charging station. The fee must be paid to the commissioner of revenue by December 31 of each year. The commissioner of revenue must deposit the funds collected under this paragraph into the highway user tax distribution fund.

Sec. 80. **[299D.11] VEHICLE CRIMES UNIT ANNUAL REPORT.**

By January 15 of each year, the commissioner must submit a report to the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over transportation finance on the vehicle crimes unit. At a minimum, the report must specify the following for the previous calendar year: total revenues generated by the unit; revenues deposited into state funds, listed by fund; the number of cases assigned to the unit; and the number of cases closed.

Sec. 81. Minnesota Statutes 2018, section 360.013, is amended by adding a subdivision to read:

Subd. 46a. **Comprehensive plan.** "Comprehensive plan" has the meaning given in section 394.22, subdivision 9, or 462.352, subdivision 5.

Sec. 82. Minnesota Statutes 2018, section 360.017, subdivision 1, is amended to read:

Subdivision 1. **Creation; authorized disbursements.** (a) There is hereby created a fund to be known as the state airports fund. The fund shall consist of all money appropriated to it, or directed to be paid into it, by the legislature.

(b) The state airports fund shall be paid out on authorization of the commissioner and shall be used:

(1) to acquire, construct, improve, maintain, and operate airports and other air navigation facilities;

(2) to assist municipalities in the planning, acquisition, construction, improvement, and maintenance of airports and other air navigation facilities;

(3) to assist municipalities to initiate, enhance, and market scheduled air service at their airports;

(4) to promote interest and safety in aeronautics through education and information; and

(5) to pay the salaries and expenses of the Department of Transportation related to aeronautic planning, administration, and operation. All allotments of money from the state airports fund for salaries and expenses shall be approved by the commissioner of management and budget.

~~(e) A municipality that adopts a comprehensive plan that the commissioner finds is incompatible with the state aviation plan is not eligible for assistance from the state airports fund.~~

Sec. 83. Minnesota Statutes 2018, section 360.021, subdivision 1, is amended to read:

Subdivision 1. **Authority to establish.** The commissioner is authorized and empowered, on behalf of and in the name of this state, within the limitation of available appropriations, to acquire, by purchase, gift, devise, lease, condemnation proceedings, or otherwise, property, real or personal, for the purpose of establishing and constructing restricted landing areas and other air navigation facilities and to acquire in like manner, own, control, establish, construct, enlarge, improve, maintain, equip, operate, regulate, and police such restricted landing areas and other air navigation facilities, either within or without this state; and to make, prior to any such acquisition, investigations, surveys, and plans. The commissioner may maintain, equip, operate, regulate, and police airports, either within or without this state. The operation and maintenance of airports is an essential public service. The commissioner may maintain at such airports facilities for the servicing of aircraft and for the comfort and accommodation of air travelers. The commissioner may dispose of any such property, airport, restricted landing area, or any other air navigation facility, by sale, lease, or otherwise, in accordance with the laws of this state governing the disposition of other like property of the state. The commissioner may not acquire or take over any restricted landing area, or other air navigation facility without the consent of the owner. The commissioner shall not acquire any additional state airports nor establish any additional state-owned airports. The commissioner may erect, equip, operate, and maintain on any airport buildings and equipment necessary and proper to maintain, and conduct such airport and air navigation facilities connected therewith. The commissioner shall not expend money for land acquisition, or for the construction, improvement, or maintenance of airports, or for air navigation facilities for an airport, unless the ~~governmental unit~~ municipality, county, or joint airport zoning board involved has or is establishing a zoning authority for that airport, and the authority has made a good-faith showing that it is in the process of and will complete with due diligence, an airport zoning ordinance in accordance with sections 360.061 to 360.074. The commissioner may provide funds to support airport safety projects that maintain existing infrastructure, regardless of a zoning authority's efforts to complete a zoning regulation. The commissioner may withhold funding from only the airport subject to the proposed zoning ordinance. Notwithstanding the foregoing prohibition, the commissioner may continue to maintain the state-owned airport at Pine Creek.

Sec. 84. Minnesota Statutes 2018, section 360.024, is amended to read:

360.024 AIR TRANSPORTATION SERVICE CHARGE.

Subdivision 1. Charges. (a) The commissioner ~~shall~~ must charge users of air transportation services provided by the commissioner for direct operating costs, excluding pilot salary ~~and~~.

(b) The commissioner must charge users for a portion of aircraft acquisition, replacement, or leasing costs.

Subd. 2. Accounts; appropriation. (a) An air transportation services account is established in the state airports fund. The account consists of money collected under subdivision 1, paragraph (a), and any other money donated, allotted, transferred, or otherwise provided to the account. All receipts for these services shall be deposited in the air transportation services account in the state airports fund and are Money in the account is annually appropriated to the commissioner to pay ~~these~~ direct air service operating costs.

(b) An aircraft capital account is established in the state airports fund. The account consists of collections under subdivision 1, paragraph (b), proceeds from the sale of aircraft under jurisdiction of the department, and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account must be used for aircraft acquisition, replacement, or leasing costs. Except as provided by law, the commissioner must not transfer money into or out of the account.

Sec. 85. Minnesota Statutes 2018, section 360.062, is amended to read:

360.062 AIRPORT HAZARD PREVENTION; PROTECTING EXISTING NEIGHBORHOOD LAND USES.

(a) It is hereby found that an airport hazard endangers the lives and property of users of the airport and of occupants of land in its vicinity, and may reduce the size of the area available for the landing, takeoff, and maneuvering of aircraft, thereby impairing the utility of the airport and the public investment therein. It is also found that the social and financial costs of disrupting existing land uses around airports ~~in built-up urban areas, particularly established residential neighborhoods,~~ often outweigh the benefits of a reduction in airport hazards that might result from the elimination or removal of those uses.

(b) Accordingly, it is hereby declared: (1) ~~that~~ the creation or establishment of an airport hazard is a public nuisance and an injury to the community served by the airport in question; (2) ~~that~~ it is ~~therefor~~ necessary in the interest of the public health, public safety, and general welfare that the creation or establishment of airport hazards be prevented and that this should be accomplished to the extent legally possible, by exercise of the police power, without compensation; and (3) ~~that~~ the elimination or removal of existing land uses, ~~particularly established residential neighborhoods in built-up urban areas,~~ or their designation as nonconforming uses is not in the public interest and should be avoided whenever possible consistent with reasonable standards of safety.

(c) It is further declared that the prevention of the creation or establishment of airport hazards and the elimination, removal, alteration, mitigation, or marking and lighting of existing airport hazards are essential public purposes services for which political subdivisions may raise and expend public funds and acquire land or property interests therein.

Sec. 86. Minnesota Statutes 2018, section 360.063, subdivision 1, is amended to read:

Subdivision 1. **Enforcement under police power.** (a) In order to prevent the creation or establishment of airport hazards, every municipality having an airport hazard area within its territorial limits may, unless a joint airport zoning board is permitted under subdivision 3, adopt, amend from time to time, administer, and enforce, under the police power and in the manner and upon the conditions hereinafter prescribed, airport zoning regulations for such airport hazard area, which regulations may divide such area into zones, and, within such zones, specify the land uses permitted and regulate and restrict the height to which structures and trees may be erected or allowed to grow.

(b) ~~For the purpose of promoting~~ In order to promote health, safety, order, convenience, prosperity, and general welfare and for conserving to conserve property values and encouraging encourage the most appropriate use of land, the municipality may regulate the location, size and use of buildings and the density of population in that portion of an airport hazard area under approach zones for a distance not to exceed two miles from the airport boundary and in other portions of an in airport hazard area may regulate by land use zoning for a distance not to exceed one mile from the airport boundary, and by height restriction zoning for a distance not to exceed 1-1/2 miles from the airport boundary areas: (1) land use; (2) height restrictions; (3) the location, size, and use of buildings; and (4) the density of population.

(c) The powers granted by this subdivision may be exercised by metropolitan airports commissions in contiguous cities of the first class in and for which they have been created.

(d) In the case of airports owned or operated by the state of Minnesota such powers shall be exercised by the state airport zoning boards or by the commissioner of transportation as authorized herein.

Sec. 87. Minnesota Statutes 2018, section 360.063, subdivision 3, is amended to read:

Subd. 3. **Joint airport zoning board.** (a) Where an airport is owned or controlled by a municipality and an airport hazard area appertaining to the airport is located within the territorial limits of another county or municipality, the municipality owning or controlling the airport may request a county or municipality in which an airport hazard area is located:

(1) to adopt and enforce airport zoning regulations for the area in question ~~that conform to standards prescribed by the commissioner pursuant to subdivision 4~~ under sections 360.0655 and 360.0656; or

(2) to join in creating a joint airport zoning board pursuant to paragraph (b). The owning or controlling municipality shall determine which of these actions it shall request, except as provided in paragraph (e) for the Metropolitan Airports Commission. The request shall be made by certified mail to the governing body of each county and municipality in which an airport hazard area is located.

(b) Where an airport is owned or controlled by a municipality and an airport hazard area appertaining to the airport is located within the territorial limits of another county or municipality, the municipality owning or controlling the airport and the county or other municipality within which the airport hazard area is located may, by ordinance or resolution duly adopted, create a joint airport zoning board, which board shall have the same power to adopt, administer, and enforce airport zoning regulations applicable to the airport hazard area in question as that vested by subdivision 1 in the municipality within which the area is located. A joint board shall have as members two

representatives appointed by the municipality owning or controlling the airport and two from the county or municipality, or in case more than one county or municipality is involved two from each county or municipality, in which the airport hazard is located, and in addition a chair elected by a majority of the members so appointed. All members shall serve at the pleasure of their respective appointing authority. Notwithstanding any other provision of law to the contrary, if the owning and controlling municipality is a city of the first class it shall appoint four members to the board, and the chair of the board shall be elected from the membership of the board.

(c) If a county or municipality, within 60 days of receiving a request from an owning or controlling municipality pursuant to paragraph (a), fails to adopt, or thereafter fails to enforce, the zoning regulations or fails to join in creating a joint airport zoning board, the owning or controlling municipality, or a joint airport zoning board created without participation by the subdivisions which fail to join the board, may itself adopt, administer, and enforce airport zoning regulations for the airport hazard area in question. In the event of conflict between the regulations and airport zoning regulations adopted by the county or municipality within which the airport hazard area is located, section 360.064, subdivision 2, applies.

(d) "Owning or controlling municipality," as used in this subdivision, includes:

(1) a joint airport operating board created pursuant to section 360.042 that has been granted all the powers of a municipality in zoning matters under the agreement creating the board;

(2) a joint airport operating board created pursuant to section 360.042 that has not been granted zoning powers under the agreement creating the board; provided that the board shall not itself adopt zoning regulations nor shall a joint airport zoning board created at its request adopt zoning regulations unless all municipalities that created the joint operating board join to create the joint zoning board; and

(3) the Metropolitan Airports Commission established and operated pursuant to chapter 473.

(e) The Metropolitan Airports Commission shall request creation of one joint airport zoning board for each airport operated under its authority.

Sec. 88. Minnesota Statutes 2018, section 360.064, subdivision 1, is amended to read:

Subdivision 1. **Comprehensive regulations.** In the event that a municipality has adopted, or hereafter adopts, a comprehensive zoning ordinance regulating, among other things the height of buildings, any airport zoning regulations applicable to the same area or portion thereof ~~may~~ must be incorporated by reference or incorporated in and made a part of such comprehensive zoning regulations and be administered and enforced in connection therewith.

Sec. 89. Minnesota Statutes 2018, section 360.065, subdivision 1, is amended to read:

Subdivision 1. **Notice of proposed zoning regulations, hearing.** (a) No airport zoning regulations shall be adopted, amended, or changed under sections 360.011 to 360.076, except by action of the governing body of the municipality or county in question, or joint airport zoning board under section 360.0655 or 360.0656, or the boards provided for in section 360.063, subdivisions 3 and 7, or by the commissioner as provided in subdivisions 6 and 8, after public hearings, at which parties in interest and citizens shall have an opportunity to be heard.

(b) A public hearing shall must be held on the proposed airport zoning regulations proposed by a municipality, county, or joint airport zoning board before they are submitted for approval to the commissioner and after that approval but before final adoption by the local zoning authority for approval. If any changes that alter the regulations placed on a parcel of land are made to the proposed airport zoning regulations after the initial public hearing, the municipality, county, or joint airport zoning board must hold a second public hearing before final adoption of the regulation. The commissioner may require a second hearing as determined necessary.

(c) Notice of a hearing required pursuant to this subdivision shall must be published by the local zoning authority municipality, county, or joint airport zoning board at least three times during the period between 15 days and five days before the hearing in an official newspaper and in a second newspaper designated by that authority which has a wide general circulation in the area affected by the proposed regulations and posted on the municipality's, county's, or joint airport zoning board's website. If there is not a second newspaper of wide general circulation in the area that the municipality, county, or joint airport zoning board can designate for the notice, the municipality, county, or joint airport zoning board is only required to publish the notice once in the official newspaper of the jurisdiction. The notice shall not be published in the legal notice section of a newspaper. The notice must specify the time, location, and purpose of the hearing, and must identify any additional location and time the proposed regulations will be available for public inspection. A copy of the published notice must be added to the record of the proceedings.

(d) Notice of a hearing shall also be mailed to the governing body of each political subdivision in which property affected by the regulations is located. Notice shall must be given by mail at least 15 ten days before each hearing to any persons in municipalities that own land proposed to be included in safety zone A or B as provided in the rules of the Department of Transportation and landowners where the location or size of a building, or the density of population, will be regulated. Mailed notice must also be provided at least ten days before each hearing to persons or municipalities that have previously requested such notice from the authority municipality, county, or joint airport zoning board. The notice must specify the time, location, and purpose of the hearing, and must identify any additional location and time the proposed regulations will be made available for public inspection. Mailed notice must also identify the property affected by the regulations. For the purpose of giving providing mailed notice, the authority municipality, county, or joint airport zoning board may use any appropriate records to determine the names and addresses of owners. A copy of the notice and a list of the owners and addresses to which the notice was sent shall be attested to by the responsible person and shall must be made a part of added to the records of the proceedings. The Failure to give provide mailed notice to individual property owners; or defects a defect in the notice, shall does not invalidate the proceedings; provided if a bona fide attempt to comply with this subdivision has been was made. A notice shall describe the property affected by the proposed regulations and the restrictions to be imposed on the property by the regulations and shall state the place and time at which the proposed regulations are available for public inspection.

Sec. 90. [360.0655] AIRPORT ZONING REGULATIONS BASED ON COMMISSIONER'S STANDARDS; SUBMISSION PROCESS.

Subdivision 1. Submission to commissioner; review. (a) Except as provided in section 360.0656, prior to adopting zoning regulations, the municipality, county, or joint airport zoning board must submit the proposed regulations to the commissioner for the commissioner to determine whether the regulations conform to the standards prescribed by the commissioner. The municipality, county,

or joint airport zoning board may elect to complete custom airport zoning under section 360.0656 instead of using the commissioner's standard, but only after providing written notice to the commissioner.

(b) Notwithstanding section 15.99, the commissioner must examine the proposed regulations within 90 days of receipt of the regulations and report to the municipality, county, or joint airport zoning board the commissioner's approval or objections, if any. Failure to respond within 90 days is deemed an approval. The commissioner may request additional information from the municipality, county, or joint airport zoning board within the 90-day review period. If the commissioner requests additional information, the 90-day review period is tolled until the commissioner receives information and deems the information satisfactory.

(c) If the commissioner objects on the grounds that the regulations do not conform to the standards prescribed by the commissioner, the municipality, county, or joint airport zoning board must make amendments necessary to resolve the objections or provide written notice to the commissioner that the municipality, county, or joint airport zoning board will proceed with zoning under section 360.0656.

(d) If the municipality, county, or joint airport zoning board makes revisions to the proposed regulations after its initial public hearing, the municipality, county, or joint airport zoning board must conduct a second public hearing on the revisions and resubmit the revised proposed regulations to the commissioner for review. The commissioner must examine the revised proposed regulations within 90 days of receipt to determine whether the revised proposed regulations conform to the standards prescribed by the commissioner.

(e) If, after a second review period, the commissioner determines that the municipality, county, or joint airport zoning board failed to submit proposed regulations that conform to the commissioner's standards, the commissioner must provide a final written decision to the municipality, county, or joint airport zoning board.

(f) The municipality, county, or joint airport zoning board must not adopt regulations or take other action until the proposed regulations are approved by the commissioner.

(g) The commissioner may approve local zoning ordinances that are more stringent than the commissioner's standards.

(h) If the commissioner approves the proposed regulations, the municipality, county, or joint airport zoning board may adopt the regulations.

(i) A copy of the adopted regulations must be filed with the county recorder in each county that contains a zoned area subject to the regulations.

(j) Substantive rights that existed and had been exercised prior to August 1, 2019, are not affected by the filing of the regulations.

Subd. 2. Protection of existing land uses. (a) In order to ensure minimum disruption of existing land uses, the commissioner's airport zoning standards and local airport zoning ordinances or regulations adopted under this section must distinguish between the creation or establishment of a use and the elimination of an existing use, and must avoid the elimination, removal, or reclassification

of existing uses to the extent consistent with reasonable safety standards. The commissioner's standards must include criteria for determining when an existing land use may constitute an airport hazard so severe that public safety considerations outweigh the public interest in preventing disruption to that land use.

(b) Airport zoning regulations that classify as a nonconforming use or require nonconforming use classification with respect to any existing low-density structure or existing isolated low-density building lots must be adopted under sections 360.061 to 360.074.

(c) A local airport zoning authority may classify a land use described in paragraph (b) as an airport hazard if the authority finds that the classification is justified by public safety considerations and is consistent with the commissioner's airport zoning standards. Any land use described in paragraph (b) that is classified as an airport hazard must be acquired, altered, or removed at public expense.

(d) This subdivision must not be construed to affect the classification of any land use under any zoning ordinances or regulations not adopted under sections 360.061 to 360.074.

Sec. 91. **[360.0656] CUSTOM AIRPORT ZONING STANDARDS.**

Subdivision 1. **Custom airport zoning standards; factors.** (a) Notwithstanding section 360.0655, a municipality, county, or joint airport zoning board must provide notice to the commissioner when the municipality, county, or joint airport zoning board intends to establish and adopt custom airport zoning regulations under this section.

(b) Airport zoning regulations submitted to the commissioner under this subdivision are not subject to the commissioner's zoning regulations under section 360.0655 or Minnesota Rules, part 8800.2400.

(c) When developing and adopting custom airport zoning regulations under this section, the municipality, county, or joint airport zoning board must include in the record a detailed analysis that explains how the proposed custom airport zoning regulations addressed the following factors to ensure a reasonable level of safety:

(1) the location of the airport, the surrounding land uses, and the character of neighborhoods in the vicinity of the airport, including:

(i) the location of vulnerable populations, including schools, hospitals, and nursing homes, in the airport hazard area;

(ii) the location of land uses that attract large assemblies of people in the airport hazard area;

(iii) the availability of contiguous open spaces in the airport hazard area;

(iv) the location of wildlife attractants in the airport hazard area;

(v) airport ownership or control of the federal Runway Protection Zone and the department's Clear Zone;

(vi) land uses that create or cause interference with the operation of radio or electronic facilities used by the airport or aircraft;

(vii) land uses that make it difficult for pilots to distinguish between airport lights and other lights, result in glare in the eyes of pilots using the airport, or impair visibility in the vicinity of the airport;

(viii) land uses that otherwise inhibit a pilot's ability to land, take off, or maneuver the aircraft;

(ix) airspace protection to prevent the creation of air navigation hazards in the airport hazard area; and

(x) the social and economic costs of restricting land uses;

(2) the airport's type of operations and how the operations affect safety surrounding the airport;

(3) the accident rate at the airport compared to a statistically significant sample, including an analysis of accident distribution based on the rate with a higher accident incidence;

(4) the planned land uses within an airport hazard area, including any applicable platting, zoning, comprehensive plan, or transportation plan; and

(5) any other information relevant to safety or the airport.

Subd. 2. **Submission to commissioner; review.** (a) Except as provided in section 360.0655, prior to adopting zoning regulations, the municipality, county, or joint airport zoning board must submit its proposed regulations and the supporting record to the commissioner for review. The commissioner must determine whether the proposed custom airport zoning regulations and supporting record (1) evaluate the criteria under subdivision 1, and (2) provide a reasonable level of safety.

(b) Notwithstanding section 15.99, the commissioner must examine the proposed regulations within 90 days of receipt of the regulations and report to the municipality, county, or joint airport zoning board the commissioner's approval or objections, if any. Failure to respond within 90 days is deemed an approval. The commissioner may request additional information from the municipality, county, or joint airport zoning board within the 90-day review period.

(c) If the commissioner objects on the grounds that the regulations do not provide a reasonable level of safety, the municipality, county, or joint airport zoning board must review, consider, and provide a detailed explanation demonstrating how it evaluated the objections and what action it took or did not take in response to the objections. If the municipality, county, or joint airport zoning board submits amended regulations after its initial public hearing, the municipality, county, or joint airport zoning board must conduct a second public hearing on the revisions and resubmit the revised proposed regulations to the commissioner for review. The commissioner must examine the revised proposed regulations within 90 days of receipt of the regulations. If the commissioner requests additional information, the 90-day review period is tolled until satisfactory information is received by the commissioner. Failure to respond within 90 days is deemed an approval.

(d) If, after the second review period, the commissioner determines that the municipality, county, or joint airport zoning board failed to submit proposed regulations that provide a reasonable level

of safety, the commissioner must provide a final written decision to the municipality, county, or joint airport zoning board.

(e) A municipality, county, or joint airport zoning board is prohibited from adopting custom regulations or taking other action until the proposed regulations are approved by the commissioner.

(f) If the commissioner approves the proposed regulations, the municipality, county, or joint airport zoning board may adopt the regulations.

(g) A copy of the adopted regulations must be filed with the county recorder in each county that contains a zoned area subject to the regulations.

(h) Substantive rights that existed and had been exercised prior to August 1, 2019, are not affected by the filing of the regulations.

Sec. 92. Minnesota Statutes 2018, section 360.066, subdivision 1, is amended to read:

Subdivision 1. **Reasonableness.** ~~Standards of the commissioner~~ Zoning standards defining airport hazard areas and the categories of uses permitted and airport zoning regulations adopted under sections 360.011 to 360.076, shall be reasonable, and none shall impose a requirement or restriction which is not reasonably necessary to effectuate the purposes of sections 360.011 to 360.076. ~~In determining what minimum airport zoning regulations may be adopted, the commissioner and a local airport zoning authority shall consider, among other things, the character of the flying operations expected to be conducted at the airport, the location of the airport, the nature of the terrain within the airport hazard area, the existing land uses and character of the neighborhood around the airport, the uses to which the property to be zoned are planned and adaptable, and the social and economic costs of restricting land uses versus the benefits derived from a strict application of the standards of the commissioner.~~

Sec. 93. Minnesota Statutes 2018, section 360.067, is amended by adding a subdivision to read:

Subd. 5. **Federal no hazard determination.** (a) Notwithstanding subdivisions 1 and 2, a municipality, county, or joint airport zoning board may include in its custom airport zoning regulations adopted under section 360.0656 an option to permit construction of a structure, an increase or alteration of the height of a structure, or the growth of an existing tree without a variance from height restrictions if the Federal Aviation Administration has analyzed the proposed construction, alteration, or growth under Code of Federal Regulations, title 14, part 77, and has determined the proposed construction, alteration, or growth does not:

(1) pose a hazard to air navigation;

(2) require changes to airport or aircraft operations; or

(3) require any mitigation conditions by the Federal Aviation Administration that cannot be satisfied by the landowner.

(b) A municipality, county, or joint airport zoning board that permits an exception to height restrictions under this subdivision must require the applicant to file the Federal Aviation Administration's no hazard determination with the applicable zoning administrator. The applicant

must obtain written approval of the zoning administrator before construction, alteration, or growth may occur. Failure of the administrator to respond within 60 days to a filing under this subdivision is deemed a denial. The Federal Aviation Administration's no hazard determination does not apply to requests for variation from land use, density, or any other requirement unrelated to the height of structures or the growth of trees.

Sec. 94. Minnesota Statutes 2018, section 360.071, subdivision 2, is amended to read:

Subd. 2. **Membership.** (a) Where a zoning board of appeals or adjustment already exists, it may be appointed as the board of adjustment. Otherwise, the board of adjustment shall consist of five members, each to be appointed for a term of three years by the authority adopting the regulations and to be removable by the appointing authority for cause, upon written charges and after public hearing. The length of initial appointments may be staggered.

(b) In the case of a Metropolitan Airports Commission, five members shall be appointed by the commission chair from the area in and for which the commission was created, any of whom may be members of the commission. In the case of an airport owned or operated by the state of Minnesota, the board of commissioners of the county, or counties, in which the airport hazard area is located shall constitute the airport board of adjustment and shall exercise the powers and duties of such board as provided herein.

Sec. 95. Minnesota Statutes 2018, section 360.305, subdivision 6, is amended to read:

Subd. 6. **Zoning required.** The commissioner shall must not expend money for planning or land acquisition, or for the construction, improvement, or maintenance of airports, or for air navigation facilities for an airport, unless the governmental unit municipality, county, or joint airport zoning board involved has or is establishing a zoning authority for that airport, and the authority has made a good-faith showing that it is in the process of and will complete with due diligence, an airport zoning ordinance in accordance with sections 360.061 to 360.074. The commissioner may provide funds to support airport safety projects that maintain existing infrastructure, regardless of a zoning authority's efforts to complete a zoning regulation. The commissioner shall must make maximum use of zoning and easements to eliminate runway and other potential airport hazards rather than land acquisition in fee.

Sec. 96. Minnesota Statutes 2018, section 394.22, is amended by adding a subdivision to read:

Subd. 1a. **Airport safety zone.** "Airport safety zone" means an area subject to land use zoning controls adopted under sections 360.061 to 360.074 if the zoning controls regulate (1) the size or location of buildings, or (2) the density of population.

Sec. 97. Minnesota Statutes 2018, section 394.23, is amended to read:

394.23 COMPREHENSIVE PLAN.

The board has the power and authority to prepare and adopt by ordinance, a comprehensive plan. A comprehensive plan or plans when adopted by ordinance must be the basis for official controls adopted under the provisions of sections 394.21 to 394.37. The commissioner of natural resources must provide the natural heritage data from the county biological survey, if available, to each county for use in the comprehensive plan. When adopting or updating the comprehensive plan,

the board must, if the data is available to the county, consider natural heritage data resulting from the county biological survey. In a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, the board must consider adopting goals and objectives that will protect open space and the environment. The board must consider the location and dimensions of airport safety zones in any portion of the county, and of any airport improvements, identified in the airport's most recent approved airport layout plan.

Sec. 98. Minnesota Statutes 2018, section 394.231, is amended to read:

394.231 COMPREHENSIVE PLANS IN GREATER MINNESOTA; OPEN SPACE.

A county adopting or updating a comprehensive plan in a county outside the metropolitan area as defined by section 473.121, subdivision 2, and that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, shall consider adopting goals and objectives for the preservation of agricultural, forest, wildlife, and open space land, and minimizing development in sensitive shoreland areas. Within three years of updating the comprehensive plan, the county shall consider adopting ordinances as part of the county's official controls that encourage the implementation of the goals and objectives. The county shall consider the following goals and objectives:

- (1) minimizing the fragmentation and development of agricultural, forest, wildlife, and open space lands, including consideration of appropriate minimum lot sizes;
- (2) minimizing further development in sensitive shoreland areas;
- (3) minimizing development near wildlife management areas, scientific and natural areas, and nature centers;
- (4) encouraging land uses in airport safety zones that are compatible with the safe operation of the airport and the safety of people in the vicinity of the airport;
- ~~(4)~~ (5) identification of areas of preference for higher density, including consideration of existing and necessary water and wastewater services, infrastructure, other services, and to the extent feasible, encouraging full development of areas previously zoned for nonagricultural uses;
- ~~(5)~~ (6) encouraging development close to places of employment, shopping centers, schools, mass transit, and other public and private service centers;
- ~~(6)~~ (7) identification of areas where other developments are appropriate; and
- ~~(7)~~ (8) other goals and objectives a county may identify.

Sec. 99. Minnesota Statutes 2018, section 394.25, subdivision 3, is amended to read:

Subd. 3. **In district zoning, maps.** Within each such district zoning ordinances or maps may also be adopted designating or limiting the location, height, width, bulk, type of foundation, number of stories, size of, and the specific uses for which dwellings, buildings, and structures may be erected or altered; the minimum and maximum size of yards, courts, or other open spaces; setback from existing roads and highways and roads and highways designated on an official map; protective measures necessary to protect the public interest including but not limited to controls relating to appearance, signs, lighting, hours of operation and other aesthetic performance characteristics

including but not limited to noise, heat, glare, vibrations and smoke; the area required to provide for off street loading and parking facilities; heights of trees and structures near airports; and to avoid too great concentration or scattering of the population. All such provisions shall be uniform for each class of land or building throughout each district, but the provisions in one district may differ from those in other districts. No provision may prohibit earth sheltered construction as defined in section 216C.06, subdivision 14, or manufactured homes built in conformance with sections 327.31 to 327.35 that comply with all other zoning ordinances promulgated pursuant to this section. Airport safety zones must be included on maps that illustrate boundaries of zoning districts and that are adopted as official controls.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to maps created or updated under this section on or after that date.

Sec. 100. Minnesota Statutes 2018, section 462.352, is amended by adding a subdivision to read:

Subd. 1a. **Airport safety zone.** "Airport safety zone" has the meaning given in section 394.22, subdivision 1a.

Sec. 101. Minnesota Statutes 2018, section 462.355, subdivision 1, is amended to read:

Subdivision 1. **Preparation and review.** The planning agency shall prepare the comprehensive municipal plan. In discharging this duty the planning agency shall consult with and coordinate the planning activities of other departments and agencies of the municipality to insure conformity with and to assist in the development of the comprehensive municipal plan. In its planning activities the planning agency shall take due cognizance of the planning activities of adjacent units of government and other affected public agencies. The planning agency shall periodically review the plan and recommend amendments whenever necessary. When preparing or recommending amendments to the comprehensive plan, the planning agency of a municipality located within a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, must consider adopting goals and objectives that will protect open space and the environment. When preparing or recommending amendments to the comprehensive plan, the planning agency must consider (1) the location and dimensions of airport safety zones in any portion of the municipality, and (2) any airport improvements identified in the airport's most recent approved airport layout plan.

Sec. 102. Minnesota Statutes 2018, section 462.357, is amended by adding a subdivision to read:

Subd. 1i. **Airport safety zones on zoning maps.** Airport safety zones must be included on maps that illustrate boundaries of zoning districts and that are adopted as official controls.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to maps created or updated under this section on or after that date.

Sec. 103. Minnesota Statutes 2018, section 462.357, subdivision 9, is amended to read:

Subd. 9. **Development goals and objectives.** In adopting official controls after July 1, 2008, in a municipality outside the metropolitan area, as defined by section 473.121, subdivision 2, the

municipality shall consider restricting new residential, commercial, and industrial development so that the new development takes place in areas subject to the following goals and objectives:

(1) minimizing the fragmentation and development of agricultural, forest, wildlife, and open space lands, including consideration of appropriate minimum lot sizes;

(2) minimizing further development in sensitive shoreland areas;

(3) minimizing development near wildlife management areas, scientific and natural areas, and nature centers;

(4) encouraging land uses in airport safety zones that are compatible with the safe operation of the airport and the safety of people in the vicinity of the airport;

~~(4)~~ (5) identification of areas of preference for higher density, including consideration of existing and necessary water and wastewater services, infrastructure, other services, and to the extent feasible, encouraging full development of areas previously zoned for nonagricultural uses;

~~(5)~~ (6) encouraging development close to places of employment, shopping centers, schools, mass transit, and other public and private service centers;

~~(6)~~ (7) identification of areas where other developments are appropriate; and

~~(7)~~ (8) other goals and objectives a municipality may identify.

Sec. 104. Minnesota Statutes 2018, section 473.121, is amended by adding a subdivision to read:

Subd. 37. **Light rail transit.** "Light rail transit" means an electrically powered passenger train that operates on a fixed two-rail route. Light rail transit operates in a dedicated right-of-way that is not shared with motor vehicles except for intersections where vehicles may cross the tracks. Light rail transit does not include streetcars.

EFFECTIVE DATE; APPLICATION. This section is effective June 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 105. Minnesota Statutes 2018, section 473.121, is amended by adding a subdivision to read:

Subd. 38. **Streetcar.** "Streetcar" means a passenger car, other than light rail transit or rail cars, that operates on a fixed two-rail route. Streetcars operate primarily in mixed traffic, but may also operate in a dedicated right-of-way for a portion of a route.

EFFECTIVE DATE; APPLICATION. This section is effective June 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 106. Minnesota Statutes 2018, section 473.386, subdivision 3, is amended to read:

Subd. 3. **Duties of council.** In implementing the special transportation service, the council shall:

(a) encourage participation in the service by public, private, and private nonprofit providers of special transportation currently receiving capital or operating assistance from a public agency;

(b) when feasible and cost-efficient, contract with public, private, and private nonprofit providers that have demonstrated their ability to effectively provide service at a reasonable cost;

(c) encourage individuals using special transportation to use the type of service most appropriate to their particular needs;

(d) encourage shared rides to the greatest extent practicable;

(e) encourage public agencies that provide transportation to eligible individuals as a component of human services and educational programs to coordinate with this service and to allow reimbursement for transportation provided through the service at rates that reflect the public cost of providing that transportation;

(f) establish criteria to be used in determining individual eligibility for special transportation services;

(g) consult with the Transportation Accessibility Advisory Committee in a timely manner before changes are made in the provision of special transportation services;

(h) provide for effective administration and enforcement of council policies and standards; and

(i) ensure that, taken as a whole including contracts with public, private, and private nonprofit providers, the geographic coverage area of the special transportation service is continuous within the boundaries of the transit taxing district, as defined as of March 1, 2006, in section 473.446, subdivision 2, and within the boundaries of any city that pays into the transit taxing district that is not included in section 473.446, subdivision 2.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 107. Minnesota Statutes 2018, section 473.388, subdivision 4a, is amended to read:

Subd. 4a. **Financial assistance; regional allocation.** (a) In addition to the assistance under subdivision 4, paragraph (c), ~~for fiscal years 2018 and 2019~~ the council must annually provide financial assistance through regional allocation to replacement service municipalities. The amount of financial assistance under this paragraph must equal at least 0.35 percent of the total state revenues generated from the taxes imposed under chapter 297B for the current fiscal year.

(b) The council must establish a process to regionally allocate financial assistance under this subdivision. At a minimum, the council must:

(1) adopt and implement a regional allocation policy that specifies funding priorities, identifies decision-making procedures, and establishes criteria to determine the amount allocated to a replacement service municipality; and

(2) ensure transparency and stakeholder input, which must include publishing on the council's website the policy adopted under clause (1), a summary of the regional allocation process, and financial information on the allocations.

(c) The regional allocation policy may specify eligibility requirements based on a replacement service municipality's transit service operating reserves.

(d) The council must provide financial assistance under this subdivision using funds appropriated to the council from the metropolitan area transit account in the transit assistance fund.

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

Sec. 108. Minnesota Statutes 2018, section 473.4051, subdivision 2, is amended to read:

Subd. 2. **Operating costs.** (a) After operating revenue and federal money have been used to pay for light rail transit operations, 50 percent of the remaining operating costs must be paid by the state:

~~(b) Notwithstanding paragraph (a), for light rail transit lines in operation prior to July 1, 2019. For all light rail lines or line extensions that begin operations on or after July 1, 2019, all operating and ongoing capital maintenance costs must be paid from nonstate sources for a segment of a light rail transit line or line extension project that formally entered the engineering phase of the Federal Transit Administration's "New Starts" capital investment grant program between August 1, 2016, and December 31, 2016.~~

(b) For purposes of this subdivision, operating costs consist of the costs associated with light rail system daily operations and the maintenance costs associated with keeping light rail services and facilities operating. Operating costs do not include costs incurred to construct new buildings or facilities, purchase new vehicles, or make technology improvements.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 109. Minnesota Statutes 2018, section 473.4051, subdivision 3, is amended to read:

Subd. 3. **Capital costs.** State money ~~may~~ must not be used ~~to pay more than ten percent of~~ for the ~~total~~ capital cost of a light rail transit project.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2019, for appropriations encumbered on or after that date and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 110. Laws 2018, chapter 165, section 1, is amended to read:

Section 1. **TRUNK HIGHWAY MOWING OR HAYING; PERMIT MORATORIUM.**

(a) Except as provided in paragraph (b), the commissioner of transportation must implement a moratorium until April 30, ~~2019~~ 2020, on enforcing permits under Minnesota Statutes, sections

160.232 and 160.2715, or any other Minnesota statute or administrative rule, to mow or bale hay in the right-of-way of a trunk highway.

(b) This section applies regardless of the date of any permit issuance. This section does not apply to a right-of-way adjacent to land under the jurisdiction of the state or a political subdivision.

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

Sec. 111. **DEDICATED FUND EXPENDITURES REPORT; TRANSITION.**

By January 15, 2020, the commissioners of transportation and public safety, in consultation with the commissioner of management and budget, must jointly submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance. The report must list detailed expenditures and transfers from the trunk highway fund and highway user tax distribution fund for fiscal years 2018 and 2019. The report must include information on the purpose of each expenditure.

Sec. 112. **DRIVER AND VEHICLE SERVICES EXECUTIVE STEERING COMMITTEE FIRST APPOINTMENTS; FIRST MEETING; FIRST REPORT.**

(a) Appointing authorities must make initial appointments to the Driver and Vehicle Services Executive Steering Committee under Minnesota Statutes, section 168A.241, by August 1, 2019.

(b) The commissioner of public safety must convene the first meeting of the Driver and Vehicle Services Executive Steering Committee by September 15, 2019.

(c) Notwithstanding Minnesota Statutes, section 168A.241, subdivision 5, paragraph (a), the Driver and Vehicle Services Executive Steering Committee must meet one time in 2019.

(d) Notwithstanding Minnesota Statutes, section 168A.241, subdivision 8, the Driver and Vehicle Services Executive Steering Committee must submit its first report under subdivision 8 by February 15, 2020.

(e) By September 15, 2019, the commissioner of public safety must identify 11 of the members who shall serve terms coterminous with the governor. The other 11 members shall serve terms that end on the first Monday in January one year after the terms of the other members.

Sec. 113. **ENGINE BRAKES; REGULATION BY BURNSVILLE.**

Notwithstanding any other law or ordinance, the governing body of the city of Burnsville may by ordinance restrict or prohibit the use of an engine brake on motor vehicles along Legislative Route No. 117, also known as marked Trunk Highway 13, between Nicollet Avenue and Portland Avenue. Upon notification by the city of Burnsville to the commissioner of transportation of the city's adoption of the ordinance, the commissioner of transportation shall erect the appropriate signs, with the cost of the signs to be paid by the city. For purposes of this section, "engine brake" means any device that uses the engine and transmission to impede the forward motion of the motor vehicle by compression of the engine.

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

Sec. 114. **ENGINE BRAKES; REGULATION BY MINNEAPOLIS.**

Notwithstanding any other law or charter provision, the governing body of the city of Minneapolis may by ordinance restrict or prohibit the use of an engine brake on motor vehicles along Legislative Route No. 392, also known as marked Interstate Highway 94, in the westbound lanes beginning at LaSalle Avenue and extending west to the Lowry Tunnel. Upon notification by the city of Minneapolis to the commissioner of transportation of the city's adoption of the ordinance, the commissioner of transportation shall erect the appropriate signs, with the cost of the signs to be paid by the city. For purposes of this section, "engine brake" means any device that uses the engine and transmission to impede the forward motion of the motor vehicle by compression of the engine.

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

Sec. 115. **MARKED INTERSTATE HIGHWAY 35 SIGNS.**

The commissioner of transportation must erect signs that identify and direct motorists to the campuses of Minnesota State Academy for the Deaf and Minnesota State Academy for the Blind under Minnesota Statutes, sections 125A.61 to 125A.73. At least one sign in each direction of travel must be placed on marked Interstate Highway 35, located as near as practical to exits that reasonably access the campuses. The commissioner must pay for the signs within existing appropriations. The commissioner is prohibited from removing signs for the campuses posted on marked Trunk Highway 60.

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

Sec. 116. **METROPOLITAN COUNCIL AND CALHOUN ISLES CONDOMINIUM ASSOCIATION FACILITATED MEETING.**

The Office of Collaboration and Dispute Resolution must facilitate a meeting or series of meetings with the Metropolitan Council and the Calhoun Isles Condominium Association to discuss issues related to vibration impacts to the Calhoun Isles property in Minneapolis, including the high-rise building, townhomes, and parking ramp, due to Southwest light rail transit project construction activities and operations. The council and the association must both be allowed to present any evidence or research on the issue. The goal of the meeting is to agree on how to avoid damage to the buildings due to the vibrations from the project.

Sec. 117. **METROPOLITAN COUNCIL REIMBURSEMENT TO CALHOUN ISLES CONDOMINIUM ASSOCIATION.**

By July 1, 2019, the Metropolitan Council must pay \$250,000 to the Calhoun Isles Condominium Association in Minneapolis for reimbursement of the association's engineering and legal costs. The Metropolitan Council must absorb the cost of the payment within existing project resources for the Southwest light rail transit project.

Sec. 118. **PRESCRIPTION FOR GLAZED WINDOWS.**

Until November 1, 2019, for the purposes of Minnesota Statutes, section 169.71, subdivision 4a, paragraph (a), clause (2), a driver of a vehicle may rely on a prescription or physician's statement of medical need issued to a person not present in the vehicle if:

(1) the prescription or physician's statement of medical need is issued to a family member of the driver; and

(2) the driver is in possession of the prescription or physician's statement of medical need.

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

Sec. 119. **PUBLIC AWARENESS CAMPAIGN.**

The commissioner of public safety must conduct a public awareness campaign to inform the public about the prohibition on driving in the left-most lane, as provided in Minnesota Statutes, section 169.18, subdivision 1.

Sec. 120. **REDUCING APPROPRIATIONS FOR UNFILLED POSITIONS.**

Subdivision 1. **Reduction required.** The commissioner of management and budget must reduce general fund and nongeneral fund appropriations to the Department of Transportation and the Department of Public Safety for agency operations for the biennium ending June 30, 2021, for salary and benefits savings that result from any positions that have not been filled within 180 days of the posting of the position. This section applies only to positions that are posted in fiscal years 2019, 2020, and 2021. Reductions made under this section must be reflected as reductions in agency base budgets for fiscal years 2022 and 2023. This section does not apply to seasonal employees and any positions that require law enforcement training.

Subd. 2. **Reporting.** The commissioner of management and budget must report to the chairs and ranking minority members of the senate and the house of representatives transportation committees regarding the amount of reductions in spending by each agency under this section.

Sec. 121. **REQUEST FOR INFORMATION FOR OPERATION OF MNPASS LANES.**

(a) No later than July 1, 2019, the commissioner of transportation must issue a request for information as described in this section. The request for information must obtain advice from qualified vendors regarding the feasibility of using a private entity to operate and administer MnPASS lanes.

(b) The request for information must be designed to obtain information that includes:

(1) feasibility, costs, and a preliminary estimated timeline or schedule for the private entity to assume responsibility for operating and administering MnPASS lanes; and

(2) capacity and experience of a potential entity.

(d) The request for information under this section must be published in the State Register and on the Department of Administration's website at least 14 days prior to closing. The request must otherwise be administered according to the requirements of Minnesota Statutes, chapter 16C, to the extent applicable, except that a vendor's submission does not constitute a response to a solicitation, as defined in Minnesota Statutes, section 16C.02, subdivision 14. The commissioner is prohibited from using a vendor submission in response to a request for information under this section to enter a contract unless the terms of the submission are later included in a vendor's response to a formal solicitation, as defined in Minnesota Statutes, section 16C.02, subdivision 7.

(e) No later than January 1, 2020, the commissioner must submit a report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over transportation finance. The report must summarize the responses and information received from qualified entities under this section.

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

Sec. 122. STATE PATROL SALARY SURVEY.

By February 15, 2020, the state auditor must conduct a compensation survey of law enforcement officers in every police department:

(1) in a city with a population in excess of 25,000, located in a metropolitan county, as defined in section 473.121, subdivision 4, that is represented by a union certified by the Bureau of Mediation Services; or

(2) in a city of the first class.

The survey must report on calendar year 2019. The survey must be based on full-time equivalent employees. The state auditor must calculate compensation using base salary and premium pay. Premium pay is payment that is received by a majority of employees and includes, but is not limited to, education pay and longevity pay. The state auditor must not include pension contributions and benefits when determining compensation. The survey must identify the seven highest paid police departments in the state and the average compensation of the seven departments. The state auditor must prescribe the format of the survey.

(b) By February 15, 2020, the state auditor must transmit a copy of the survey to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over the State Patrol budget, the exclusive representative for members of the State Patrol, and the commissioner of management and budget.

Sec. 123. TEMPORARY MOTOR VEHICLE PERMITS.

(a) Notwithstanding Minnesota Statutes, sections 168.09, subdivision 7; 168.091, subdivision 1; and 168.092, subdivision 1, a temporary permit under any of those sections may be issued for a period of up to 180 days, in consultation with the commissioner of public safety.

(b) A temporary permit may only be issued under this section due to the inability of the driver and vehicle information system to complete a motor vehicle transaction in a timely manner.

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

Sec. 124. TRANSFER OF JURISDICTION OF THE STONE ARCH BRIDGE IN MINNEAPOLIS.

Notwithstanding any law to the contrary, by July 1, 2019, the commissioner of transportation must transfer legal title to the James J. Hill Stone Arch Bridge to the city of Minneapolis. This transfer does not affect a planned repair project to be paid for with funds from the federal Nontraditional Transportation Alternatives Program and the required local match paid for with funds

from the Minnesota rail service improvement program. This repair project is deemed to be the consideration for the transfer of legal title.

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

Sec. 125. **VEHICLE REGISTRATION TASK FORCE.**

Subdivision 1. **Membership.** (a) The Vehicle Registration Task Force consists of the following 20 members:

(1) four senators, including two senators appointed by the senate majority leader and two senators appointed by the senate minority leader;

(2) four members of the house of representatives, including two members appointed by the speaker of the house and two members appointed by the minority leader of the house of representatives;

(3) one member appointed by the governor from the Office of the Governor;

(4) the commissioner of transportation or a designee;

(5) the chief financial officer of the Department of Transportation or a designee;

(6) the commissioner of public safety or a designee;

(7) the director of Driver and Vehicle Services Division of the Department of Public Safety or a designee;

(8) the chief financial officer of the Department of Public Safety or a designee;

(9) the state chief information officer or a designee;

(10) the chief financial officer of MN.IT Services or a designee;

(11) one deputy registrar appointed by the Minnesota Deputy Registrar Association;

(12) one deputy registrar appointed by the Minnesota Deputy Registrar Business Owners Association; and

(13) two members, one of whom is familiar with the title and registration process, appointed by the Minnesota Automobile Dealers Association.

(b) Appointing authorities must make initial appointments to the Vehicle Registration Task Force by June 1, 2019.

Subd. 2. **Duties.** The Vehicle Registration Task Force is established to study various methods of vehicle registration and the corresponding fee structures. At a minimum, the task force must study how each of the following methods could be implemented in Minnesota in a revenue neutral manner: flat rate, weight-based, value-based, and age-based.

Subd. 3. **Report.** By January 15, 2020, the task force shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must:

- (1) summarize the activities of the task force;
- (2) provide an explanation of how each method examined could be implemented in Minnesota in a revenue neutral manner;
- (3) provide recommendations by the task force on which method is preferable and why; and
- (4) include any draft legislation needed to implement the recommendations.

Subd. 4. **First meeting; chair.** The chair of the Legislative Coordinating Commission must convene the first meeting of the Vehicle Registration Task Force by July 1, 2019. At the first meeting, the task force shall elect a chair by a majority vote of those members present.

Subd. 5. **Meetings.** The meetings of the commission are subject to Minnesota Statutes, chapter 13D.

Subd. 6. **Administration.** (a) The Legislative Coordinating Commission shall provide administrative services for the commission.

(b) The Department of Transportation, the Department of Public Safety, and MN.IT Services must provide the task force with general informational and technical support.

Subd. 7. **Compensation.** Public members are compensated as provided in Minnesota Statutes, section 15.059, subdivision 3.

Subd. 8. **Expiration.** This section expires the day after submitting the report required in subdivision 3 or on January 16, 2020, whichever is later.

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

Sec. 126. **VIBRATION SUSCEPTIBILITY STUDY ON CALHOUN ISLES PROPERTY.**

(a) Within 21 days from the effective date of this act, the Metropolitan Council must enter into a contract with an engineering group for the engineering group to conduct a vibration susceptibility study on Calhoun Isles property in Minneapolis, including the high-rise building, townhomes, and parking ramp. The study must:

- (1) evaluate the susceptibility of the Calhoun Isles property to vibration during operations of a light rail train;
- (2) categorize the Calhoun Isles property based on the susceptibility evaluation; and
- (3) address mitigation measures and operational changes required to protect the Calhoun Isles property from vibratory damage.

(b) The selected engineering group must provide its research, testing, findings, and all other work product to the Calhoun Isles Condominium Association. The Metropolitan Council must pay for the study.

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

Sec. 127. **REPEALER.**

(a) Minnesota Statutes 2018, section 169.18, subdivision 12, is repealed.

(b) Minnesota Statutes 2018, section 169.18, subdivision 10, is repealed.

(c) Minnesota Statutes 2018, sections 360.063, subdivision 4; 360.065, subdivision 2; and 360.066, subdivisions 1a and 1b, are repealed.

(d) Minnesota Statutes 2018, section 160.93, subdivisions 2a and 3, are repealed.

(e) Minnesota Statutes 2018, section 161.1419, subdivision 8, is repealed.

EFFECTIVE DATE. Paragraphs (a) and (d) are effective the day following final enactment. Paragraph (b) is effective July 1, 2019. Paragraph (c) and (e) are effective August 1, 2019, and applies to airport sponsors that make or plan to make changes to runway lengths or configurations on or after that date.

Sec. 128. **EFFECTIVE DATE; APPLICATION.**

(a) Sections 81 to 83, 85 to 98, 100, 101, and 103 are effective August 1, 2019, and applies to airport sponsors that make or plan to make changes to runway lengths or configurations on or after that date.

(b) Sections 81 to 83, 85 to 98, 100, 101, 103, and 127, paragraph (c), do not apply to airports that: (1) have airport safety zoning ordinances approved by the commissioner in effect on August 1, 2019; (2) have not made and are not planning to make changes to runway lengths or configurations; and (3) are not required to update airport safety zoning ordinances."

Delete the title and insert:

"A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Metropolitan Council, and Department of Public Safety activities; modifying various provisions governing transportation policy and finance; modifying various provisions relating to motor vehicles; requiring reports; establishing working groups; making technical changes; amending Minnesota Statutes 2018, sections 3.972, by adding subdivisions; 13.46, subdivision 2; 13.72, subdivision 10; 80E.13; 160.262, subdivision 1; 160.263, subdivision 2; 160.264; 160.266, subdivision 5; 160.93, subdivisions 1, 2, 4, 5, by adding a subdivision; 161.04, by adding a subdivision; 161.14, subdivision 16, by adding subdivisions; 168.002, subdivision 8; 168.013, subdivisions 1a, 1m, 6, by adding a subdivision; 168.10, subdivision 1h; 168.1294, subdivision 6; 168.27, by adding subdivisions; 168.301, subdivision 3; 168.33, subdivision 8a; 168A.02, subdivision 1; 168A.12, subdivision 2; 168A.17, by adding a

subdivision; 169.011, by adding subdivisions; 169.06, subdivision 4a; 169.13, subdivisions 1, 2; 169.14, subdivisions 2a, 5; 169.18, subdivisions 1, 7, 8, 11; 169.20, subdivision 7, by adding a subdivision; 169.26, subdivisions 1, 4; 169.28; 169.29; 169.443, subdivision 2; 169.4503, subdivision 5; 169.58, by adding a subdivision; 169.64, subdivision 9; 169.71, subdivisions 1, 4; 169.829, by adding a subdivision; 169.864, subdivision 1; 169.865, subdivisions 1, 2, by adding a subdivision; 169.87, subdivision 6; 174.37, subdivision 1; 174.75, by adding a subdivision; 360.013, by adding a subdivision; 360.017, subdivision 1; 360.021, subdivision 1; 360.024; 360.062; 360.063, subdivisions 1, 3; 360.064, subdivision 1; 360.065, subdivision 1; 360.066, subdivision 1; 360.067, by adding a subdivision; 360.071, subdivision 2; 360.305, subdivision 6; 394.22, by adding a subdivision; 394.23; 394.231; 394.25, subdivision 3; 462.352, by adding a subdivision; 462.355, subdivision 1; 462.357, subdivision 9, by adding a subdivision; 473.121, by adding subdivisions; 473.386, subdivision 3; 473.388, subdivision 4a; 473.4051, subdivisions 2, 3; Laws 2018, chapter 165, section 1; proposing coding for new law in Minnesota Statutes, chapters 161; 168A; 169; 174; 296A; 299D; 360; repealing Minnesota Statutes 2018, sections 160.93, subdivisions 2a, 3; 161.1419, subdivision 8; 169.18, subdivisions 10, 12; 360.063, subdivision 4; 360.065, subdivision 2; 360.066, subdivisions 1a, 1b."

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

SECOND READING OF SENATE BILLS

S.F. No. 2555 was read the second time.

MEMBERS EXCUSED

Senators Bakk, Cohen, Latz, Miller, and Pappas were excused from the Session of today.

ADJOURNMENT

Senator Utke moved that the Senate do now adjourn until 12:00 noon, Thursday, April 11, 2019. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate