EIGHTY-FIRST DAY

St. Paul, Minnesota, Wednesday, March 29, 2006

The Senate met at 8:45 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Johnson, D.E. 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. Craig Richter.

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

Anderson	Frederickson	Kubly	Olson	Senjem
Bakk	Gerlach	Langseth	Pappas	Skoe
Berglin	Hann	Larson	Pariseau	Skoglund
Betzold	Higgins	LeClair	Pogemiller	Solon
Bonoff	Hottinger	Limmer	Ranum	Sparks
Chaudhary	Johnson, D.E.	Lourey	Reiter	Stumpf
Clark	Johnson, D.J.	Marko	Rest	Tomassoni
Cohen	Jungbauer	Marty	Robling	Vickerman
Day	Kelley	McGinn	Rosen	Wergin
Dibble	Kierlin	Metzen	Ruud	Wiger
Dille	Kiscaden	Michel	Sams	
Fischbach	Koch	Neuville	Saxhaug	
Foley	Koering	Nienow	Scheid	

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 House Files, herewith transmitted: H.F. Nos. 2892, 3670, 3027 and 3039.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted March 27, 2006

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 2892: A bill for an act relating to higher education; authorizing the Minnesota State Colleges and Universities Board of Trustees to construct an academic building in Mankato.

Referred to the Committee on Finance.

H.F. No. 3670: A bill for an act relating to agriculture; changing certain food law provisions; amending Minnesota Statutes 2004, sections 25.33, subdivision 11; 25.39, subdivisions 2, 3; 25.40; 25.41, subdivisions 1, 2, 4, 7, by adding a subdivision; 25.42, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3334, now on General Orders.

H.F. No. 3027: A bill for an act relating to counties; modifying nonconforming use provisions; amending Minnesota Statutes 2004, section 394.36, subdivision 1.

Referred to the Committee on State and Local Government Operations.

H.F. No. 3039: A bill for an act relating to natural resources; providing for extension of timber permits in the event of adverse surface conditions; amending Minnesota Statutes 2004, section 90.041, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2632, now on the Consent Calendar.

REPORTS OF COMMITTEES

Senator Johnson, D.E. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 3398. The motion prevailed.

Senator Wiger from the Committee on Elections, to which was referred

S.F. No. 2743: A bill for an act relating to elections; setting the criteria for voting systems to be used in elections; amending Minnesota Statutes 2005 Supplement, sections 206.56, subdivisions 1b, 3, 7a, 7b, 8; 206.61, subdivision 5; 206.80; 206.805, subdivision 1; 206.83; 206.90, subdivision 8.

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

Page 5, delete lines 19 and 20 and insert:

"Sec. 11. **VOTING MACHINES OPTIONS WORKING GROUP.**

(a) A working group is hereby established to investigate and recommend to the legislature requirements for additional options for voting equipment that complies with the requirements of section 301 of the Help America Vote Act, Public Law 107-252, to provide private and independent voting for individuals with disabilities.

The working group must be cochaired by representatives of the Minnesota Disability Law Center and Citizens for Election Integrity - Minnesota.

(b) The working group must convene its first meeting by June 2006 and must report to the legislature by February 15, 2007.

(c) The working group must include, but is not limited to:

(1) the disability community;

(2) the secretary of state;

(3) county and local election officials;

(4) major and minor political parties;

(5)(i) one member of the senate majority caucus and one member of the senate minority caucus appointed by the Subcommittee on Committees of the Committee on Rules and Administration;

(ii) one member of the house majority caucus and one member of the house minority caucus appointed by the speaker;

(6) nonpartisan organizations;

(7) at least one individual with computer security expertise and knowledge of elections; and

(8) members of the public, other than vendors of election equipment, selected by consensus of the other members, including representatives of language and other minorities.

(d) Members of the working group will be selected by:

(1) a representative of the OSS;

(2) a representative of the county election officials;

(3) the cochairs; and

(4) two legislators representing each party.

This section expires April 1, 2007.

Sec. 12. **EFFECTIVE DATE.**

Sections 1 to 11 are effective the day following final enactment."

Amend the title accordingly

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

Senator Wiger from the Committee on Elections, to which was referred

S.F. No. 3364: A bill for an act relating to elections; moving the state primary from September to August and making conforming changes; amending Minnesota Statutes 2004, sections 10A.31, subdivision 6; 10A.321; 10A.322, subdivision 1; 10A.323; 204B.33; 204D.03, subdivision 1; 205.065, subdivision 1; 205A.03, subdivision 2.

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

Page 2, line 34, delete the new language and insert "no later than the day after the candidate files the affidavit of candidacy or nominating petition for the office"

Page 4, after line 20, insert:

"Sec. 8. Minnesota Statutes 2004, section 205.13, subdivision 1a, is amended to read:

Subd. 1a. **Filing period.** In municipalities nominating candidates at a municipal primary, an affidavit of candidacy for a city office or town office voted on in November must be filed not more than 70 days nor less than 56 days before ~~the first Tuesday after the second Monday in September preceding~~ the municipal ~~general election~~ primary. In all other municipalities, an affidavit of candidacy must be filed not more than 70 days and not less than 56 days before the municipal general election."

Page 4, after line 26, insert:

"Sec. 10. Minnesota Statutes 2004, section 205A.06, subdivision 1a, is amended to read:

Subd. 1a. **Filing period.** Affidavits of candidacy must be filed with the school district clerk no earlier than the 70th day and no later than the 56th day before the ~~first~~ second Tuesday ~~after the second Monday~~ in ~~September in the year~~ August when the school district general election is held in an odd-numbered year or before the state primary when the school district general election is held in an even-numbered year.

Sec. 11. Minnesota Statutes 2005 Supplement, section 447.32, subdivision 4, is amended to read:

Subd. 4. **Candidates; ballots; certifying election.** A person who wants to be a candidate for the hospital board shall file an affidavit of candidacy for the election either as member at large or as a member representing the city or town where the candidate resides. The affidavit of candidacy must be filed with the city or town clerk not more than 70 days nor less than 56 days before the ~~first Tuesday after the first Monday in November of the year in which the general election is held~~ state primary. The city or town clerk must forward the affidavits of candidacy to the clerk of the hospital district or, for the first election, the clerk of the most populous city or town immediately after the last day of the filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 5:00 p.m. two days after the last day to file affidavits of candidacy.

Voting must be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers. Ballots must be printed on tan paper and prepared as provided in the rules of the secretary of state. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may also authorize the use of voting systems subject to chapter 206. Enough election judges may be appointed to receive the votes at each polling place. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person of by certified mail. Each person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. The board may fill in any office as provided in subdivision 1 if the person elected fails to qualify within 30 days, but qualification is effective if made before the board acts to fill the vacancy."

Renumber the sections in sequence

Amend the title accordingly

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

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 2940: A bill for an act relating to transportation; requiring bicycle operators and passengers under the age of 18 to wear helmets; updating standard for helmets worn by operators of motorized bicycles and electric-assisted bicycles; amending Minnesota Statutes 2004, sections 169.222, by adding a subdivision; 169.223, subdivision 1.

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

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 2980: A bill for an act relating to drivers' licenses; modifying commercial driver's license revocation provision to conform to federal regulations; modifying definition of "conviction"; modifying content required on driver's license; allowing 60-day cancellation of driver's license when application information inadequate; making clarifying changes; amending Minnesota Statutes

2004, sections 169A.52, subdivision 7; 171.01, subdivision 29; 171.14; Minnesota Statutes 2005 Supplement, section 171.07, subdivision 1.

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

Page 1, delete section 1

Page 3, line 6, strike the first "or" and insert "and"

Renumber the sections in sequence

Amend the title accordingly

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

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 3320: A bill for an act relating to metropolitan government; providing for the additional financing of metropolitan area transit and paratransit capital expenditures; authorizing the issuance of certain obligations; amending Minnesota Statutes 2004, section 473.39, by adding a subdivision.

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

Page 1, line 12, delete "$32,000,000" and insert "$32,800,000"

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

Senator Kelley from the Committee on Education, to which was referred

S.F. No. 3133: A bill for an act relating to education finance; delaying by one year the implementation of the state determined tuition rates for special education services provided by intermediate school districts and other cooperative providers of special education services; amending Minnesota Statutes 2005 Supplement, section 125A.11, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. **INTERMEDIATE DISTRICT SPECIAL EDUCATION TUITION BILLING FOR FISCAL YEAR 2006 AND FISCAL YEAR 2007.**

(a) Notwithstanding Minnesota Statutes, section 125A.11, subdivision 1, paragraph (a), and Minnesota Statutes, section 127A.47, subdivision 7, paragraph (d), for fiscal year 2006 an intermediate district is not subject to the uniform special education tuition billing calculations, but may instead continue to bill the resident school districts for the actual unreimbursed costs of serving pupils with a disability as determined by the intermediate district.

(b) Notwithstanding Minnesota Statutes, section 125A.11, subdivision 1, paragraph (c), for fiscal year 2007 only, an intermediate district may apply to the commissioner of education for a waiver from the uniform special education tuition calculations and aid adjustments under Minnesota Statutes, section 125A.11, subdivision 1, paragraph (b), and Minnesota Statutes, section 127A.47, subdivision 7, paragraph (e). The commissioner must grant the waiver within 30 days of receiving the following information from the intermediate district:

(1) a detailed description of the intermediate district's methodology for calculating special education tuition for fiscal years 2006 and 2007, as required by the intermediate district to recover the full cost of serving pupils with a disability;

(2) sufficient data to determine the total amount of special education tuition actually charged for each student with a disability, as required by the intermediate district to recover the full cost of serving pupils with a disability in fiscal year 2006; and

(3) sufficient data to determine the amount that would have been charged for each student for fiscal year 2006 using the uniform tuition billing methodology according to Minnesota Statutes, section 125A.11, subdivision 1, or Minnesota Statutes, section 127A.47, subdivision 7, as applicable.

EFFECTIVE DATE. This section is effective the day following final enactment for fiscal year 2006."

Amend the title accordingly

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

Senator Kelley from the Committee on Education, to which was referred

S.F. No. 3274: A bill for an act relating to education; providing for financing of prekindergarten through grade 12 education; raising academic achievement; establishing an alternative teacher training program for qualified professionals; expanding alternative teacher compensation program; expanding early childhood Part C services; providing intensive English instruction for adult refugees; providing for Chinese language programs; providing for a district and high school redesign pilot project; authorizing Waseca to levy for health and safety revenue; appropriating money; amending Minnesota Statutes 2004, sections 122A.18, subdivision 2; 124D.11, subdivision 9; 125A.27, subdivisions 3, 7, 8, 15, 18; 127A.41, subdivision 2; Minnesota Statutes 2005 Supplement, sections 121A.19; 122A.415, subdivisions 1, 3; 125A.11, subdivision 1; 125A.79, subdivision 1; 126C.10, subdivisions 31, 34; Laws 2005, First Special Session chapter 5, article 1, section 47; proposing coding for new law in Minnesota Statutes, chapters 120B; 122A; repealing Minnesota Statutes 2004, section 122A.24.

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 REVENUE

Section 1. Minnesota Statutes 2004, section 120A.20, subdivision 1, is amended to read:

Subdivision 1. **Age limitations; pupils.** (a) All schools supported in whole or in part by state funds are public schools. Admission to a public school is free to any person who: (1) resides within the district that operates the school~~, who~~; (2) is under 21 years of age~~,~~ or who meets the requirements of paragraph (c); and ~~who~~ (3) satisfies the minimum age requirements imposed by this section. Notwithstanding the provisions of any law to the contrary, the conduct of all ~~students under 21 years of age~~ pupils attending a public secondary school is governed by a single set of reasonable rules and regulations promulgated by the school board.

~~No~~ (b) A person shall not be admitted to ~~any~~ a public school (1) as a kindergarten pupil, unless the pupil is at least five years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences; or (2) as a 1st grade student, unless the pupil is at least six years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences or has completed kindergarten; except that any school board may establish a policy for admission of selected pupils at an earlier age.

(c) A pupil who becomes age 21 after enrollment is eligible for continued free public school

enrollment until at least one of the following occurs: (1) the first September 1 after the pupil's 21st birthday; (2) the pupil's completion of the graduation requirements; (3) the pupil's withdrawal with no subsequent enrollment within 21 calendar days; or (4) the end of the school year.

Sec. 2. Minnesota Statutes 2005 Supplement, section 122A.415, subdivision 1, is amended to read:

Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district, school site, or charter school that meets the conditions of section 122A.414 and submits an application approved by the commissioner is eligible for alternative teacher compensation revenue.

(b) For school district and intermediate school district applications, the commissioner must consider only those applications to participate that are submitted jointly by a district and the exclusive representative of the teachers. The application must contain an alternative teacher professional pay system agreement that:

(1) implements an alternative teacher professional pay system consistent with section 122A.414; and

(2) is negotiated and adopted according to the Public Employment Labor Relations Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a district may enter into a contract for a term of two or four years.

Alternative teacher compensation revenue for a qualifying school district or site in which the school board and the exclusive representative of the teachers agree to place teachers in the district or at the site on the alternative teacher professional pay system equals $260 times the number of pupils enrolled at the district or site on October 1 of the previous fiscal year. Alternative teacher compensation revenue for a qualifying intermediate school district must be calculated under section 126C.10, subdivision 34, paragraphs (a) and (b).

(c) For a newly combined or consolidated district, the revenue shall be computed using the sum of pupils enrolled on October 1 of the previous year in the districts entering into the combination or consolidation. The commissioner may adjust the revenue computed for a site using prior year data to reflect changes attributable to school closings, school openings, or grade level reconfigurations between the prior year and the current year.

(d) The revenue is available only to school districts, intermediate school districts, school sites, and charter schools that fully implement an alternative teacher professional pay system by October 1 of the current school year.

(e) The revenue must be maintained in a reserve account within the general fund.

Sec. 3. Minnesota Statutes 2005 Supplement, section 122A.415, subdivision 3, is amended to read:

Subd. 3. **Revenue timing.** (a) Districts, intermediate school districts, school sites, or charter schools with approved applications must receive alternative compensation revenue for each school year that the district, intermediate school district, school site, or charter school implements an alternative teacher professional pay system under this subdivision and section 122A.414. For fiscal year 2007 and later, a qualifying district, intermediate school district, school site, or charter school that received alternative teacher compensation aid for the previous fiscal year must receive at least an amount of alternative teacher compensation revenue equal to the lesser of the amount it received for the previous fiscal year or the amount it qualifies for under subdivision 1 for the current fiscal year if the district, intermediate school district, school site, or charter school submits a timely application and the commissioner determines that the district, intermediate school district, school site, or charter school continues to implement an alternative teacher professional pay system, consistent with its application under this section.

(b) The commissioner shall approve applications that comply with subdivision 1, and section

122A.414, subdivisions 2, paragraph (b), and 2a, if the applicant is a charter school, in the order in which they are received, select applicants that qualify for this program, notify school districts, intermediate school districts, school sites, and charter schools about the program, develop and disseminate application materials, and carry out other activities needed to implement this section.

(c) For applications approved under this section before August 1 of the fiscal year for which the aid is paid, the portion of the state total basic alternative teacher compensation aid entitlement allocated to charter schools must not exceed $522,000 for fiscal year 2006 and $3,374,000 for fiscal year 2007. For fiscal year 2008 and later, the portion of the state total basic alternative teacher compensation aid entitlement allocated to charter schools must not exceed the product of $3,374,000 times the ratio of the state total charter school enrollment for the previous fiscal year to the state total charter school enrollment for ~~the second previous year~~ fiscal year 2006. Additional basic alternative teacher compensation aid may be approved for charter schools after August 1, not to exceed the charter school limit for the following fiscal year, if the basic alternative teacher compensation aid entitlement for school districts and intermediate school districts based on applications approved by August 1 does not expend the remaining amount under the limit.

Sec. 4. Minnesota Statutes 2004, section 123A.06, subdivision 2, is amended to read:

Subd. 2. **People to be served.** A center shall provide programs for secondary pupils and adults. A center may also provide programs and services for elementary and secondary pupils who are not attending the center to assist them in being successful in school. A center shall use research-based best practices for serving limited English proficient students and their parents. An individual education plan team may identify a center as an appropriate placement to the extent a center can provide the student with the appropriate special education services described in the student's plan. Pupils eligible to be served are those ~~age five to adults 22 and older~~ who qualify under the graduation incentives program in section 124D.68, subdivision 2, those enrolled under section 124D.02, subdivision 2, or those pupils who are eligible to receive special education services under sections 125A.03 to 125A.24, and 125A.65.

Sec. 5. Minnesota Statutes 2005 Supplement, section 123B.76, subdivision 3, is amended to read:

Subd. 3. **Expenditures by building.** (a) For the purposes of this section, "building" means education site as defined in section 123B.04, subdivision 1.

(b) Each district shall maintain separate accounts to identify general fund expenditures for each building. All expenditures for regular instruction, secondary vocational instruction, and school administration must be reported to the department separately for each building. All expenditures for special education instruction, instructional support services, and pupil support services provided within a specific building must be reported to the department separately for each building. Salary expenditures reported by building must reflect actual salaries for staff at the building and must not be based on districtwide averages. All other general fund expenditures may be reported by building or on a districtwide basis.

(c) The department must annually report information showing school district general fund expenditures per pupil by program category for each building and estimated school district general fund revenue generated by pupils attending each building on its Web site. For purposes of this report:

(1) expenditures not reported by building shall be allocated among buildings on a uniform per pupil basis;

(2) basic skills revenue shall be allocated according to section 126C.10, subdivision 4;

(3) secondary sparsity revenue and elementary sparsity revenue shall be allocated according to section 126C.10, subdivisions 7 and 8;

(4) alternative teacher compensation revenue shall be allocated according to section 122A.415, subdivision 1;

(5) other general education revenue shall be allocated on a uniform per pupil unit basis;

~~(5)~~ (6) first grade preparedness aid shall be allocated according to section 124D.081;

~~(6)~~ (7) state and federal special education aid and Title I aid shall be allocated in proportion to district expenditures for these programs by building; and

~~(7)~~ (8) other general fund revenues shall be allocated on a uniform per pupil basis, except that the department may allocate other revenues attributable to specific buildings directly to those buildings.

Sec. 6. Minnesota Statutes 2004, section 124D.02, subdivision 2, is amended to read:

Subd. 2. **Secondary school programs.** The board may permit a person who is over the age of 21 or who has graduated from high school to enroll ~~as a part-time student~~ in a class or program at a secondary school if there is space available. In determining if there is space available, ~~full-time~~ public school students~~,~~ eligible for free enrollment under section 120A.20, subdivision 1, and shared-time students shall be given priority over students seeking enrollment pursuant to this subdivision, and students returning to complete a regular course of study shall be given priority over ~~part-time~~ other students seeking enrollment pursuant to this subdivision. The following are not prerequisites for enrollment:

(1) residency in the school district;

(2) United States citizenship; or

(3) for a person over the age of 21, a high school diploma or equivalency certificate. A person may enroll in a class or program even if that person attends evening school, an adult or continuing education, or a postsecondary educational program or institution.

Sec. 7. Minnesota Statutes 2004, section 124D.02, subdivision 4, is amended to read:

Subd. 4. **Part-time student fee.** Notwithstanding the provisions of sections 120A.20 and 123B.37, a board may charge a ~~part-time~~ student enrolled pursuant to subdivision 2 a reasonable fee for a class or program.

Sec. 8. Minnesota Statutes 2005 Supplement, section 124D.68, subdivision 2, is amended to read:

Subd. 2. **Eligible pupils.** ~~The following pupils are~~ A pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in the graduation incentives program~~:~~

~~(a) any pupil under the age of 21 who~~, if the pupil:

(1) performs substantially below the performance level for pupils of the same age in a locally determined achievement test;

(2) is at least one year behind in satisfactorily completing coursework or obtaining credits for graduation;

(3) is pregnant or is a parent;

(4) has been assessed as chemically dependent;

(5) has been excluded or expelled according to sections 121A.40 to 121A.56;

(6) has been referred by a school district for enrollment in an eligible program or a program pursuant to section 124D.69;

(7) is a victim of physical or sexual abuse;

(8) has experienced mental health problems;

(9) has experienced homelessness sometime within six months before requesting a transfer to an eligible program;

(10) speaks English as a second language or has limited English proficiency; or

(11) has withdrawn from school or has been chronically truant~~; or~~.

~~(b) any person who is at least 21 years of age and who:~~

~~(1) has received fewer than 14 years of public or nonpublic education, beginning at age 5;~~

~~(2) has not completed the requirements for a high school diploma; and~~

~~(3) at the time of application, (i) is eligible for unemployment benefits or has exhausted the benefits, (ii) is eligible for, or is receiving income maintenance and support services, as defined in section 116L.19, subdivision 5, or (iii) is eligible for services under the displaced homemaker program or any programs under the federal Jobs Training Partnership Act or its successor.~~

Sec. 9. Minnesota Statutes 2004, section 124D.68, subdivision 3, is amended to read:

Subd. 3. **Eligible programs.** (a) A pupil who is eligible according to subdivision 2 may enroll in area learning centers under sections 123A.05 to 123A.08.

(b) A pupil who is eligible according to subdivision 2 and who is between the ages of 16 and 21 may enroll in postsecondary courses under section 124D.09.

(c) A pupil who is eligible under subdivision 2, may enroll in any public elementary or secondary education program. ~~However, a person who is eligible according to subdivision 2, clause (b), may enroll only if the school board has adopted a resolution approving the enrollment.~~

(d) A pupil who is eligible under subdivision 2, may enroll in any nonpublic, nonsectarian school that has contracted with the serving school district to provide educational services.

(e) A pupil who is between the ages of 16 and 21 may enroll in any adult basic education programs approved under section 124D.52 and operated under the community education program contained in section 124D.19.

Sec. 10. Minnesota Statutes 2004, section 126C.05, subdivision 1, is amended to read:

Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in average daily membership enrolled in the district of residence, in another district under sections 123A.05 to 123A.08, 124D.03, 124D.06, 124D.07, 124D.08, or 124D.68; in a charter school under section 124D.10; or for whom the resident district pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individual education plan is counted as the ratio of the number of hours of assessment and education service to 825 times 1.25 with a minimum average daily membership of 0.28, but not more than 1.25 pupil units.

(b) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 825 times 1.25.

(c) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services

required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(d) A kindergarten pupil who is not included in paragraph (c) is counted as .557 of a pupil unit for fiscal year 2000 and thereafter.

(e) A pupil who is in any of grades 1 to 3 is counted as 1.115 pupil units for fiscal year 2000 and thereafter.

(f) A pupil who is any of grades 4 to 6 is counted as 1.06 pupil units for fiscal year 1995 and thereafter.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

(h) A pupil who is in the postsecondary enrollment options program is counted as 1.3 pupil units.

Sec. 11. Minnesota Statutes 2004, section 126C.10, subdivision 6, is amended to read:

Subd. 6. **Definitions.** The definitions in this subdivision apply only to subdivisions 7 and 8.

(a) "High school" means a public secondary school, except a charter school under section 124D.10, that has pupils enrolled in at least the 10th, 11th, and 12th grades. If there is no ~~secondary~~ high school in the district ~~that has pupils enrolled in at least the 10th, 11th, and 12th grades,~~ and the school is at least 19 miles from the next nearest school, the commissioner must designate one school in the district as a high school for the purposes of this section.

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of pupils served in grades 7 through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of pupils served in grades 7 through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district. For a district that does not operate a high school and is less than 19 miles from the nearest operating high school, the attendance area equals zero.

(d) "Isolation index" for a high school means the square root of 55 percent of the attendance area plus the distance in miles, according to the usually traveled routes, between the high school and the nearest high school. For a district in which there is located land defined in section 84A.01, 84A.20, or 84A.31, the distance in miles is the sum of:

(1) the square root of one-half of the attendance area; and

(2) the distance from the border of the district to the nearest high school.

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400.

(f) "Qualifying elementary school" means ~~an~~ a public elementary school, except a charter school under section 124D.10, that is located 19 miles or more from the nearest elementary school or from the nearest elementary school within the district and, in either case, has an elementary average daily membership of an average of 20 or fewer per grade.

(g) "Elementary average daily membership" means, for a district that has only one elementary school, the average daily membership of pupils served in kindergarten through grade 6. For a district that has more than one elementary school, "average daily membership" for each school means the average daily membership of pupils served in kindergarten through grade 6 multiplied by the ratio of seven to the number of grades in the elementary school.

Sec. 12. Minnesota Statutes 2005 Supplement, section 126C.43, subdivision 2, is amended to

read:

Subd. 2. **Payment to unemployment insurance program trust fund by state and political subdivisions.** (a) A district may levy the amount necessary ~~(i)~~ (1) to pay the district's obligations under section 268.052, subdivision 1, and ~~(ii)~~ (2) to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.085 for the fiscal year the levy is certified.

(b) Districts with a balance remaining in their reserve for reemployment as of June 30, 2003, may not expend the reserved funds for future reemployment expenditures. Each year a levy reduction must be made to return these funds to taxpayers. The amount of the levy reduction must be equal to the lesser of: (1) the remaining reserved balance for reemployment, or (2) the amount of the district's current levy under paragraph (a).

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

Sec. 13. Minnesota Statutes 2004, section 126C.44, is amended to read:

126C.44 SAFE SCHOOLS LEVY.

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 $27 multiplied by the district's adjusted marginal cost pupil units for the school year. The proceeds of the levy 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; or (5) to pay the costs for other crime prevention, drug abuse, student and staff safety, and violence prevention measures taken by the school district. For expenditures under 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. ~~The levy authorized under this section is not included in determining the school district's levy limitations.~~

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2006.

Sec. 14. Minnesota Statutes 2005 Supplement, section 127A.45, subdivision 10, is amended to read:

Subd. 10. **Payments to school nonoperating funds.** Each fiscal year state general fund payments for a district nonoperating fund must be made at the current year aid payment percentage of the estimated entitlement during the fiscal year of the entitlement. This amount shall be paid in 12 equal monthly installments. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement must be paid prior to October 31 of the following school year. The commissioner may make advance payments of debt service equalization aid and state-paid tax credits for a district's debt service fund earlier than would occur under the preceding schedule if the district submits evidence showing a serious cash flow problem in the fund. The commissioner may make earlier payments during the year and, if necessary, increase the percent of the entitlement paid to reduce the cash flow problem.

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

Sec. 15. **REPEALER.**

Minnesota Statutes 2004, section 120A.20, subdivision 3, is repealed.

ARTICLE 2

ACCOUNTING

Section 1. Minnesota Statutes 2004, section 123B.10, subdivision 1, is amended to read:

Subdivision 1. **Budgets.** By ~~October 1~~ November 30, every board must publish revenue and expenditure budgets for the current year and the actual revenues, expenditures, fund balances for the prior year and projected fund balances for the current year in a form prescribed by the commissioner. The forms prescribed must be designed so that year to year comparisons of revenue, expenditures and fund balances can be made. These budgets, reports of revenue, expenditures and fund balances must be published in a qualified newspaper of general circulation in the district or on the district's official Web site. If published on the district's official Web site, the district must also publish an announcement in a qualified newspaper of general circulation in the district that includes the Internet address where the information has been posted.

ARTICLE 3

STATE AGENCIES

Section 1. Minnesota Statutes 2004, section 125A.69, subdivision 3, is amended to read:

Subd. 3. **Out-of-state admissions.** An applicant from another state who can benefit from attending either academy may be admitted to the academy if the admission does not prevent an eligible Minnesota resident from being admitted. The board of the Minnesota State Academies must obtain reimbursement from the other state for the costs of the out-of-state admission. The state board may enter into an agreement with the appropriate authority in the other state for the reimbursement. Money received from another state must be deposited in the ~~general~~ special revenue fund and credited to the general operating account of the academies. The money is appropriated to the academies.

EFFECTIVE DATE. This section is effective retroactively from fiscal year 2001.

ARTICLE 4

EDUCATION FUNDING

Section 1. Minnesota Statutes 2005 Supplement, section 121A.19, is amended to read:

121A.19 DEVELOPMENTAL SCREENING AID.

Each school year, the state must pay a district ~~$50~~ for each ~~three-year-old child screened; $40 for each four-year-old child screened; and $30 for each five-year-old~~ child or student screened by the district ~~prior to kindergarten~~ according to the requirements of section 121A.17. The amount of state aid for each child or student screened shall be: (1) $50 for a child screened at age three; (2) $40 for a child screened at age four; (3) $30 for a child screened at age five or six prior to kindergarten; and (4) $30 for a student screened within 30 days after first enrolling in a public school kindergarten if the student has not previously been screened according to the requirements of section 121A.17. If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient. Developmental screening aid shall not be paid for any student who is screened more than 30 days after the first day of attendance at a public school kindergarten, except if a student transfers to another public school kindergarten within 30 days after first enrolling in a Minnesota public school kindergarten program. In this case, if the student has not been screened, the district to which the student transfers may receive developmental screening aid for screening that student when the screening is performed within 30 days of the transfer date.

Sec. 2. Minnesota Statutes 2005 Supplement, section 122A.415, subdivision 1, is amended to read:

Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district, school site, or charter school that meets the conditions of section 122A.414 and submits an application approved by the commissioner is eligible for alternative teacher compensation revenue.

(b) For school district and intermediate school district applications, the commissioner must consider only those applications to participate that are submitted jointly by a district and the exclusive representative of the teachers. The application must contain an alternative teacher professional pay system agreement that:

(1) implements an alternative teacher professional pay system consistent with section 122A.414; and

(2) is negotiated and adopted according to the Public Employment Labor Relations Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a district may enter into a contract for a term of two or four years.

Alternative teacher compensation revenue for a qualifying school district or site in which the school board and the exclusive representative of the teachers agree to place teachers in the district or at the site on the alternative teacher professional pay system equals $260 times the ratio of the formula allowance for the current fiscal year to the formula allowance for fiscal year 2007 times the number of pupils enrolled at the district or site on October 1 of the previous fiscal year. Alternative teacher compensation revenue for a qualifying intermediate school district must be calculated under section 126C.10, subdivision 34, paragraphs (a) and (b).

(c) For a newly combined or consolidated district, the revenue shall be computed using the sum of pupils enrolled on October 1 of the previous year in the districts entering into the combination or consolidation. The commissioner may adjust the revenue computed for a site using prior year data to reflect changes attributable to school closings, school openings, or grade level reconfigurations between the prior year and the current year.

(d) The revenue is available only to school districts, intermediate school districts, school sites, and charter schools that fully implement an alternative teacher professional pay system by October 1 of the current school year.

Sec. 3. Minnesota Statutes 2005 Supplement, section 122A.415, subdivision 3, is amended to read:

Subd. 3. **Revenue timing.** (a) Districts, intermediate school districts, school sites, or charter schools with approved applications must receive alternative compensation revenue for each school year that the district, intermediate school district, school site, or charter school implements an alternative teacher professional pay system under this subdivision and section 122A.414. For fiscal year 2007 and later, a qualifying district, intermediate school district, school site, or charter school that received alternative teacher compensation aid for the previous fiscal year must receive at least an amount of alternative teacher compensation revenue equal to the lesser of the amount it received for the previous fiscal year or the amount it qualifies for under subdivision 1 for the current fiscal year if the district, intermediate school district, school site, or charter school submits a timely application and the commissioner determines that the district, intermediate school district, school site, or charter school continues to implement an alternative teacher professional pay system, consistent with its application under this section.

(b) The commissioner shall approve applications that comply with subdivision 1, and section 122A.414, subdivisions 2, paragraph (b), and 2a, if the applicant is a charter school, in the order in which they are received, select applicants that qualify for this program, notify school districts, intermediate school districts, school sites, and charter schools about the program, develop and disseminate application materials, and carry out other activities needed to implement this section.

(c) For applications approved under this section before August 1 of the fiscal year for which the aid is paid, the portion of the state total basic alternative teacher compensation aid entitlement

allocated to charter schools must not exceed $522,000 for fiscal year 2006 and $3,374,000 for fiscal year 2007. For fiscal year 2008 and later, the portion of the state total basic alternative teacher compensation aid entitlement allocated to charter schools must not exceed the product of $3,374,000 times the ratio of the state total charter school enrollment for the previous fiscal year to the state total charter school enrollment for ~~the second previous year~~ fiscal year 2006 times the ratio of the formula allowance for the current fiscal year to the formula allowance for fiscal year 2007. Additional basic alternative teacher compensation aid may be approved for charter schools after August 1, not to exceed the charter school limit for the following fiscal year, if the basic alternative teacher compensation aid entitlement for school districts based on applications approved by August 1 does not expend the remaining amount under the limit.

Sec. 4. Minnesota Statutes 2004, section 124D.11, subdivision 9, is amended to read:

Subd. 9. **Payment of aids to charter schools.** (a) Notwithstanding section 127A.45, subdivision 3, aid payments for the current fiscal year to a charter school not in its first year of operation shall be of an equal amount on each of the 23 payment dates. A charter school in its first year of operation shall receive, on its first payment date, ten percent of its cumulative amount guaranteed for the year and 22 payments of an equal amount thereafter the sum of which shall ~~be 90 percent of~~ equal the current year aid payment percentage multiplied by the cumulative amount guaranteed.

(b) Notwithstanding paragraph (a), for a charter school ceasing operation prior to the end of a school year, ~~80 percent of~~ the current year aid payment percentage multiplied by the amount due for the school year may be paid to the school after audit of prior fiscal year and current fiscal year pupil counts. For a charter school ceasing operations prior to, or at the end of a school year, notwithstanding section 127A.45, subdivision 3, preliminary final payments may be made after audit of pupil counts, monitoring of special education expenditures, and documentation of lease expenditures for the final year of operation. Final payment may be made upon receipt of audited financial statements under section 123B.77, subdivision 3.

(c) Notwithstanding section 127A.45, subdivision 3, and paragraph (a), 80 percent of the start-up cost aid under subdivision 8 shall be paid within 45 days after the first day of student attendance for that school year.

(d) In order to receive state aid payments under this subdivision, a charter school in its first three years of operation must submit a school calendar in the form and manner requested by the department and a quarterly report to the Department of Education. The report must list each student by grade, show the student's start and end dates, if any, with the charter school, and for any student participating in a learning year program, the report must list the hours and times of learning year activities. The report must be submitted not more than two weeks after the end of the calendar quarter to the department. The department must develop a Web-based reporting form for charter schools to use when submitting enrollment reports. A charter school in its fourth and subsequent year of operation must submit a school calendar and enrollment information to the department in the form and manner requested by the department.

(e) Notwithstanding sections 317A.701 to 317A.791, upon closure of a charter school and satisfaction of creditors, cash and investment balances remaining shall be returned to the state.

Sec. 5. Minnesota Statutes 2005 Supplement, section 125A.11, subdivision 1, is amended to read:

Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2006, when a school district provides instruction and services outside the district of residence, board and lodging, and any tuition to be paid, shall be paid by the district of residence. The tuition rate to be charged for any child with a disability, excluding a pupil for whom tuition is calculated according to section 127A.47, subdivision 7, paragraph (d), must be the sum of (1) the actual cost of providing special instruction and services to the child including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue and referendum aid attributable to the pupil, minus

(3) the amount of special education aid for children with a disability received on behalf of that child, minus (4) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction ~~in~~ and services outside of the regular classroom. If the boards involved do not agree upon the tuition rate, either board may apply to the commissioner to fix the rate. Notwithstanding chapter 14, the commissioner must then set a date for a hearing or request a written statement from each board, giving each board at least ten days' notice, and after the hearing or review of the written statements the commissioner must make an order fixing the tuition rate, which is binding on both school districts. General education revenue and referendum aid attributable to a pupil must be calculated using the resident district's average general education and referendum revenue per adjusted pupil unit.

(b) For fiscal year 2007 and later, when a school district provides special instruction and services for a pupil with a disability as defined in section 125A.02 outside the district of residence, excluding a pupil for whom an adjustment to special education aid is calculated according to section 127A.47, subdivision 7, paragraph (e), special education aid paid to the resident district must be reduced by an amount equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue and referendum aid attributable to that pupil, minus (3) the amount of special education aid for children with a disability received on behalf of that child, minus (4) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction ~~in~~ and services outside of the regular classroom. General education revenue and referendum aid attributable to a pupil must be calculated using the resident district's average general education revenue and referendum aid per adjusted pupil unit. Special education aid paid to the district or cooperative providing special instruction and services for the pupil must be increased by the amount of the reduction in the aid paid to the resident district. Amounts paid to cooperatives under this subdivision and section 127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on the resident school district's books of account under sections 123B.75 and 123B.76. If the resident district's special education aid is insufficient to make the full adjustment, the remaining adjustment shall be made to other state aid due to the district.

(c) Notwithstanding paragraphs (a) and (b) and section 127A.47, subdivision 7, paragraphs (d) and (e), a charter school where more than 30 percent of enrolled students receive special education and related services, an intermediate district, or a special education cooperative may apply to the commissioner for authority to charge the resident district an additional amount to recover any remaining unreimbursed costs of serving pupils with a disability. The application must include a description of the costs and the calculations used to determine the unreimbursed portion to be charged to the resident district. Amounts approved by the commissioner under this paragraph must be included in the tuition billings or aid adjustments under paragraph (a) or (b), or section 127A.47, subdivision 7, paragraph (d) or (e), as applicable.

(d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraphs (d) and (e), "general education revenue and referendum aid" means the sum of the general education revenue according to section 126C.10, subdivision 1, excluding alternative teacher compensation revenue, plus the referendum aid according to section 126C.17, subdivision 7, as adjusted according to section 127A.47, subdivision 7, paragraphs (a), (b), and (c).

EFFECTIVE DATE. This section is effective for fiscal year 2006.

Sec. 6. Minnesota Statutes 2004, section 125A.27, subdivision 3, is amended to read:

Subd. 3. **Core early intervention services.** "Core early intervention services" means services that are available at no cost to children and families. These services include:

(1) identification and referral;

(2) screening;

(3) evaluation;

(4) assessment;

(5) service coordination;

(6) special education and related services ~~provided under section 125A.08, and United States Code, title 20, section 1401~~ for children who qualify for these services under Minnesota Rules; and

(7) protection of parent and child rights by means of procedural safeguards.

Sec. 7. Minnesota Statutes 2004, section 125A.27, subdivision 7, is amended to read:

Subd. 7. **Early intervention system.** "Early intervention system" means the total effort in the state to meet the needs of eligible children and their families~~, including, but not limited to:~~

~~(1) any public agency in the state that receives funds under the Individuals with Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part C, Public Law 102-119);~~

~~(2) other state and local agencies administering programs involved in the provision of early intervention services, including, but not limited to:~~

~~(i) the Maternal and Child Health program under title V of the Social Security Act, United States Code, title 42, sections 701 to 709;~~

~~(ii) the Individuals with Disabilities Education Act, United States Code, title 20, sections 1411 to 1420 (Part B);~~

~~(iii) medical assistance under the Social Security Act, United States Code, title 42, section 1396 et seq.;~~

~~(iv) the Developmental Disabilities Assistance and Bill of Rights Act, United States Code, title 42, sections 6021 to 6030 (Part B); and~~

~~(v) the Head Start Act, United States Code, title 42, sections 9831 to 9852; and~~

~~(3) services provided by private groups or third-party payers in conformity with an individualized family service plan~~.

Sec. 8. Minnesota Statutes 2004, section 125A.27, subdivision 8, is amended to read:

Subd. 8. **Eligibility for Part C.** "Eligibility for Part C" means eligibility for early childhood special education under section 125A.02 and Minnesota Rules~~, part 3525.2335, subpart 1, items A and B~~.

Sec. 9. Minnesota Statutes 2004, section 125A.27, subdivision 15, is amended to read:

Subd. 15. **Part C state plan.** "Part C state plan" means the annual state plan application approved by the federal government ~~under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part C, Public Law 105-117)~~.

Sec. 10. Minnesota Statutes 2004, section 125A.27, subdivision 18, is amended to read:

Subd. 18. **State lead agency.** "State lead agency" means the state agency receiving federal funds

~~under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law 102-119)~~ for the purposes of providing early intervention services.

Sec. 11. Minnesota Statutes 2005 Supplement, section 125A.79, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this subdivision apply.

(a) "Unreimbursed special education cost" means the sum of the following:

(1) expenditures for teachers' salaries, contracted services, supplies, equipment, and transportation services eligible for revenue under section 125A.76; plus

(2) expenditures for tuition bills received under sections 125A.03 to 125A.24 and 125A.65 for services eligible for revenue under section 125A.76, subdivision 2; minus

(3) revenue for teachers' salaries, contracted services, supplies, and equipment under section 125A.76; minus

(4) tuition receipts under sections 125A.03 to 125A.24 and 125A.65 for services eligible for revenue under section 125A.76, subdivision 2.

(b) "General revenue" means the sum of the general education revenue according to section 126C.10, subdivision 1, ~~as adjusted according to section 127A.47, subdivisions 7 and 8~~ excluding alternative teacher compensation revenue, plus the total qualifying referendum revenue specified in paragraph (e) minus transportation sparsity revenue minus total operating capital revenue.

(c) "Average daily membership" has the meaning given it in section 126C.05.

(d) "Program growth factor" means 1.02 for fiscal year 2003, and 1.0 for fiscal year 2004 and later.

(e) "Total qualifying referendum revenue" means two-thirds of the district's total referendum revenue as adjusted according to section 127A.47, subdivision 7, paragraphs (a), (b), and (c), for fiscal year 2006, one-third of the district's total referendum revenue for fiscal year 2007, and none of the district's total referendum revenue for fiscal year 2008 and later.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2006.

Sec. 12. Minnesota Statutes 2005 Supplement, section 126C.10, subdivision 31, is amended to read:

Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the greater of zero or the product of the ratio of the number of adjusted marginal cost pupil units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002 to the district's adjusted marginal cost pupil units for fiscal year 2004, times the difference between: (1) the lesser of the district's general education revenue per adjusted marginal cost pupil unit for fiscal year 2003 or the amount of general education revenue the district would have received per adjusted marginal cost pupil unit for fiscal year 2004 according to Minnesota Statutes 2002, and (2) the district's general education revenue for fiscal year 2004 excluding transition revenue divided by the number of adjusted marginal cost pupil units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002.

(b) A district's transition revenue for fiscal year 2006 and later equals the sum of (1) the product of the district's transition allowance times the district's adjusted marginal cost pupil units plus (2) the amount of referendum revenue under section 126C.17 and general education revenue, excluding transition revenue, for fiscal year 2004 attributable to pupils four or five years of age on September 1, 2003, enrolled in a prekindergarten program implemented by the district before July 1, 2003, and reported as kindergarten pupils under section 126C.05, subdivision 1, for fiscal year 2004, plus (3) the amount of compensatory education revenue under subdivision 3 for fiscal year 2005

attributable to pupils four years of age on September 1, 2003, enrolled in a prekindergarten program implemented by the district before July 1, 2003, and reported as kindergarten pupils under section 126C.05, subdivision 1, for fiscal year 2004 ~~multiplied by .04~~.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2006.

Sec. 13. Minnesota Statutes 2005 Supplement, section 126C.10, subdivision 34, is amended to read:

Subd. 34. **Basic alternative teacher compensation aid.** (a) For fiscal year 2006, the basic alternative teacher compensation aid for a school district or an intermediate school district with a plan approved under section 122A.414, subdivision 2b, equals the alternative teacher compensation revenue under section 122A.415, subdivision 1. The basic alternative teacher compensation aid for a charter school with an approved plan under section 122A.414, subdivision 2b, equals $260 times the number of pupils enrolled in the school on October 1 of the previous school year, or on October 1 of the current fiscal year for a charter school in the first year of operation.

(b) For fiscal year 2007 ~~and later~~, the basic alternative teacher compensation aid for a school district with a plan approved under section 122A.414, subdivision 2b, equals 73.1 percent of the alternative teacher compensation revenue under section 122A.415, subdivision 1. The basic alternative teacher compensation aid for an intermediate school district or charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals $260 times the number of pupils enrolled in the school on October 1 of the previous fiscal year, or on October 1 of the current fiscal year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under section 122A.415, subdivision 1.

(c) For fiscal year 2008 and later, the basic alternative teacher compensation aid for a school district with a plan approved under section 122A.414, subdivision 2b, equals the alternative teacher compensation revenue under section 122A.415, subdivision 1, minus $69.94 times the number of pupils enrolled at participating sites on October 1 of the previous fiscal year. The basic alternative teacher compensation aid for an intermediate school district or charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals $260 times the ratio of the formula allowance for the current fiscal year to the formula allowance for fiscal year 2007 times the number of pupils enrolled in the school on October 1 of the previous fiscal year, or on October 1 of the current fiscal year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under section 122A.415, subdivision 1.

(d) Notwithstanding paragraphs (a) ~~and~~, (b), and (c) and section 122A.415, subdivision 1, the state total basic alternative teacher compensation aid entitlement must not exceed $19,329,000 for fiscal year 2006 ~~and~~, $75,636,000 for fiscal year 2007, and, for fiscal year 2008 and later, $75,636,000 times the ratio of the formula allowance for the current fiscal year to the formula allowance for fiscal year 2007 ~~and later~~. The commissioner must limit the amount of alternative teacher compensation aid approved under ~~section~~ sections 122A.415 and 122A.416 so as not to exceed these limits.

Sec. 14. Minnesota Statutes 2004, section 127A.41, subdivision 2, is amended to read:

Subd. 2. **Errors in distribution.** On determining that the amount of state aid distributed to a school district is in error, the commissioner is authorized to adjust the amount of aid consistent with this subdivision. On determining that the amount of aid is in excess of the school district's entitlement, the commissioner is authorized to recover the amount of the excess by any appropriate means. Notwithstanding the fiscal years designated by the appropriation, the excess may be recovered by reducing future aid payments to the district. Notwithstanding any law to the contrary, if the aid reduced is not of the same type as that overpaid, the district must adjust all necessary

financial accounts to properly reflect all revenues earned in accordance with the uniform financial accounting and reporting standards pursuant to sections 123B.75 to 123B.83. Notwithstanding the fiscal years designated by the appropriation, on determining that the amount of an aid paid is less than the school district's entitlement, the commissioner is authorized to increase such aid from the current appropriation. If the aid program has been discontinued and has no appropriation, the appropriation for general education shall be used for recovery or payment of the aid decrease or increase. Any excess of aid recovery over aid payment shall be cancelled to the state general fund.

Sec. 15. Laws 2005, First Special Session chapter 5, article 1, section 47, is amended to read:

Sec. 47. **ALTERNATIVE TEACHER COMPENSATION REVENUE GUARANTEE.**

Notwithstanding Minnesota Statutes, sections 122A.415, subdivision 1, and 126C.10, subdivision 34, paragraphs (a) and (b), a school district that received alternative teacher compensation aid for fiscal year 2005, but does not qualify for alternative teacher compensation revenue for all sites in the district for fiscal year 2006 ~~or,~~ 2007, 2008, or 2009, shall receive additional basic alternative teacher compensation aid for that fiscal year equal to the lesser of the amount of alternative teacher compensation aid it received for fiscal year 2005 or the amount it would have received for that fiscal year under Minnesota Statutes 2004, section 122A.415, subdivision 1, for teachers at sites not qualifying for alternative teacher compensation revenue for that fiscal year, if the district submits a timely application and the commissioner determines that the district continues to implement an alternative teacher compensation system, consistent with its application under Minnesota Statutes 2004, section 122A.415, for fiscal year 2005. The additional basic alternative teacher compensation aid under this section must not be used in calculating the alternative teacher compensation levy under Minnesota Statutes, section 126C.10, subdivision 35. This section applies only to fiscal years 2006 ~~and 2007~~ through 2009 and does not apply to later fiscal years.

Sec. 16. **WASECA LEVY; APPROPRIATION.**

Independent School District No. 829, Waseca, may levy up to $343,550 beginning in 2006 over five years for health and safety revenue lost due to miscalculation. $316,000 is appropriated in fiscal year 2007 to the commissioner of education for payment of the aid portion of lost revenue. If the district does not levy the full amount authorized within the five year period, other state aid due to the district shall be reduced proportionately. This is a onetime appropriation for fiscal year 2007.

Sec. 17. **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. **Early childhood Part C.** For the expansion of early childhood Part C services:

$	1,049,000	.....	2007

Subd. 3. **Early childhood screening.** For aid to districts screening kindergarten children:

$	89,000	.....	2006
$	54,000	.....	2007

The fiscal year 2006 appropriation includes $0 for fiscal year 2005 and $89,000 for fiscal year 2006.

The fiscal year 2007 appropriation includes $10,000 for fiscal year 2006 and $44,000 for fiscal year 2007.

These appropriations are in addition to other appropriations provided for the program.

This appropriation is to provide aid to school districts for children screened after entering

kindergarten under Minnesota Statutes, section 121A.17, subdivision 2.

Subd. 4. **Prekindergarten program transition revenue.** For transition revenue for modifications to prekindergarten programs:

$	968,000	.....	2006
$	851,000	.....	2007

The fiscal year 2006 appropriation includes $0 for fiscal year 2005 and $968,000 for fiscal year 2006.

The fiscal year 2007 appropriation includes $108,000 for fiscal year 2006 and $743,000 for fiscal year 2007.

These appropriations are added to the appropriation for general education.

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

Amend the title accordingly

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

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 1003: A bill for an act relating to housing; requiring carbon monoxide alarms in all dwellings; providing criminal penalties; proposing coding for new law in Minnesota Statutes, chapter 299F.

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

Page 3, line 1, delete "Uniform" and insert "Minnesota"

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

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 3175: A bill for an act relating to employment; regulating overtime for certain nurses; amending Minnesota Statutes 2004, section 181.275, subdivisions 1, 2.

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

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 3260: A bill for an act relating to biotechnology zones; authorizing the designation of additional biotechnology and health sciences industry zones; amending Minnesota Statutes 2004, section 469.334, subdivisions 1, 4.

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

Senator Foley from the Committee on Crime Prevention and Public Safety, to which was re-referred

S.F. No. 1973: A bill for an act relating to health; providing for the medical use of marijuana;

providing civil and criminal penalties; amending Minnesota Statutes 2004, section 13.3806, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 152.

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

Page 1, delete lines 9 to 11 and insert:

"Subd. 21. **Medical use of marijuana data.** Data collected by the commissioner of health relating to:

(1) registrations for the medical use of marijuana are classified in section 152.25, subdivision 5; and

(2) individuals obtaining marijuana for medical use from registered organizations are classified in section 152.31, subdivision 7."

Page 2, line 7, after the second semicolon, insert "or"

Page 2, delete lines 10 to 12 and insert "of marijuana."

Pages 4 to 5, delete section 4

Page 6, line 12, after the semicolon, insert "and"

Page 6, line 13, delete "number; and" and insert "number."

Page 6, delete line 14

Page 8, line 10, before "Fraudulent" insert "(a)"

Page 8, after line 13, insert:

"(b) In addition to any other penalty applicable in law, a qualifying patient 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 $3,000, or both, if the patient:

(1) sells, transfers, loans, or otherwise gives another person the patient's registry identification card; or

(2) sells, transfers, loans, or otherwise gives another person marijuana obtained under sections 152.22 to 152.31."

Page 8, line 26, delete "The" and insert "Subject to paragraph (c), the"

Page 8, line 27, delete everything after "who"

Page 8, line 28, delete everything before "provides"

Page 9, line 3, delete "and"

Page 9, after line 3, insert:

"(4) a bond in the amount of $100,000; and"

Page 9, line 4, delete "(4)" and insert "(5)"

Page 9, after line 9, insert:

"(c) No more than 25 registered organizations may be licensed by the commissioner at one time. The commissioner shall attempt to ensure that licenses are issued in a manner that provides for geographic disbursement of registered organizations throughout the state."

Page 9, delete subdivision 4

Page 9, line 20, delete "5" and insert "4"

Page 9, line 21, delete "rules" and insert "laws"

Page 9, delete subdivision 6 and insert:

"Subd. 5. **Organization requirements.** (a) Registered organizations must be organized as a nonprofit corporation under chapter 317A or a similar law of another state.

(b) Registered organizations may not be located within 500 feet of the property line of a public school, private school, or structure used primarily for religious services or worship.

(c) The articles or bylaws of a registered organization shall include procedures for the oversight of the registered organization and procedures to ensure adequate record keeping.

(d) A registered organization shall notify the commissioner within ten days of when an employee or agent ceases to work at the registered organization.

(e) The registered organization shall notify the commissioner before a new agent or employee begins working at the registered organization, in writing, and the organization shall submit a $10 fee for the person's registry identification card.

(f) No registered organization shall be subject to prosecution, search, seizure, or penalty in any manner or denied any right or privilege, including but not limited to civil penalty or disciplinary action by a business, occupational, or professional licensing board or bureau, for acting according to sections 152.22 to 152.31 to assist registered qualifying patients to whom it is connected through the commissioner's registration process with the medical use of marijuana, provided that the registered organization possesses an amount of marijuana that does not exceed the total of the allowable amounts of marijuana for the registered qualifying patients for whom the organization is a registered primary supplier.

(g) No employees, agents, or board members of a registered organization shall be subject to arrest, prosecution, search, seizure, or penalty in any manner or denied any right or privilege, including but not limited to civil penalty or disciplinary action by a business, occupational, or professional licensing board or bureau, for working for a registered organization according to sections 152.22 to 152.31.

(h) The registered organization is prohibited from:

(1) obtaining marijuana from outside the state in violation of federal law; or

(2) acquiring, possessing, cultivating, manufacturing, delivering, transferring, transporting, supplying, or dispensing marijuana for any purpose except to assist registered qualifying patients with the medical use of marijuana directly or through the qualifying patients' other primary suppliers.

(i) The director of a registered organization shall ensure that all current and prospective employees and agents of the organization have undergone criminal background checks. The check shall include:

(1) systems accessible through the criminal justice data communications network, including, but not limited to, criminal history, predatory offender registration, warrants, and driver's license record information from the Department of Public Safety;

(2) the statewide supervision system maintained by the Department of Corrections; and

(3) national criminal history information maintained by the Federal Bureau of Investigation.

The subject of the check shall provide the director with a written authorization to conduct the check of these systems and a set of fingerprints, which shall be sent to the Bureau of Criminal Apprehension. The bureau shall exchange the fingerprints with the FBI to facilitate the national background check. The superintendent may recover fees associated with the background checks from the registered organization.

Subd. 6. **Penalty.** The registered organization may not possess an amount of marijuana that exceeds the total of the allowable amounts of marijuana for the registered qualifying patients for whom the organization is a registered primary supplier. The registered organization may not dispense, deliver, or otherwise transfer marijuana to a person other than a qualifying patient or the patient's primary supplier. A knowing violation of this subdivision is a felony punishable by imprisonment for not more than two years or by payment of a fine of not more than $3,000, or both. This penalty is in addition to any other penalties applicable in law.

Subd. 7. **Records.** The registered organization shall keep records of the names of qualifying patients and primary suppliers receiving marijuana from the organization and the amounts received. The organization shall forward these records to the commissioner on a quarterly basis. The commissioner shall maintain this data as private data on individuals."

Page 10, line 25, delete "9" and insert "8"

Renumber the sections in sequence

Amend the title accordingly

And when so amended the bill be re-referred to the Committee on Finance without recommendation. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 3398: A bill for an act relating to the environment; requiring mercury emissions reductions by public utilities; amending Minnesota Statutes 2004, section 216B.1692, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 216B.1692, subdivision 8, is amended to read:

Subd. 8. **Sunset.** This section is effective until ~~June 30, 2006~~ December 31, 2011, and applies to projects and riders approved before that date.

Sec. 2. **[216B.1695] MERCURY EMISSIONS REDUCTIONS.**

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

(1) "coal-fired electric generating unit" means any electric generating power plant in Minnesota that supplied more than one-third of its potential output capacity and 250 megawatts or more of electrical output from coal-fired generation to any public utility as of January 1, 2006;

(2) "dry-scrubbed units" means a coal-fired electric generating unit at which pollution control technology that uses a spray dryer and fabric filter system to remove pollutants from air emissions is installed; and

(3) "wet-scrubbed units" means a coal-fired electric generating unit at which pollution control technology that uses water or solutions to remove pollutants from air emissions is installed.

Subd. 2. **Monitoring.** By January 1, 2007, a public utility that owns or operates a coal-fired electric generating unit shall install, maintain, and operate a continuous mercury emissions-monitoring system approved by the Pollution Control Agency on each coal-fired electrical generating unit. The data from six months of continuous emissions monitoring or its equivalent must be used to establish a baseline for mercury emissions reductions under subdivision 3. The public utility shall report to the Pollution Control Agency as public data the quality assured data produced from monitoring implemented pursuant to this subdivision on a quarterly basis on a form prescribed by the agency.

Subd. 3. **Mercury emissions limits.** Subject to commission approval, mercury emissions from coal-fired electric generating units relative to the baseline established by monitoring under subdivision 2 must be reduced as follows:

(1) mercury emissions from dry-scrubbed units must be reduced by 90 percent by January 1, 2009; and

(2) mercury emissions from wet-scrubbed units must be reduced by 90 percent by January 1, 2011.

Subd. 4. **Compliance plans.** (a) By September 1, 2007, for dry-scrubbed units, a public utility that owns or operates a coal-fired electrical generating unit shall submit to the Pollution Control Agency and the commission a plan for compliance with the mercury emissions limit in subdivision 3, clause (1).

(b) By July 1, 2008, for wet-scrubbed units, a public utility that owns or operates a coal-fired electrical generating unit shall submit to the Pollution Control Agency and the commission a plan for compliance with the mercury emissions limit in subdivision 3, clause (2).

(c) Plans under paragraphs (a) and (b) shall provide the cost, technical feasibility, operational conditions, and mercury emissions reductions expected for each option. The plans may specify permit conditions proposed by the public utility for each mercury emission control option, including, but not limited to, numeric emission target, percent removal expectations, emission control technology installation, and operative requirements or work practice standards.

(d) The public utility may also submit one or more alternatives to the plans required under subdivision 3. For each required and alternative plan submitted pursuant to this subdivision, the utility shall present information assessing the plan's ability to optimize human health benefits and achieve cost efficiencies.

Subd. 5. **Multiple pollutant reductions.** A utility required to submit a compliance plan under this section may also propose plans and associated emissions-reduction riders to reduce emissions of multiple pollutants. The plans must propose to implement emission control initiatives that exceed and are implemented in advance of state or federal requirements.

Subd. 6. **Emission-reduction rider.** A public utility required to file a compliance plan under subdivision 4 may also file for approval of an emissions-reduction rate rider, under section 216B.1692, subdivision 3, for its compliance and multiple pollutant reduction plans under this section. The emissions-reduction rate rider may include recovery of capital, operating, and maintenance costs associated with continuous monitoring, mercury emissions reduction, multiple pollutant emissions reduction, and any studies undertaken by the utility in support of the compliance plan, in addition to the cost recovery under section 216B.1692, subdivision 3. The utility may propose to phase in the emissions-reduction riders to recover these costs over the development and life of the projects.

Subd. 7. **Compliance assessment.** (a) The Pollution Control Agency shall evaluate a utility's compliance plan and alternatives, and within 90 days for dry-scrubbed units and within 180 days for wet-scrubbed units from the date the plan was submitted, assess the following:

(1) whether the plan will result in compliance with subdivision 3; and

(2) the technical feasibility and effectiveness of the technologies proposed in achieving maximum mercury reductions.

(b) For multiple pollutant emissions-reduction plans, the Pollution Control Agency shall evaluate within 180 days whether the plan complies with the requirements of subdivisions 3 and 5, in addition to providing an environmental assessment under section 216B.1692, subdivision 4.

Subd. 8. **Commission approval.** (a) Within 90 days of receiving the Pollution Control Agency's compliance assessment for dry-scrubbed units, and within 180 days of receiving the Pollution Control Agency's compliance assessment for wet-scrubbed units, the commission shall approve a utility's compliance plan that has been assessed to comply with subdivision 3, clause (1) or (2), unless the applicant or other party establishes that the plan would impose excessive customer costs.

(b) If the commission is unable to approve a plan under paragraph (a), the commission shall, in consultation with the Pollution Control Agency, order the utility to implement the most stringent mercury reduction alternative proposed that does not impose excessive costs. The commission shall not require the replacement of existing pollution control equipment for that unit. The order must include provisions:

(1) requiring the utility to optimize the operation of installed equipment to obtain maximum mercury reductions and report its efforts and results quarterly to the Pollution Control Agency; and

(2) stating that if compliance with the 90 percent reduction requirement has not been met by January 1, 2013, the Pollution Control Agency and the commission shall conduct a de novo review to determine the technical feasibility of compliance with subdivision 3.

(c) Within 180 days of receiving the Pollution Control Agency's assessments, the commission may approve a utility's multiple pollutant emissions-reduction plan if it:

(1) results in compliance with subdivision 3 in a manner that is technically feasible without excessive consumer costs; and

(2) provides greater environmental and public health benefits by reducing multiple emissions simultaneously, including, but not limited to, emissions of mercury, sulfur oxides, nitrogen oxides, and particulate matter.

(d) The commission shall defer to the expertise of the Pollution Control Agency on compliance issues under subdivision 3, technical feasibility of emission control technology, and environmental and public health benefits.

(e) Section 216B.1692 applies to plans and emission control riders proposed under this section, and projects included in a plan approved under this section are considered qualifying projects under section 216B.1692. Section 216B.1692, subdivision 5, paragraph (c), and subdivision 6, do not apply to plans or riders submitted under this section. Commission approval of an emissions-reduction plan under this section shall include approval of an emissions-reduction rider associated with that plan, if one was submitted by the utility.

Subd. 9. **Implementation and operation.** (a) A public utility required to file a compliance plan shall implement the plan as approved under subdivision 8.

(b) For the first year of operation, except as required by federal regulation, any mercury emission limit incorporated into the permit of a coal-fired electric generating unit for which a plan has been approved, shall be a state-only condition of the permit and is not enforceable by the Pollution Control Agency.

(c) After one year, the Pollution Control Agency shall incorporate the mercury limit as an enforceable state-only limit for any coal-fired electric generating unit that is in compliance with its plan.

(d) For any coal-fired electric generating unit that is not in compliance with the limits of subdivision 3 after one year, the Pollution Control Agency shall:

(1) provide public notice and revise the mercury limit for that unit, incorporating that limit as an enforceable state-only limit in the facility's permit; and

(2) revise the unit's air permit on a biannual basis or as the plan for mercury reduction at that unit is modified to ensure optimal mercury emissions reduction in light of technical and operational advances made since the date of plan approval.

(e) For any coal-fired electric generating unit that is not in compliance with the limits of subdivision 3 after one year, the public utility shall report its efforts to optimize the operation of installed equipment quarterly to the Pollution Control Agency until compliance with the emission limits set in subdivision 3 is attained."

Amend the title accordingly

And when so amended the bill do pass. Senator Nienow questioned the reference thereon and, under Rule 21, the bill was referred to the Committee on Rules and Administration.

Senator Pogemiller from the Committee on Taxes, to which was re-referred

S.F. No. 2734: A bill for an act relating to natural and cultural resources; proposing an amendment to the Minnesota Constitution, article XI; increasing the sales tax rate by three-eighths of one percent and dedicating the receipts for natural and cultural resource purposes; creating an arts, humanities, museum, and public broadcasting fund; creating a heritage enhancement fund; creating a parks and trails fund; creating a clean water fund; establishing a Heritage Enhancement Council; establishing a Clean Water Council; amending Minnesota Statutes 2004, sections 297A.62, subdivision 1; 297A.94; 297B.02, subdivision 1; Minnesota Statutes 2005 Supplement, section 10A.01, subdivision 35; proposing coding for new law in Minnesota Statutes, chapters 85; 97A; 103F; 129D.

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

Page 2, line 4, after "waters," insert "arts,"

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

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

S.F. No. 2633: A bill for an act relating to courts; providing for appeal of Fourth Judicial District Family Court referee orders; amending Minnesota Statutes 2004, section 484.65, subdivision 9.

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

Delete everything after the enacting clause and insert:

"Section 1. **[257.026] NOTIFICATION OF RESIDENCE WITH CERTAIN CONVICTED PERSONS.**

A person who is granted or exercises custody of a child or parenting time with a child under this chapter or chapter 518 must notify the child's other parent, if any, the county social services agency, and the court that granted the custody or parenting time, if the person knowingly marries or lives in the same residence with a person who has been convicted of a crime listed in section 518.179, subdivision 2.

Sec. 2. Minnesota Statutes 2004, section 257.55, subdivision 1, is amended to read:

Subdivision 1. **Presumption.** A man is presumed to be the biological father of a child if:

(a) He and the child's biological mother are or have been married to each other and the child is born during the marriage, or within 280 days after the marriage is terminated by death, annulment, declaration of invalidity, dissolution, or divorce, or after a decree of legal separation is entered by a court. The presumption in this paragraph does not apply if the man has joined in a recognition of parentage recognizing another man as the biological father under section 257.75, subdivision 1a;

(b) Before the child's birth, he and the child's biological mother have attempted to marry each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) if the attempted marriage could be declared invalid only by a court, the child is born during the attempted marriage, or within 280 days after its termination by death, annulment, declaration of invalidity, dissolution or divorce; or

(2) if the attempted marriage is invalid without a court order, the child is born within 280 days after the termination of cohabitation;

(c) After the child's birth, he and the child's biological mother have married, or attempted to marry, each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) he has acknowledged his paternity of the child in writing filed with the state registrar of vital statistics;

(2) with his consent, he is named as the child's father on the child's birth record; or

(3) he is obligated to support the child under a written voluntary promise or by court order;

(d) ~~While the child is under the age of majority, he receives the child into his home~~ During the first two years of the child's life, he resided in the same household with the child for at least 12 months and openly ~~holds~~ held out the child as his ~~biological child~~ own;

(e) He and the child's biological mother acknowledge his paternity of the child in a writing signed by both of them under section 257.34 and filed with the state registrar of vital statistics. If another man is presumed under this paragraph to be the child's father, acknowledgment may be effected only with the written consent of the presumed father or after the presumption has been rebutted;

(f) ~~Evidence of statistical probability of paternity based on blood or genetic testing establishes the likelihood that he is the father of the child, calculated with a prior probability of no more than 0.5 (50 percent), is 99 percent or greater;~~

~~(g)~~ He and the child's biological mother have executed a recognition of parentage in accordance with section 257.75 and another man is presumed to be the father under this subdivision;

~~(h)~~ (g) He and the child's biological mother have executed a recognition of parentage in accordance with section 257.75 and another man and the child's mother have executed a recognition of parentage in accordance with section 257.75; or

~~(i)~~ (h) He and the child's biological mother executed a recognition of parentage in accordance with section 257.75 when either or both of the signatories were less than 18 years of age.

Sec. 3. Minnesota Statutes 2004, section 257.57, subdivision 2, is amended to read:

Subd. 2. **Actions under other paragraphs of section 257.55, subdivision 1.** The child, the mother, or personal representative of the child, the public authority chargeable by law with the support of the child, the personal representative or a parent of the mother if the mother has died or is a minor, a man alleged or alleging himself to be the father, or the personal representative or a parent

of the alleged father if the alleged father has died or is a minor may bring an action:

(1) at any time for the purpose of declaring the existence of the father and child relationship presumed under ~~section~~ sections 257.55, subdivision 1, paragraph (d), (e), ~~(f),~~ (g), or (h), and 257.62, subdivision 5, paragraph (b), or the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, clause (d) ~~of that subdivision~~;

(2) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (e) or (g), only if the action is brought within six months after the person bringing the action obtains the results of blood or genetic tests that indicate that the presumed father is not the father of the child;

(3) for the purpose of declaring the nonexistence of the father and child relationship presumed under section ~~257.55, subdivision 1, paragraph (f)~~ 257.62, subdivision 5, paragraph (b), only if the action is brought within three years after the party bringing the action, or the party's attorney of record, has been provided the blood or genetic test results; or

(4) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.75, subdivision 9, only if the action is brought by the minor signatory within six months after the minor signatory reaches the age of 18. In the case of a recognition of parentage executed by two minor signatories, the action to declare the nonexistence of the father and child relationship must be brought within six months after the youngest signatory reaches the age of 18.

Sec. 4. Minnesota Statutes 2004, section 257.62, subdivision 5, is amended to read:

Subd. 5. **Positive test results.** (a) If the results of blood or genetic tests completed in a laboratory accredited by the American Association of Blood Banks indicate that the likelihood of the alleged father's paternity, calculated with a prior probability of no more than 0.5 (50 percent), is 92 percent or greater, upon motion the court shall order the alleged father to pay temporary child support determined according to chapter 518. The alleged father shall pay the support money to the public authority if the public authority is a party and is providing services to the parties or, if not, into court pursuant to the Rules of Civil Procedure to await the results of the paternity proceedings.

(b) If the results of blood or genetic tests completed in a laboratory accredited by the American Association of Blood Banks indicate that likelihood of the alleged father's paternity, calculated with a prior probability of no more than 0.5 (50 percent), is 99 percent or greater, there is an evidentiary presumption that the alleged father is ~~presumed to be the parent~~ biological father and the party opposing the establishment of the alleged father's paternity has the burden of proving by clear and convincing evidence that the alleged father is not the father of the child.

(c) A determination under this subdivision that the alleged father is the biological father does not preclude the adjudication of another man as the legal father under section 257.55, subdivision 2, nor does it allow the donor of genetic material for assisted reproduction for the benefit of a recipient parent, whether sperm or ovum (egg), to claim to be the child's biological or legal parent.

Sec. 5. Minnesota Statutes 2004, section 257C.03, subdivision 7, is amended to read:

Subd. 7. **Interested third party; burden of proof; factors.** (a) To establish that an individual is an interested third party, the individual must:

(1) show by clear and convincing evidence that one of the following factors exist:

(i) the parent has abandoned, neglected, or otherwise exhibited disregard for the child's well-being to the extent that the child will be harmed by living with the parent;

(ii) placement of the child with the individual takes priority over preserving the day-to-day parent-child relationship because of the presence of physical or emotional danger to the child, or both; or

(iii) other extraordinary circumstances; ~~and~~

(2) prove by a preponderance of the evidence that it is in the best interests of the child to be in the custody of the interested third party; and

(3) show by clear and convincing evidence that granting the petition would not violate section 518.179, subdivision 1a.

(b) The following factors must be considered by the court in determining an interested third party's petition:

(1) the amount of involvement the interested third party had with the child during the parent's absence or during the child's lifetime;

(2) the amount of involvement the parent had with the child during the parent's absence;

(3) the presence or involvement of other interested third parties;

(4) the facts and circumstances of the parent's absence;

(5) the parent's refusal to comply with conditions for retaining custody set forth in previous court orders;

(6) whether the parent now seeking custody was previously prevented from doing so as a result of domestic violence;

(7) whether a sibling of the child is already in the care of the interested third party; and

(8) the existence of a standby custody designation under chapter 257B.

(c) In determining the best interests of the child, the court must apply the standards in section 257C.04.

Sec. 6. Minnesota Statutes 2004, section 259.58, is amended to read:

259.58 COMMUNICATION OR CONTACT AGREEMENTS.

Adoptive parents and a birth relative or foster parents may enter an agreement regarding communication with or contact between an adopted minor, adoptive parents, and a birth relative or foster parents under this section. An agreement may be entered between:

(1) adoptive parents and a birth parent;

(2) adoptive parents and any other birth relative or foster parent with whom the child resided before being adopted; or

(3) adoptive parents and any other birth relative if the child is adopted by a birth relative upon the death of both birth parents.

For purposes of this section, "birth relative" means a parent, stepparent, grandparent, brother, sister, uncle, or aunt of a minor adoptee. This relationship may be by blood, adoption, or marriage. For an Indian child, birth relative includes members of the extended family as defined by the law or custom of the Indian child's tribe or, in the absence of laws or custom, nieces, nephews, or first or second cousins, as provided in the Indian Child Welfare Act, United States Code, title 25, section 1903.

(a) An agreement regarding communication with or contact between minor adoptees, adoptive parents, and a birth relative is not legally enforceable unless the terms of the agreement are contained in a written court order entered in accordance with this section. An order may be sought at any time before a decree of adoption is granted. The order must be issued within 30 days of being submitted to the court or by the granting of the decree of adoption, whichever is earlier. The court shall not enter

a proposed order unless the terms of the order have been approved in writing by the prospective adoptive parents, a birth relative or foster parent who desires to be a party to the agreement, and, if the child is in the custody of or under the guardianship of an agency, a representative of the agency. A birth parent must approve in writing of an agreement between adoptive parents and any other birth relative or foster parent, unless an action has been filed against the birth parent by a county under chapter 260. An agreement under this section need not disclose the identity of the parties to be legally enforceable. The court shall not enter a proposed order unless the court finds that the communication or contact between the minor adoptee, the adoptive parents, and a birth relative as agreed upon and contained in the proposed order would be in the minor adoptee's best interests. The court shall mail a certified copy of the order to the parties to the agreement or their representatives at the addresses provided by the petitioners.

(b) Failure to comply with the terms of an agreed order regarding communication or contact that has been entered by the court under this section is not grounds for:

(1) setting aside an adoption decree; or

(2) revocation of a written consent to an adoption after that consent has become irrevocable.

(c) An agreed order entered under this section may be enforced by filing a petition or motion with the family court that includes a certified copy of the order granting the communication, contact, or visitation, but only if the petition or motion is accompanied by an affidavit that the parties have mediated or attempted to mediate any dispute under the agreement or that the parties agree to a proposed modification. The prevailing party may be awarded reasonable attorney's fees and costs. The court shall not modify an agreed order under this section unless it finds that the modification is necessary to serve the best interests of the minor adoptee, and:

(1) the modification is agreed to by the parties to the agreement; or

(2) exceptional circumstances have arisen since the agreed order was entered that justify modification of the order.

(d) For children under state guardianship when there is a written communication or contact agreement between prospective adoptive parents and birth relatives other than birth parents it must be included in the final adoption decree unless all the parties agree to omit it. If the adoptive parents or birth relatives do not comply with the communication or contact agreement, the court shall determine the terms of the communication and contact agreement.

Sec. 7. Minnesota Statutes 2004, section 484.65, subdivision 9, is amended to read:

Subd. 9. **Referees; ~~review~~ appeal.** All recommended orders and findings of a referee shall be subject to confirmation by said district court judge. ~~Review of any recommended order or finding of a referee by the district court judge may be had by notice served and filed within ten days of effective notice of such recommended order or finding. The notice of review shall specify the grounds for such review and the specific provisions of the recommended findings or orders disputed, and said district court judge, upon receipt of such notice of review, shall set a time and place for such review hearing.~~ Fourth Judicial District Family Court referee orders and decrees may be appealed directly to the Court of Appeals in the same manner as judicial orders and decrees. The time for appealing an appealable referee order runs from service by any party of written notice of the filing of the confirmed order.

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

Sec. 8. Minnesota Statutes 2004, section 517.05, is amended to read:

517.05 CREDENTIALS OF MINISTER OR MEJ KOOB.

Subdivision 1. **Minister.** Ministers of any religious denomination, before they are authorized to solemnize a marriage, shall file a copy of their credentials of license or ordination with the ~~court~~

~~administrator of the district court~~ local registrar of a county in this state, who shall record the same and give a certificate thereof. The place where the credentials are recorded shall be endorsed upon and recorded with each certificate of marriage granted by a minister.

Subd. 2. **Mej Koob.** Before a Mej Koob is authorized to solemnize a marriage, the Mej Koob must file a signed statement with the local registrar in any county in the state indicating the person's intent to solemnize Hmong marriages as provided in section 517.18, subdivision 4a. The local registrar shall record the statement and give the person a certificate indicating the person's authority to solemnize those marriages. The place where the statement is recorded must be endorsed upon and recorded with each certificate of marriage granted by the Mej Koob.

Sec. 9. Minnesota Statutes 2004, section 517.14, is amended to read:

517.14 ILLEGAL MARRIAGE; FALSE CERTIFICATE; PENALTY.

A person who does any of the following is guilty of a misdemeanor:

(1) a person authorized by law to solemnize marriages who knowingly solemnizes a marriage contrary to the provisions of this chapter, or knowing of any legal impediment to the proposed marriage~~, or~~;

(2) a person who willfully makes a false certificate of any marriage or pretended marriage ~~is guilty of a misdemeanor~~; or

(3) a person who knowingly facilitates or assists in arranging the solemnization of a marriage contrary to the provisions of this chapter.

Sec. 10. Minnesota Statutes 2004, section 517.18, is amended to read:

517.18 MARRIAGE SOLEMNIZATION; SPECIAL PROVISIONS.

Subdivision 1. **Friends or Quakers.** ~~All~~ Marriages solemnized among the people called Friends or Quakers, in the form heretofore practiced and in use in their meetings, shall be valid and not affected by any of the foregoing provisions. ~~The clerk of the meeting in which such marriage is solemnized, within one month after any such marriage, shall deliver a certificate of the same to the local registrar of the county where the marriage took place, under penalty of not more than $100. Such certificate shall be filed and recorded by the court administrator under a like penalty. If such marriage does not take place in such meeting, such certificate shall be signed by the parties and at least six witnesses present, and shall be filed and recorded as above provided under a like penalty.~~

Subd. 2. **Baha'i.** Marriages may be solemnized among members of the Baha'i faith by the chair of an incorporated local Spiritual Assembly of the Baha'is, according to the form and usage of such society.

Subd. 3. **Buddhists; Hindus; Muslims.** Marriages may be solemnized among Buddhists, Hindus, or Muslims by the person chosen by a local Buddhist, Hindu, or Muslim association, according to the form and usage of their respective religions.

Subd. 4. **American Indians.** Marriages may be solemnized among American Indians according to the form and usage of their religion by an Indian Mide' or holy person chosen by the parties to the marriage.

Subd. 4a. **Hmong.** Marriages may be solemnized among Hmong by the Mej Koob.

Subd. 5. **Construction of section.** Nothing in subdivisions 2 to ~~4~~ 4a shall be construed to alter the requirements of section 517.01, 517.09 or 517.10.

Subd. 6. **Filing of certificate.** (a) Within five days after a marriage is solemnized under subdivision 1, the clerk of the meeting shall deliver a certificate of the marriage to the local registrar of the county where the marriage took place. If the marriage did not take place at a meeting, the certificate must be signed by the parties and at least six witnesses to the marriage and delivered

by one of the parties. Within five days after a marriage is solemnized in a manner specified in subdivisions 2 to 4a, the person who solemnized the marriage must deliver the certificate. The local registrar shall file and record the certificate.

(b) A person who does not deliver, file, or record a certificate as required under this subdivision is subject to a civil penalty of up to $100.

Subd. 7. **Application of other law.** Nothing in this section authorizes the solemnization of a marriage in violation of this chapter or solemnization of a marriage to which both parties do not voluntarily consent.

Sec. 11. Minnesota Statutes 2004, section 518.091, subdivision 1, is amended to read:

Subdivision 1. **Temporary restraining orders.** (a) Every summons must include the notice in this subdivision.

NOTICE OF TEMPORARY RESTRAINING AND ALTERNATIVE DISPUTE RESOLUTION PROVISIONS

UNDER MINNESOTA LAW, SERVICE OF THIS SUMMONS MAKES THE FOLLOWING REQUIREMENTS APPLY TO BOTH PARTIES TO THIS ACTION, UNLESS THEY ARE MODIFIED BY THE COURT OR THE PROCEEDING IS DISMISSED:

(1) NEITHER PARTY MAY DISPOSE OF ANY ASSETS EXCEPT (i) FOR THE NECESSITIES OF LIFE OR FOR THE NECESSARY GENERATION OF INCOME OR PRESERVATION OF ASSETS, (ii) BY AN AGREEMENT IN WRITING, OR (iii) FOR RETAINING COUNSEL TO CARRY ON OR TO CONTEST THIS PROCEEDING;

(2) NEITHER PARTY MAY HARASS THE OTHER PARTY; AND

(3) ALL CURRENTLY AVAILABLE INSURANCE COVERAGE MUST BE MAINTAINED AND CONTINUED WITHOUT CHANGE IN COVERAGE OR BENEFICIARY DESIGNATION.

IF YOU VIOLATE ANY OF THESE PROVISIONS, YOU WILL BE SUBJECT TO SANCTIONS BY THE COURT.

(4) PARTIES TO A MARRIAGE DISSOLUTION PROCEEDING ~~ARE ENCOURAGED TO ATTEMPT ALTERNATIVE DISPUTE RESOLUTION PURSUANT TO MINNESOTA LAW. ALTERNATIVE DISPUTE RESOLUTION INCLUDES MEDIATION, ARBITRATION, AND OTHER PROCESSES AS SET FORTH IN THE DISTRICT COURT RULES~~ SHALL PARTICIPATE IN A MINIMUM OF TWO HOURS OF MEDIATION WITHIN 60 DAYS OF COMMENCEMENT OF A DIVORCE ACTION BY SERVICE OF THIS SUMMONS, UNLESS THE PARTIES FILE A SIGNED MARITAL TERMINATION AGREEMENT WITH THE COURT DURING THAT TIME OR DO NOT HAVE THE MEANS TO DEFRAY THE COST OF THE MEDIATION. YOU MAY CONTACT THE COURT ADMINISTRATOR ABOUT RESOURCES IN YOUR AREA. IF YOU CANNOT PAY FOR MEDIATION OR ALTERNATIVE DISPUTE RESOLUTION, IN SOME COUNTIES, ASSISTANCE MAY BE AVAILABLE TO YOU THROUGH A NONPROFIT PROVIDER OR A COURT PROGRAM. IF YOU ARE A VICTIM OF DOMESTIC ABUSE OR THREATS OF ABUSE AS DEFINED IN MINNESOTA STATUTES, CHAPTER 518B, YOU ARE NOT REQUIRED TO TRY MEDIATION AND YOU WILL NOT BE PENALIZED BY THE COURT IN LATER PROCEEDINGS.

(b) Upon service of the summons, the restraining provisions contained in the notice apply by operation of law upon both parties until modified by further order of the court or dismissal of the proceeding, unless more than one year has passed since the last document was filed with the court.

Sec. 12. Minnesota Statutes 2004, section 518.1705, subdivision 4, is amended to read:

Subd. 4. **Custody designation.** ~~A final judgment and decree that includes a parenting plan using alternate terms to designate decision-making responsibilities or allocation of residential time between the parents must designate whether the parents have joint legal custody or joint physical custody or which parent has sole legal custody or sole physical custody, or both. This designation is solely for enforcement of the final judgment and decree where this designation is required for that enforcement and has no effect under the laws of this state, any other state, or another country that do not require this designation.~~ A parenting plan is not required to designate sole or joint legal or physical custody. If the parenting plan substitutes other terms for legal and physical custody or does not make a designation and a designation of legal and physical custody is necessary for enforcement of the judgment and decree in another jurisdiction, it must be considered solely for that purpose that the parents have joint legal and joint physical custody.

Sec. 13. Minnesota Statutes 2004, section 518.1705, subdivision 7, is amended to read:

Subd. 7. **Moving the child to another state.** Parents may agree~~, but the court must not require, that in a parenting plan the factors in section 518.17 or 257.025, as applicable,~~ upon the legal standard that will govern a decision concerning removal of a child's residence from this state, provided that:

(1) both parents were represented by counsel when the parenting plan was approved; or

(2) the court found the parents were fully informed, the agreement was voluntary, and the parents were aware of its implications.

Sec. 14. Minnesota Statutes 2004, section 518.175, subdivision 3, is amended to read:

Subd. 3. **Move to another state.** (a) The parent with whom the child resides shall not move the residence of the child to another state except upon order of the court or with the consent of the other parent, if the other parent has been given parenting time by the decree. If the purpose of the move is to interfere with parenting time given to the other parent by the decree, the court shall not permit the child's residence to be moved to another state.

(b) The court shall apply a best interests standard when considering the request of the parent with whom the child resides to move the child's residence to another state. The factors the court must consider in determining the child's best interests include, but are not limited to:

(1) the nature, quality, extent of involvement, and duration of the child's relationship with the person proposing to relocate and with the nonrelocating person, siblings, and other significant persons in the child's life;

(2) the age, developmental stage, needs of the child, and the likely impact the relocation will have on the child's physical, educational, and emotional development, taking into consideration special needs of the child;

(3) the feasibility of preserving the relationship between the nonrelocating person and the child through suitable parenting time arrangements, considering the logistics and financial circumstances of the parties;

(4) the child's preference, taking into consideration the age and maturity of the child;

(5) whether there is an established pattern of conduct of the person seeking the relocation either to promote or thwart the relationship of the child and the nonrelocating person;

(6) whether the relocation of the child will enhance the general quality of the life for both the custodial parent seeking the relocation and the child including, but not limited to, financial or emotional benefit or educational opportunity;

(7) the reasons of each person for seeking or opposing the relocation; and

(8) the effect on the safety and welfare of the child, or of the parent requesting to move the

child's residence, of domestic abuse, as defined in section 518B.01.

(c) The burden of proof is upon the parent requesting to move the residence of the child to another state, except that if the court finds that the person requesting permission to move has been a victim of domestic abuse by the other parent, the burden of proof is upon the parent opposing the move. The court must consider all of the factors in this subdivision in determining the best interests of the child.

Sec. 15. Minnesota Statutes 2004, section 518.179, is amended by adding a subdivision to read:

Subd. 1a. **Custody of nonbiological child.** A person convicted of a crime described in subdivision 2 may not be considered for custody of a child unless the child is the person's child by birth or adoption.

Sec. 16. Minnesota Statutes 2004, section 518.18, is amended to read:

518.18 MODIFICATION OF ORDER.

(a) Unless agreed to in writing by the parties, no motion to modify a custody order or parenting plan may be made earlier than one year after the date of the entry of a decree of dissolution or legal separation containing a provision dealing with custody, except in accordance with paragraph (c).

(b) If a motion for modification has been heard, whether or not it was granted, unless agreed to in writing by the parties no subsequent motion may be filed within two years after disposition of the prior motion on its merits, except in accordance with paragraph (c).

(c) The time limitations prescribed in paragraphs (a) and (b) shall not prohibit a motion to modify a custody order or parenting plan if the court finds that there is persistent and willful denial or interference with parenting time, or has reason to believe that the child's present environment may endanger the child's physical or emotional health or impair the child's emotional development.

(d) If the court has jurisdiction to determine child custody matters, the court shall not modify a prior custody order or a parenting plan provision which specifies the child's primary residence unless it finds, upon the basis of facts, including unwarranted denial of, or interference with, a duly established parenting time schedule, that have arisen since the prior order or that were unknown to the court at the time of the prior order, that a change has occurred in the circumstances of the child or the parties and that the modification is necessary to serve the best interests of the child. In applying these standards the court shall retain the custody arrangement or the parenting plan provision specifying the child's primary residence that was established by the prior order unless:

(i) the court finds that a change in the custody arrangement or primary residence is in the best interests of the child and the parties previously agreed, in a writing approved by a court, to apply the best interests standard in section 518.17 or 257.025, as applicable; and, with respect to agreements approved by a court on or after April 28, 2000, both parties were represented by counsel when the agreement was approved or the court found the parties were fully informed, the agreement was voluntary, and the parties were aware of its implications;

(ii) both parties agree to the modification;

(iii) the child has been integrated into the family of the petitioner with the consent of the other party; ~~or~~

(iv) the child's present environment endangers the child's physical or emotional health or impairs the child's emotional development and the harm likely to be caused by a change of environment is outweighed by the advantage of a change to the child; or

(v) the court has denied a request of the primary custodial parent to move the residence of the child to another state, and the primary custodial parent has relocated to another state despite the court's order.

In addition, a court may modify a custody order or parenting plan under section 631.52.

(e) In deciding whether to modify a prior joint custody order, the court shall apply the standards set forth in paragraph (d) unless: (1) the parties agree in writing to the application of a different standard, or (2) the party seeking the modification is asking the court for permission to move the residence of the child to another state.

(f) If a parent has been granted sole physical custody of a minor and the child subsequently lives with the other parent, and temporary sole physical custody has been approved by the court or by a court-appointed referee, the court may suspend the obligor's child support obligation pending the final custody determination. The court's order denying the suspension of child support must include a written explanation of the reasons why continuation of the child support obligation would be in the best interests of the child.

Sec. 17. Minnesota Statutes 2004, section 518.191, subdivision 2, is amended to read:

Subd. 2. **Required information.** A summary real estate disposition judgment must contain the following information: (1) the full caption and file number of the case and the title "Summary Real Estate Disposition Judgment"; (2) the dates of the parties' marriage and of the entry of the judgment and decree of dissolution; (3) the names of the parties' attorneys or if either or both appeared pro se; (4) the name of the judge and referee, if any, who signed the order for judgment and decree; (5) whether the judgment and decree resulted from a stipulation, a default, or a trial and the appearances at the default or trial; (6) if the judgment and decree resulted from a stipulation, whether disposition of the property was stipulated to by legal description; (7) if the judgment and decree resulted from a default, whether the petition contained the legal description of the property and disposition was made in accordance with the request for relief, and service of the summons and petition was made personally pursuant to the Rules of Civil Procedure, Rule 4.03(a), or section 543.19; (8) whether either party changed the party's name through the judgment and decree; ~~(7)~~ (9) the legal description of each parcel of real estate; ~~(8)~~ (10) the name or names of the persons awarded an interest in each parcel of real estate and a description of the interest awarded; ~~(9)~~ (11) liens, mortgages, encumbrances, or other interests in the real estate described in the judgment and decree; and ~~(10)~~ (12) triggering or contingent events set forth in the judgment and decree affecting the disposition of each parcel of real estate.

Sec. 18. Minnesota Statutes 2004, section 518.58, subdivision 4, is amended to read:

Subd. 4. **Pension plans.** (a) The division of marital property that represents pension plan benefits or rights in the form of future pension plan payments:

(1) is payable only to the extent of the amount of the pension plan benefit payable under the terms of the plan;

(2) is not payable for a period that exceeds the time that pension plan benefits are payable to the pension plan benefit recipient;

(3) is not payable in a lump sum amount from defined benefit pension plan assets attributable in any fashion to a spouse with the status of an active member, deferred retiree, or benefit recipient of a pension plan;

(4) if the former spouse to whom the payments are to be made dies prior to the end of the specified payment period with the right to any remaining payments accruing to an estate or to more than one survivor, is payable only to a trustee on behalf of the estate or the group of survivors for subsequent apportionment by the trustee; and

(5) in the case of defined benefit public pension plan benefits or rights, may not commence until the public plan member submits a valid application for a public pension plan benefit and the benefit becomes payable.

(b) The individual retirement account plans established under chapter 354B may provide in

its plan document, if published and made generally available, for an alternative marital property division or distribution of individual retirement account plan assets. If an alternative division or distribution procedure is provided, it applies in place of paragraph (a), clause (5).

Sec. 19. Minnesota Statutes 2005 Supplement, 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) "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 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.

(b) "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 substantial child endangerment, and for reports of maltreatment in facilities required to be licensed under chapter 245A or 245B; under sections 144.50 to 144.58 and 241.021; in a school as defined in sections 120A.05, subdivisions 9, 11, and 13, and 124D.10; or in a nonlicensed personal care provider association as defined in sections 256B.04, subdivision 16, and 256B.0625, subdivision 19a.

(c) "Substantial child endangerment" means a person responsible for a child's care, a person who has a significant relationship to the child as defined in section 609.341, or a person in a position of authority as defined in section 609.341, who 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) sexual abuse as defined in paragraph (d);

(3) abandonment under section 260C.301, subdivision 2;

(4) neglect as defined in paragraph (f), 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;

(5) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;

(6) manslaughter in the first or second degree under section 609.20 or 609.205;

(7) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;

(8) solicitation, inducement, and promotion of prostitution under section 609.322;

(9) criminal sexual conduct under sections 609.342 to 609.3451;

(10) solicitation of children to engage in sexual conduct under section 609.352;

(11) malicious punishment or neglect or endangerment of a child under section 609.377 or 609.378;

(12) use of a minor in sexual performance under section 617.246; or

(13) parental behavior, status, or condition which mandates that the county attorney file a termination of parental rights petition under section 260C.301, subdivision 3, paragraph (a).

(d) "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). 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. Sexual abuse includes threatened sexual abuse.

(e) "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.

(f) "Neglect" 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, or medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance;

(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; or

(10) allowing a child to enter into a marriage in violation of section 517.02, or otherwise allowing solemnization of a marriage in accordance with the form and usage of a particular religion or culture in violation of these provisions, regardless of whether the marriage is solemnized in a manner authorized under chapter 517.

(g) "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 121A.67 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 that are done in anger or without regard to the safety of the child:

(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) 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;

(9) unreasonable physical confinement or restraint not permitted under section 609.379, including but not limited to tying, caging, or chaining; or

(10) 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.

(h) "Report" means any report received by the local welfare agency, police department, county sheriff, or agency responsible for assessing or investigating maltreatment pursuant to this section.

(i) "Facility" means a licensed or unlicensed day care facility, 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 245B; or a school as defined in sections 120A.05, subdivisions 9, 11, and 13; and 124D.10; or a nonlicensed personal care provider organization as defined in sections 256B.04, subdivision 16, and 256B.0625, subdivision 19a.

(j) "Operator" means an operator or agency as defined in section 245A.02.

(k) "Commissioner" means the commissioner of human services.

(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) "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.

(n) "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 (e), 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, 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 section 260C.201, subdivision 11, paragraph (d), clause (1), or a similar law of another jurisdiction.

(o) 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. 20. Minnesota Statutes 2005 Supplement, section 626.556, subdivision 3, is amended to read:

Subd. 3. **Persons mandated to report.** (a) A person who knows or has reason to believe a child is being neglected or physically or sexually abused, as defined in subdivision 2, or has been neglected or physically or sexually abused within the preceding three years, shall immediately report the information to the local welfare agency, agency responsible for assessing or investigating the report, police department, or the county sheriff if the person is:

(1) a professional or professional's delegate who is engaged in the practice of the healing arts, social services, hospital administration, psychological or psychiatric treatment, child care, education, correctional supervision, probation and correctional services, or law enforcement; ~~or~~

(2) employed as a member of the clergy and received the information while engaged in ministerial duties, provided that a member of the clergy is not required by this subdivision to report information that is otherwise privileged under section 595.02, subdivision 1, paragraph (c); or

(3) a person who has authority to solemnize a marriage under chapter 517, who has received information regarding neglect, as defined in subdivision 2, paragraph (f), clause (10), while engaged in the performance of that function.

The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency or agency responsible for assessing or investigating the report, orally and in writing. The local welfare agency, or agency responsible for assessing or investigating the report, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing. The county sheriff and the head of every local welfare agency, agency responsible for assessing or investigating reports, and police department shall each designate a person within their agency, department, or office who is responsible for ensuring that the

notification duties of this paragraph and paragraph (b) are carried out. Nothing in this subdivision shall be construed to require more than one report from any institution, facility, school, or agency.

(b) Any person may voluntarily report to the local welfare agency, agency responsible for assessing or investigating the report, police department, or the county sheriff if the person knows, has reason to believe, or suspects a child is being or has been neglected or subjected to physical or sexual abuse. The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency or agency responsible for assessing or investigating the report, orally and in writing. The local welfare agency or agency responsible for assessing or investigating the report, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing.

(c) A person mandated to report physical or sexual child abuse or neglect occurring within a licensed facility shall report the information to the agency responsible for licensing the facility under sections 144.50 to 144.58; 241.021; 245A.01 to 245A.16; or chapter 245B; or a nonlicensed personal care provider organization as defined in sections 256B.04, subdivision 16; and 256B.0625, subdivision 19. A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to subdivisions 10, 10a, and 10b. A board or other entity whose licensees perform work within a school facility, upon receiving a complaint of alleged maltreatment, shall provide information about the circumstances of the alleged maltreatment to the commissioner of education. Section 13.03, subdivision 4, applies to data received by the commissioner of education from a licensing entity.

(d) Any person mandated to report shall receive a summary of the disposition of any report made by that reporter, including whether the case has been opened for child protection or other services, or if a referral has been made to a community organization, unless release would be detrimental to the best interests of the child. Any person who is not mandated to report shall, upon request to the local welfare agency, receive a concise summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child.

(e) For purposes of this subdivision, "immediately" means as soon as possible but in no event longer than 24 hours."

Amend the title accordingly

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

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

S.F. No. 1426: A bill for an act relating to environment; adopting the Uniform Environmental Covenants Act; amending Minnesota Statutes 2004, section 115B.17, subdivision 15; proposing coding for new law as Minnesota Statutes, chapter 114D.

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

Delete everything after the enacting clause and insert:

"Section 1. **[114D.01] SHORT TITLE.**

This chapter may be cited as the Uniform Environmental Covenants Act.

Sec. 2. **[114D.05] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of this chapter, the definitions in this subdivision have the meanings given.

Subd. 2. **Activity and use limitations.** "Activity and use limitations" means restrictions or obligations with respect to real property that are associated with an environmental response project.

Subd. 3. **Common interest community.** "Common interest community" means a common interest community as defined in chapter 515B.

Subd. 4. **Environmental agency.** "Environmental agency" means the Pollution Control Agency, Agriculture Department, or another state or federal agency that determines or approves the environmental response project pursuant to which the environmental covenant is created.

Subd. 5. **Environmental covenant.** "Environmental covenant" means a servitude created under this chapter that imposes activity and use limitations.

Subd. 6. **Environmental response project.** "Environmental response project" means a plan or work performed to clean up, eliminate, investigate, minimize, mitigate, or prevent the release or threatened release of contaminants affecting real property in order to protect public health or welfare or the environment, including:

(1) response or corrective actions under federal or state law, including chapters 115B, 115C, 115E, and 116, and the Comprehensive Environmental Response, Compensation and Liability Act, United States Code, title 44, section 9601, et seq.;

(2) corrective actions or response to agricultural chemical incidents under chapters 18B, 18C, 18D, and 18E; and

(3) closure, contingency, or corrective actions required under rules or regulations applicable to waste treatment, storage, or disposal facilities or to above or below ground tanks.

Subd. 7. **Holder.** "Holder" means any person identified as a holder of an environmental covenant as specified in section 114D.10, paragraph (a).

Subd. 8. **Person.** "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, political subdivision or special purpose unit of government, agency, or instrumentality of the state or federal government, or any other legal or commercial entity.

Subd. 9. **Record.** "Record," used as a noun, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

Subd. 10. **Recorded.** "Recorded" means recorded with the county recorder or registrar of title, as applicable, in each county where the real property is located.

Subd. 11. **State.** "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

Sec. 3. **[114D.10] NATURE OF RIGHTS; ROLE OF ENVIRONMENTAL AGENCY; SUBORDINATION OF INTERESTS.**

(a) Any person, including a person that owns an interest in the real property subject to the environmental convenant, the environmental agency, or any other political subdivision or unit of local government, may be a holder. An environmental covenant may identify more than one holder. The interest of a holder is an interest in real property. The holder is the grantee of the real property interest conveyed under an environmental covenant.

(b) Unless an environmental agency is a holder, any right that the agency may have with respect to an environmental covenant does not constitute an interest in real property. Approval of an environmental covenant does not make the environmental agency a holder unless it has authority under law other than this chapter to acquire an interest in real property for purposes related to an environmental response project and it is expressly identified as a holder in the environmental covenant.

(c) An environmental agency is bound by any obligation it assumes in an environmental covenant, but an environmental agency does not assume obligations merely by signing an

environmental covenant. As provided in section 114D.15, an environmental covenant is not valid unless signed by the environmental agency and the environmental agency may set reasonable conditions for its approval of an environmental covenant. Any other person that signs an environmental covenant is bound by the obligations the person expressly assumes in the covenant, but signing the covenant does not change obligations, rights, or protections granted or imposed under law other than this chapter except as provided in the covenant.

(d) The following rules apply to interests in real property in existence at the time an environmental covenant is created or amended:

(1) an interest that has priority under other law is not affected by an environmental covenant unless the person that owns the interest subordinates that interest to the covenant;

(2) this chapter does not require a person that owns a prior interest to subordinate that interest to an environmental covenant or to agree to be bound by the covenant;

(3) a subordination agreement may be contained in an environmental covenant or in a separate record that is recorded. If the environmental covenant covers commonly owned property in a common interest community, the environmental covenant or the subordination agreement may be signed by any person authorized by the governing board of the owners' association; and

(4) an agreement by a person to subordinate a prior interest to an environmental covenant affects the priority of that person's interest but does not by itself impose any affirmative obligation on the person with respect to the environmental covenant.

Sec. 4. **[114D.15] CONTENTS OF ENVIRONMENTAL COVENANT.**

(a) An environmental covenant must:

(1) state on its first page that the instrument is an environmental covenant executed pursuant to this chapter;

(2) contain a legally sufficient description of the real property subject to the covenant;

(3) describe the activity and use limitations on the real property;

(4) identify every holder;

(5) be signed and acknowledged by the environmental agency, every holder, and every owner of the fee simple of the real property subject to the covenant; and

(6) identify the name and location of any administrative record for the environmental response project reflected in the environmental covenant.

(b) In addition to the information required by paragraph (a), an environmental covenant may contain other information, restrictions, and requirements agreed to by the persons who signed it, including any:

(1) requirements for notice of any transfer of a specified interest in, or concerning proposed changes in use of, applications for building permits for, or proposals for any site work affecting the contamination or the environmental response project on, the real property subject to the covenant;

(2) requirements for periodic reporting describing compliance with the covenant;

(3) rights of access to the real property granted in connection with implementation or enforcement of the covenant;

(4) a brief narrative description of the contamination and environmental response project, including the contaminants of concern, the pathways of exposure, limits on exposure, and the location and extent of the contamination;

(5) limitation on amendment or termination of the covenant in addition to those contained in sections 114D.40 and 114D.45; and

(6) rights of the holder in addition to its right to enforce the covenant pursuant to section 114D.50.

(c) The environmental agency may set reasonable conditions for its approval of an environmental covenant, including:

(1) requiring that persons specified by the agency that have interests in the real property also sign the covenant;

(2) requiring that a person who holds a prior interest in the real property subject to the covenant agree to subordinate that interest where applicable;

(3) requiring that a signatory to the covenant waive the right to sign a termination or amendment of the covenant as described in section 114D.45, paragraph (a), clause (3); and

(4) requiring the inclusion within the text of the covenant information, restrictions, or requirements as described in paragraph (b).

Sec. 5. **[114D.20] VALIDITY; EFFECT ON OTHER INSTRUMENTS.**

(a) An environmental covenant created under this chapter runs with the land.

(b) An environmental covenant that is otherwise effective is valid and enforceable even if:

(1) it is not appurtenant to an interest in real property;

(2) it can be or has been assigned to a person other than the original holder;

(3) it is not of a character that has been recognized traditionally at common law;

(4) it imposes a negative burden;

(5) it imposes an affirmative obligation on a person having an interest in the real property or on the holder;

(6) the benefit or burden does not touch or concern real property;

(7) there is no privity of estate or contract;

(8) the holder dies, ceases to exist, resigns, or is replaced; or

(9) the owner of an interest in the real property subject to the environmental covenant and the holder are the same person.

(c) Any instrument that imposes activity and use limitations, including any conservation easement, declaration, restrictive covenant, or similar instrument created before the effective date of this chapter remains valid and enforceable as provided in the law under which it was created. This chapter does not apply in any other respect to such an instrument.

(d) This chapter does not invalidate or render unenforceable any interest, whether designated as an environmental covenant or other interest, that is otherwise enforceable under the law of this state.

Sec. 6. **[114D.25] RELATIONSHIP TO OTHER LAND USE LAW.**

(a) This chapter does not authorize a use of real property that is otherwise prohibited by zoning, by law other than this chapter regulating use of real property, or by a recorded instrument that has priority over the environmental covenant.

(b) An environmental covenant may prohibit or restrict uses of real property which are authorized

by zoning or by law other than this chapter.

(c) An environmental agency that exercises authority under law other than this chapter to require as part of an environmental response project the performance of a response or corrective action that would not otherwise be an authorized use of real property under zoning or other real property law or prior recorded instruments may include such requirement as an affirmative obligation in an environmental covenant.

Sec. 7. **[114D.30] NOTICE.**

(a) A copy of an environmental covenant, and any amendments or notices of termination thereof, must be provided by the persons and in the manner required by the environmental agency to:

(1) each person that signed the covenant or their successor or assign;

(2) each person holding a recorded interest in the real property subject to the covenant;

(3) each person in possession of the real property subject to the covenant;

(4) each political subdivision in which real property subject to the covenant is located; and

(5) any other person the environmental agency requires.

(b) The validity of a covenant is not affected by failure to provide a copy of the covenant as required under this section.

Sec. 8. **[114D.35] RECORDING.**

(a) An environmental covenant and any amendment or termination of the covenant must be recorded with the county recorder or registrar of titles, as applicable, in every county in which any portion of the real property subject to the covenant is located. For purposes of indexing, a holder shall be treated as a grantee.

(b) Except as otherwise provided in section 114D.40, paragraph (f), an environmental covenant is subject to the laws of this state governing recording and priority of interests in real property.

Sec. 9. **[114D.40] DURATION; AMENDMENT BY COURT ACTION.**

(a) An environmental covenant is perpetual unless it is:

(1) by its terms limited to a specific duration or terminated by the occurrence of a specific event;

(2) terminated by consent pursuant to section 114D.45;

(3) terminated pursuant to paragraph (b) or (e);

(4) terminated by foreclosure of an interest that has priority over the environmental covenant; or

(5) terminated or modified in an eminent domain proceeding, but only if:

(i) the environmental agency that signed the covenant is a party to the proceeding;

(ii) all persons identified in paragraph (c) are given notice of the pendency of the proceeding; and

(iii) the court determines, after hearing, that the activity and use limitations subject to termination or modification are no longer required to protect public health or welfare or the environment.

(b) The environmental agency that approved an environmental covenant may determine whether to terminate or reduce the burden on the real property of the covenant if the agency determines that some or all of the activity and use limitations under the covenant are no longer required to protect

public health or welfare or the environment or modify the covenant if the agency determines that modification is required to adequately protect public health or welfare or the environment.

(c) The agency shall provide notice of any proposed action under paragraph (b) to each person with a current recorded interest in the real property subject to the environmental covenant, each holder, all other persons who originally signed the environmental covenant, or their successors or assigns, and any other person with rights or obligations under the covenant. The environmental agency shall provide 30 days for comment on the proposed action by parties entitled to notice. Any person entitled to notice under this paragraph may request a contested case under chapter 14 by making the request in writing within the 30-day comment period. A determination by a state environmental agency under this paragraph is a final agency decision subject to judicial review in the same manner as provided in sections 14.63 to 14.68.

(d) Any person entitled to notice under this subdivision may apply in writing to the environmental agency for a determination under paragraph (b) that an existing covenant be terminated, that the burden of a covenant be reduced, or that covenant be modified. The application must specify the determination sought by the applicant, the reasons why the agency should make the determination, and the information which would support it. If the environmental agency fails to commence a proceeding under paragraph (b) within 60 days of receipt of the application, the applicant may bring a de novo action in the district court for termination, reduction of burden, or modification of the environmental covenant pursuant to paragraph (e).

(e) The district court for the county in which the real property subject to an environmental covenant is located may, under the doctrine of changed circumstances, terminate the covenant, reduce its burden on the real property, or modify its terms in a de novo action if an environmental agency fails to commence a proceeding within 60 days as provided under paragraph (d). The applicant under paragraph (d) or any other person with an interest in the environmental covenant, including an owner of an interest in the real property, may commence an action under this paragraph. The person commencing the action shall serve notice of the action on the environmental agency and any person entitled to notice under paragraph (c). The court shall terminate, reduce the burden of, or modify the environmental covenant if the court determines that the person bringing the action shows that some or all of the activity and use limitations under the covenant do not, or are no longer required to, protect public health or welfare or the environment.

(f) An environmental covenant may not be extinguished, limited, or impaired through issuance of a tax deed, foreclosure of a tax lien, or application of the doctrine of adverse possession, prescription, abandonment, waiver, lack of enforcement, or acquiescence, or a similar doctrine.

(g) An environmental covenant may not be extinguished, limited, or impaired by application of section 500.20 or 541.023.

Sec. 10. **[114D.45] AMENDMENT OR TERMINATION BY CONSENT.**

(a) An environmental covenant may be amended or terminated by consent only if the amendment or termination is signed by:

(1) the environmental agency;

(2) the current owner of the fee simple of the real property subject to the covenant;

(3) every other original signatory to the covenant, or their successor or assign, unless:

(i) the person waived the right to consent to termination or modification in the environmental covenant or another signed and acknowledged record that is recorded;

(ii) the person fails to respond within 60 days to a notice requesting the person's consent to amendment or termination, when the notice was mailed by certified mail to the person's last known address, as obtained from the United States Postal Service; or

(iii) a court finds that the person no longer exists or cannot be located or identified with the exercise of reasonable diligence; and

(4) each holder, except as otherwise provided in paragraph (d).

Any person may establish that the notice described in clause (3), item (ii), was properly mailed by recording an affidavit to that effect from a person having knowledge of the facts, and a certified copy of the recorded affidavit shall be prima facie evidence of the facts stated therein.

(b) If an interest in real property is subject to an environmental covenant, the interest is not affected by an amendment of the covenant unless the current owner of the interest consents to the amendment or has waived in the environmental covenant or other signed record the right to consent to amendments.

(c) Except for an assignment undertaken pursuant to a governmental reorganization, or as otherwise provided in the environmental covenant, assignment of an environmental covenant to a new holder is an amendment.

(d) Except as otherwise provided in paragraph (c) or in an environmental covenant:

(1) a holder may not assign its interest without consent of the other parties specified in paragraph (a);

(2) a holder may be removed and replaced by agreement of the other parties specified in paragraph (a); and

(3) a court of competent jurisdiction may fill a vacancy in the position of holder.

Sec. 11. **[114D.50] ENFORCEMENT OF ENVIRONMENTAL COVENANT.**

(a) A civil action for injunctive or other equitable relief for violation of an environmental covenant may be maintained by:

(1) a party to the covenant, including all holders;

(2) the environmental agency that signed the covenant;

(3) any person to whom the covenant expressly grants power to enforce;

(4) a person whose interest in the real property or whose collateral or liability may be affected by the alleged violation of the covenant; or

(5) a political subdivision in which the real property subject to the covenant is located.

(b) This chapter does not limit the regulatory authority of the environmental agency under law other than this chapter with respect to an environmental response project.

(c) A person is not responsible for or subject to liability arising from a release or threatened release of contamination into the environment, or for remediation costs attendant thereto, solely because it has signed, holds rights to, or otherwise has the right to enforce an environmental covenant.

Sec. 12. **[114D.60] UNIFORMITY OF APPLICATION AND CONSTRUCTION.**

In applying and construing this chapter, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

Sec. 13. **[114D.65] RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT.**

This chapter modifies, limits, or supersedes the federal Electronic Signatures in Global and

National Commerce Act, United States Code, title 15, section 7001 et seq., but does not modify, limit, or supersede section 101 of that act, United States Code, title 15, section 7001(a), or authorize electronic delivery of any of the notices described in section 103 of that act, United States Code, title 15, section 7003(b).

Sec. 14. Minnesota Statutes 2004, section 115.072, is amended to read:

115.072 RECOVERY OF LITIGATION COSTS AND EXPENSES.

In any action brought by the attorney general, in the name of the state, pursuant to the provisions of this chapter and chapters 114C, 114D, and 116, for civil penalties, injunctive relief, or in an action to compel compliance, if the state shall finally prevail, and if the proven violation was willful, the state, in addition to other penalties provided in this chapter, may be allowed an amount determined by the court to be the reasonable value of all or a part of the litigation expenses incurred by the state. In determining the amount of such litigation expenses to be allowed, the court shall give consideration to the economic circumstances of the defendant.

Amounts recovered under the provisions of this section and section 115.071, subdivisions 3 to 5, shall be paid into the environmental fund in the state treasury to the extent provided in section 115.073.

Sec. 15. Minnesota Statutes 2004, section 115B.17, subdivision 15, is amended to read:

Subd. 15. **Acquisition of property.** The agency may acquire, by purchase or donation, ~~an interest~~ interests in real property, including easements, ~~restrictive~~ environmental covenants under chapter 114D, and leases, that the agency determines ~~is~~ are necessary for response action. ~~The validity and duration of a restrictive covenant or nonpossessory easement acquired under this subdivision shall be determined in the same manner as the validity and duration of a conservation easement under chapter 84C, unless the duration is otherwise provided in the agreement.~~ The agency may acquire an easement by condemnation only if the agency is unable, after reasonable efforts, to acquire an interest in real property by purchase or donation. The provisions of chapter 117 govern condemnation proceedings by the agency under this subdivision. A donation of an interest in real property to the agency is not effective until the agency executes a certificate of acceptance. The state is not liable under this chapter solely as a result of acquiring an interest in real property under this subdivision. Agency approval of an environmental covenant under chapter 114D is sufficient evidence of acceptance of an interest in real property where the agency is expressly identified as a holder in the covenant."

Amend the title accordingly

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

Senator Scheid from the Committee on Commerce, to which was referred

S.F. No. 3256: A bill for an act relating to liquor; prohibiting alcohol without liquid devices; proposing coding for new law in Minnesota Statutes, chapter 340A.

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

Page 1, line 12, before "Except" insert "(a)"

Page 1, after line 14, insert:

"(b) Except as provided in subdivision 3, it is unlawful for any person or business establishment to utilize a nebulizer, inhaler, or atomizer or other device as described in subdivision 1, for the purposes of inhaling alcoholic beverages."

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

Senator Scheid from the Committee on Commerce, to which was referred

S.F. No. 3026: A bill for an act relating to insurance; authorizing service cooperatives to offer health reinsurance programs; allowing local units of government to participate in the programs; amending Minnesota Statutes 2004, sections 123A.21, subdivision 7; 471.61, by adding a subdivision; 471.617, subdivision 3, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 123A.21, subdivision 7, is amended to read:

Subd. 7. **Educational programs and services.** The board of directors of each SC shall submit annually a plan to the members. The plan shall identify the programs and services which are suggested for implementation by the SC during the following year and shall contain components of long-range planning determined by the SC. These programs and services may include, but are not limited to, the following areas:

(1) administrative services;

(2) curriculum development;

(3) data processing;

(4) distance learning and other telecommunication services;

(5) evaluation and research;

(6) staff development;

(7) media and technology centers;

(8) publication and dissemination of materials;

(9) pupil personnel services;

(10) planning;

(11) secondary, postsecondary, community, adult, and adult vocational education;

(12) teaching and learning services, including services for students with special talents and special needs;

(13) employee personnel services;

(14) vocational rehabilitation;

(15) health, diagnostic, and child development services and centers;

(16) leadership or direction in early childhood and family education;

(17) community services;

(18) shared time programs;

(19) fiscal services and risk management programs, <u>including health insurance programs providing reinsurance or stop loss coverage</u>;

(20) technology planning, training, and support services;

(21) health and safety services;

(22) student academic challenges; and

(23) cooperative purchasing services.

An SC is subject to regulation and oversight by the commissioner of commerce under the insurance laws of this state when operating a health reinsurance program pursuant to clause (19) providing reinsurance or stop loss coverage.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment."

Amend the title accordingly

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

Senator Scheid from the Committee on Commerce, to which was referred

S.F. No. 2524: A bill for an act relating to homeowner's insurance; regulating coverage for home-based adult foster care services; proposing coding for new law in Minnesota Statutes, chapter 65A.

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

Delete everything after the enacting clause and insert:

"Section 1. **[65A.301] ADULT FOSTER CARE SERVICES; COVERAGE.**

Subdivision 1. **No coverage.** There shall be no coverage under a foster care for adults provider's homeowner's insurance policy for losses or damages arising out of the operation of foster care for adults services unless:

(1) specifically covered in a policy; or

(2) covered by a rider for business coverage attached to a policy.

For purposes of this section, "foster care for adults" has the meaning given in section 245A.02, subdivision 6c.

Subd. 2. **Prohibited underwriting practices.** No insurer shall refuse to renew, or decline to offer or write, homeowner's insurance coverage solely because the property to be covered houses foster care for adults services for five or fewer adult residents."

Amend the title accordingly

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

Senator Betzold from the Committee on Judiciary, to which was referred

S.F. No. 3199: A bill for an act relating to family law; changing certain child support and maintenance provisions; amending Minnesota Statutes 2004, section 518.551, subdivision 6, by adding a subdivision; Laws 2005, chapter 164, sections 4; 5, subdivisions 4a, 8, 15, 18; 8; 10; 14; 15; 16; 18; 20; 21; 22, subdivisions 2, 4, 16, 17, 18; 24; 25; 31; 32; repealing Minnesota Statutes 2004, section 518.54, subdivision 2; Minnesota Statutes 2005 Supplement, section 518.54, subdivision 4a; Laws 2005, chapter 164, section 12.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2005 Supplement, section 518.005, subdivision 6, is amended to read:

Subd. 6. **Filing fee.** The ~~initial pleading~~ first paper filed for a party in all proceedings for dissolution of marriage, legal separation, or annulment or proceedings to establish child support obligations shall be accompanied by a filing fee of $50. The fee is in addition to any other prescribed by law or rule.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 2. Minnesota Statutes 2004, section 518.175, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) In all proceedings for dissolution or legal separation, subsequent to the commencement of the proceeding and continuing thereafter during the minority of the child, the court shall, upon the request of either parent, grant such parenting time on behalf of the child and a parent as will enable the child and the parent to maintain a child to parent relationship that will be in the best interests of the child.

If the court finds, after a hearing, that parenting time with a parent is likely to endanger the child's physical or emotional health or impair the child's emotional development, the court shall restrict parenting time with that parent as to time, place, duration, or supervision and may deny parenting time entirely, as the circumstances warrant. The court shall consider the age of the child and the child's relationship with the parent prior to the commencement of the proceeding.

A parent's failure to pay support because of the parent's inability to do so shall not be sufficient cause for denial of parenting time.

(b) The court may provide that a law enforcement officer or other appropriate person will accompany a party seeking to enforce or comply with parenting time.

(c) Upon request of either party, to the extent practicable an order for parenting time must include a specific schedule for parenting time, including the frequency and duration of visitation and visitation during holidays and vacations, unless parenting time is restricted, denied, or reserved.

(d) The court administrator shall provide a form for a pro se motion regarding parenting time disputes, which includes provisions for indicating the relief requested, an affidavit in which the party may state the facts of the dispute, and a brief description of the parenting time expeditor process under section 518.1751. The form may not include a request for a change of custody. The court shall provide instructions on serving and filing the motion.

(e) In the absence of other evidence, there is a rebuttable presumption that a parent is entitled to receive at least 25 percent of the parenting time for the child. For purposes of this paragraph, the percentage of parenting time may be determined by calculating the number of overnights that a child spends with a parent or by using a method other than overnights if the parent has significant time periods on separate days when the child is in the parent's physical custody but does not stay overnight. The court may consider the age of the child in determining whether a child is with a parent for a significant period of time.

Sec. 3. Minnesota Statutes 2004, section 518.551, is amended by adding a subdivision to read:

Subd. 1a. **Scope; payment to public authority.** (a) This section applies to all proceedings involving a support order, including, but not limited to, a support order establishing an order for past support or reimbursement of public assistance.

(b) The court shall direct that all payments ordered for maintenance or support be made to the public authority responsible for child support enforcement so long as the obligee is receiving or has applied for public assistance, or has applied for child support or maintenance collection services. Public authorities responsible for child support enforcement may act on behalf of other

public authorities responsible for child support enforcement, including the authority to represent the legal interests of or execute documents on behalf of the other public authority in connection with the establishment, enforcement, and collection of child support, maintenance, or medical support, and collection on judgments.

(c) Payments made to the public authority other than payments under section 518.6111 must be credited as of the date the payment is received by the central collections unit.

(d) Monthly amounts received by the public agency responsible for child support enforcement from the obligor that are greater than the monthly amount of public assistance granted to the obligee must be remitted to the obligee.

Sec. 4. Minnesota Statutes 2004, section 518.551, subdivision 6, is amended to read:

Subd. 6. **Failure of notice.** If the court in a dissolution, legal separation or determination of parentage proceeding, finds before issuing the order for judgment and decree, that notification has not been given to the public authority, the court shall set child support ~~according to the guidelines in subdivision 5~~ as provided in Laws 2005, chapter 164, section 26. In those proceedings in which no notification has been made pursuant to this section and in which the public authority determines that the judgment is lower than the child support required by the guidelines in subdivision 5, it shall move the court for a redetermination of the support payments ordered so that the support payments comply with the guidelines.

Sec. 5. Minnesota Statutes 2004, section 518.5513, subdivision 3, is amended to read:

Subd. 3. **Contents of pleadings.** (a) In cases involving establishment or modification of a child support order, the initiating party shall include the following information, if known, in the pleadings:

(1) names, addresses, and dates of birth of the parties;

(2) Social Security numbers of the parties and the minor children of the parties, which information shall be considered private information and shall be available only to the parties, the court, and the public authority;

(3) other support obligations of the obligor;

(4) names and addresses of the parties' employers;

(5) ~~net~~ gross income of the parties as ~~defined~~ calculated in section ~~518.551, subdivision 5, with the authorized deductions itemized~~ 518.7123;

(6) amounts and sources of any other earnings and income of the parties;

(7) health insurance coverage of parties;

(8) types and amounts of public assistance received by the parties, including Minnesota family investment plan, child care assistance, medical assistance, MinnesotaCare, title IV-E foster care, or other form of assistance as defined in section 256.741, subdivision 1; and

(9) any other information relevant to the ~~determination~~ computation of the child ~~or medical~~ support obligation under section ~~518.171 or 518.551, subdivision 5~~ 518.713.

(b) For all matters scheduled in the expedited process, whether or not initiated by the public authority, the nonattorney employee of the public authority shall file with the court and serve on the parties the following information:

(1) information pertaining to the income of the parties available to the public authority from the Department of Employment and Economic Development;

(2) a statement of the monthly amount of child support, medical support, child care, and arrears

currently being charged the obligor on Minnesota IV-D cases;

(3) a statement of the types and amount of any public assistance, as defined in section 256.741, subdivision 1, received by the parties; and

(4) any other information relevant to the determination of support that is known to the public authority and that has not been otherwise provided by the parties.

The information must be filed with the court or child support magistrate at least five days before any hearing involving child support, medical support, or child care reimbursement issues.

Sec. 6. **[518.7124] POTENTIAL INCOME.**

Subdivision 1. **General.** If a parent is voluntarily unemployed, underemployed, or employed on a less than full-time basis, or there is no direct evidence of any income, child support must be calculated based on a determination of potential income. For purposes of this determination, it is rebuttably presumed that a parent can be gainfully employed on a full-time basis. As used in this section, "full time" means 40 hours of work in a week except in those industries, trades, or professions in which most employers, due to custom, practice, or agreement, use a normal work week of more or less than 40 hours in a week.

Subd. 2. **Methods.** Determination of potential income must be made according to one of three methods, as appropriate:

(1) the parent's probable earnings level based on employment potential, recent work history, and occupational qualifications in light of prevailing job opportunities and earnings levels in the community;

(2) if a parent is receiving unemployment compensation or workers' compensation, that parent's income may be calculated using the actual amount of the unemployment compensation or workers' compensation benefit received; or

(3) the amount of income a parent could earn working full time at 150 percent of the current federal or state minimum wage, whichever is higher.

Subd. 3. **Parent not considered voluntarily unemployed or underemployed.** A parent is not considered voluntarily unemployed or underemployed upon a showing by the parent that:

(1) unemployment or underemployment is temporary and will ultimately lead to an increase in income;

(2) the unemployment or underemployment represents a bona fide career change that outweighs the adverse effect of that parent's diminished income on the child; or

(3) the parent is unable to work full time due to a verified disability or due to incarceration.

Subd. 4. **TANF recipient.** If the parent of a joint child is a recipient of a temporary assistance to a needy family (TANF) cash grant, no potential income is to be imputed to that parent.

Subd. 5. **Caretaker.** If a parent stays at home to care for a child who is subject to the child support order, the court may consider the following factors when determining whether the parent is voluntarily unemployed or underemployed:

(1) the parties' parenting and child care arrangements before the child support action;

(2) the stay-at-home parent's employment history, recency of employment, earnings, and the availability of jobs within the community for an individual with the parent's qualifications;

(3) the relationship between the employment-related expenses, including, but not limited to, child care and transportation costs required for the parent to be employed, and the income the stay-at-home parent could receive from available jobs within the community for an individual with

the parent's qualifications;

(4) the child's age and health, including whether the child is physically or mentally disabled; and

(5) the availability of child care providers.

This paragraph does not apply if the parent stays at home only to care for other nonjoint children.

Subd. 6. **Economic conditions.** A self-employed parent is not considered to be voluntarily unemployed or underemployed if that parent can show that the parent's net self-employment income is lower because of economic conditions.

Sec. 7. Laws 2005, chapter 164, section 4, is amended to read:

Sec. 4. **[518.1781] SIX-MONTH REVIEW.**

(a) A request for a six-month review hearing form must be attached to a decree of dissolution or legal separation or an order that initially establishes child custody, parenting time, or ~~support rights and obligations of parents~~ an amount of child support. The state court administrator is requested to prepare the request for review hearing form. The form must include a notice, in bold print, stating: Your failure to appear at this hearing may cause the court to order your appearance and may subject you to contempt of court. The form must include information regarding the procedures for requesting a hearing, the purpose of the hearing, and any other information regarding a hearing under this section that the state court administrator deems necessary.

(b) The six-month review hearing shall be held if any party submits a written request for a hearing within six months after entry of a decree of dissolution or legal separation or order that establishes child custody, parenting time, or support.

(c) Upon receipt of a completed request for hearing form, the court administrator shall provide notice of the hearing to all other parties and the public authority. The court administrator shall schedule the six-month review hearing as soon as practicable following the receipt of the hearing request form. If the hearing request raises parenting time issues, the court administrator shall schedule the hearing before a district court judge.

(d) At the six-month hearing, the court ~~must~~ may review:

(1) whether child support is current; and

(2) whether both parties are complying with the parenting time provisions of the order.

The court must not modify custody or parenting time or child support orders at the hearing.

(e) At the six-month hearing, the obligor has the burden to present evidence to establish that child support payments are current. A party may request that the public authority provide information to the parties and court regarding child support payments. A party must request the information from the public authority at least 14 days before the hearing. The commissioner of human services must develop a form to be used by the public authority to submit child support payment information to the parties and court.

(f) Contempt of court and all statutory remedies for child support and parenting time enforcement may be imposed by the court at the six-month hearing for noncompliance by either party pursuant to ~~chapters 517C and~~ this chapter or chapter 588 and the Minnesota Court Rules, except that contempt of court powers may only be used against a party who appears at the hearing. If a party does not appear, the court may issue an order to show cause if the moving party has presented a sufficient factual basis to establish contempt.

(g) ~~A request for a six-month review hearing form must be attached to a decree or order that initially establishes child support rights and obligations according to section 517A.29.~~ The court shall conduct the six-month hearing as an informal proceeding at which the court may make

appropriate inquiries to assure that the parties are complying with child support and parenting time orders. The court may take testimony only for purposes of a contempt of court finding.

Sec. 8. Laws 2005, chapter 164, section 5, is amended to read:

Sec. 5. Minnesota Statutes 2004, section 518.54, is amended to read:

518.54 **DEFINITIONS.**

Subdivision 1. **Terms.** For the purposes of sections 518.54 to 518.773, the terms defined in this section shall have the meanings respectively ascribed to them.

Subd. 2. **Child.** "Child" means an individual under 18 years of age, an individual under age 20 who is still attending secondary school, or an individual who, by reason of physical or mental condition, is incapable of self-support.

Subd. 2a. **Deposit account.** "Deposit account" means funds deposited with a financial institution in the form of a savings account, checking account, NOW account, or demand deposit account.

Subd. 2b. **Financial institution.** "Financial institution" means a savings association, bank, trust company, credit union, industrial loan and thrift company, bank and trust company, or savings association, and includes a branch or detached facility of a financial institution.

Subd. 3. **Maintenance.** "Maintenance" means an award made in a dissolution or legal separation proceeding of payments from the future income or earnings of one spouse for the support and maintenance of the other.

Subd. 4. **Support money; child support.** "Support money" or "child support" means an amount for basic support, child care support, and medical support pursuant to:

(1) an award in a dissolution, legal separation, annulment, or parentage proceeding for the care, support and education of any child of the marriage or of the parties to the proceeding;

(2) a contribution by parents ordered under section 256.87; or

(3) support ordered under chapter 518B or 518C.

Subd. 4a. **Support order.** (a) "Support order" means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or administrative agency of competent jurisdiction~~,~~:

(1) for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing state~~, or~~;

(2) for a child and the parent with whom the child is living, that provides for monetary support, child care, medical support including expenses for confinement and pregnancy, arrearages, or reimbursement~~, and that~~; or

(3) for the maintenance of a spouse or former spouse.

(b) The support order may include related costs and fees, interest and penalties, income withholding, and other relief. This definition applies to orders issued under this chapter and chapters 256, 257, and 518C.

Subd. 5. **Marital property; exceptions.** "Marital property" means property, real or personal, including vested public or private pension plan benefits or rights, acquired by the parties, or either of them, to a dissolution, legal separation, or annulment proceeding at any time during the existence of the marriage relation between them, or at any time during which the parties were living together as husband and wife under a purported marriage relationship which is annulled in an annulment

proceeding, but prior to the date of valuation under section 518.58, subdivision 1. All property acquired by either spouse subsequent to the marriage and before the valuation date is presumed to be marital property regardless of whether title is held individually or by the spouses in a form of co-ownership such as joint tenancy, tenancy in common, tenancy by the entirety, or community property. Each spouse shall be deemed to have a common ownership in marital property that vests not later than the time of the entry of the decree in a proceeding for dissolution or annulment. The extent of the vested interest shall be determined and made final by the court pursuant to section 518.58. If a title interest in real property is held individually by only one spouse, the interest in the real property of the nontitled spouse is not subject to claims of creditors or judgment or tax liens until the time of entry of the decree awarding an interest to the nontitled spouse. The presumption of marital property is overcome by a showing that the property is nonmarital property.

"Nonmarital property" means property real or personal, acquired by either spouse before, during, or after the existence of their marriage, which

(a) is acquired as a gift, bequest, devise or inheritance made by a third party to one but not to the other spouse;

(b) is acquired before the marriage;

(c) is acquired in exchange for or is the increase in value of property which is described in clauses (a), (b), (d), and (e);

(d) is acquired by a spouse after the valuation date; or

(e) is excluded by a valid antenuptial contract.

Subd. 6. **Income.** "Income" means any form of periodic payment to an individual including, but not limited to, wages, salaries, payments to an independent contractor, workers' compensation, unemployment benefits, annuity, military and naval retirement, pension and disability payments. Benefits received under Title IV-A of the Social Security Act and chapter 256J are not income under this section.

Subd. 7. **Obligee.** "Obligee" means a person to whom payments for maintenance or support are owed.

Subd. 8. **Obligor.** "Obligor" means a person obligated to pay maintenance or support. A person who ~~is designated as the sole physical custodian~~ has primary physical custody of a child is presumed not to be an obligor for purposes of ~~calculating current~~ a child support ~~under section 518.551~~ order under section 518.713, unless section 518.722, subdivision 3, applies or the court makes specific written findings to overcome this presumption. For purposes of ordering medical support under section 518.719, a ~~custodial~~ parent who has primary physical custody of a child may be an obligor subject to ~~a cost-of-living adjustment under section 518.641 and~~ a payment agreement under section 518.553.

Subd. 9. **Public authority.** "Public authority" means the local unit of government, acting on behalf of the state, that is responsible for child support enforcement or the Department of Human Services, Child Support Enforcement Division.

Subd. 10. **Pension plan benefits or rights.** "Pension plan benefits or rights" means a benefit or right from a public or private pension plan accrued to the end of the month in which marital assets are valued, as determined under the terms of the laws or other plan document provisions governing the plan, including section 356.30.

Subd. 11. **Public pension plan.** "Public pension plan" means a pension plan or fund specified in section 356.20, subdivision 2, or 356.30, subdivision 3, the deferred compensation plan specified in section 352.96, or any retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained, or supported by a governmental subdivision or public body whose

revenues are derived from taxation, fees, assessments, or from other public sources.

Subd. 12. **Private pension plan.** "Private pension plan" means a plan, fund, or program maintained by an employer or employee organization that provides retirement income to employees or results in a deferral of income by employees for a period extending to the termination of covered employment or beyond.

Subd. 13. **Arrears.** Arrears are amounts that accrue pursuant to an obligor's failure to comply with a support order. Past support and pregnancy and confinement expenses contained in a support order are arrears if the court order does not contain repayment terms. Arrears also arise by the obligor's failure to comply with the terms of a court order for repayment of past support or pregnancy and confinement expenses. An obligor's failure to comply with the terms for repayment of amounts owed for past support or pregnancy and confinement turns the entire amount owed into arrears.

Subd. 14. **IV-D case.** "IV-D case" means a case where a party has assigned to the state rights to child support because of the receipt of public assistance as defined in section 256.741 or has applied for child support services under title IV-D of the Social Security Act, United States Code, title 42, section 654(4).

Subd. 15. **Parental income for determining child support (PICS).** "Parental income for determining child support," or "PICS," means gross income ~~under subdivision 18~~ minus deductions for nonjoint children ~~as~~ allowed ~~by~~ under section 518.717.

Subd. 16. **Apportioned veterans' benefits.** "Apportioned veterans' benefits" means the amount the Veterans Administration deducts from the veteran's award and disburses to the child or the child's representative payee. The apportionment of veterans' benefits shall be that determined by the Veterans Administration and governed by Code of Federal Regulations, title 38, sections 3.450 to 3.458.

Subd. 17. **Basic support.** "Basic support" means the basic support obligation ~~determined by applying the parent's parental income for child support, or if there are two parents, their combined parental income for child support, to the guideline in the manner set out in section 518.725~~ computed under section 518.713. Basic support includes the dollar amount ordered for a child's housing, food, clothing, transportation, and education costs, and other expenses relating to the child's care. Basic support does not include monetary contributions for a child's child care expenses and medical and dental expenses.

Subd. 18. **Gross income.** "Gross income" means~~:~~

~~(1)~~ the gross income of the parent calculated under section 518.7123~~; plus~~

~~(2) Social Security or veterans' benefit payments received on behalf of the child under section 518.718; plus~~

~~(3) the potential income of the parent, if any, as determined in subdivision 23; minus~~

~~(4) spousal maintenance that any party has been ordered to pay; minus~~

~~(5) the amount of any existing child support order for other nonjoint children~~.

Subd. 19. **Joint child.** "Joint child" means the dependent child who is the ~~son or daughter~~ child of both parents in the support proceeding. In ~~those~~ cases where support is sought from only one parent of a child, a joint child is the child for whom support is sought.

Subd. 20. **Nonjoint child.** "Nonjoint child" means the legal child of one, but not both of the parents ~~subject to this determination. Specifically excluded from this definition are~~ in the support proceeding. Nonjoint child does not include stepchildren.

Subd. 21. ~~**Parenting time.** "Parenting time" means the amount of time a child is scheduled to~~

~~spend with the parent according to a court order. Parenting time includes time with the child whether it is designated as visitation, physical custody, or parenting time. For purposes of section 518.722, the percentage of parenting time may be calculated by calculating the number of overnights that a child spends with a parent, or by using a method other than overnights if the parent has significant time periods where the child is in the parent's physical custody, but does not stay overnight.~~

~~Subd. 22.~~ **Payor of funds.** "Payor of funds" means a person or entity that provides funds to an obligor, including an employer as defined under chapter 24, section 3401(d), of the Internal Revenue Code, an independent contractor, payor of workers' compensation benefits or unemployment insurance benefits, or a financial institution as defined in section 13B.06.

~~Subd. 23.~~ **~~Potential income.~~** ~~"Potential income" is income determined under this subdivision.~~

~~(a) If a parent is voluntarily unemployed, underemployed, or employed on a less than full-time basis, or there is no direct evidence of any income, child support shall be calculated based on a determination of potential income. For purposes of this determination, it is rebuttably presumed that a parent can be gainfully employed on a full-time basis.~~

~~(b) Determination of potential income shall be made according to one of three methods, as appropriate:~~

~~(1) the parent's probable earnings level based on employment potential, recent work history, and occupational qualifications in light of prevailing job opportunities and earnings levels in the community;~~

~~(2) if a parent is receiving unemployment compensation or workers' compensation, that parent's income may be calculated using the actual amount of the unemployment compensation or workers' compensation benefit received; or~~

~~(3) the amount of income a parent could earn working full-time at 150 percent of the current federal or state minimum wage, whichever is higher.~~

~~(c) A parent is not considered voluntarily unemployed or underemployed upon a showing by the parent that:~~

~~(1) unemployment or underemployment is temporary and will ultimately lead to an increase in income;~~

~~(2) the unemployment or underemployment represents a bona fide career change that outweighs the adverse effect of that parent's diminished income on the child; or~~

~~(3) the parent is unable to work full time due to a verified disability or due to incarceration.~~

~~(d) As used in this section, "full time" means 40 hours of work in a week except in those industries, trades, or professions in which most employers due to custom, practice, or agreement utilize a normal work week of more or less than 40 hours in a week.~~

~~(e) If the parent of a joint child is a recipient of a temporary assistance to a needy family (TANF) cash grant, no potential income shall be imputed to that parent.~~

~~(f) If a parent stays at home to care for a child who is subject to the child support order, the court may consider the following factors when determining whether the parent is voluntarily unemployed or underemployed:~~

~~(1) the parties' parenting and child care arrangements before the child support action;~~

~~(2) the stay-at-home parent's employment history, recency of employment, earnings, and the availability of jobs within the community for an individual with the parent's qualifications;~~

~~(3) the relationship between the employment-related expenses, including, but not limited to,~~

~~child care and transportation costs required for the parent to be employed, and the income the stay-at-home parent could receive from available jobs within the community for an individual with the parent's qualifications;~~

~~(4) the child's age and health, including whether the child is physically or mentally disabled; and~~

~~(5) the availability of child care providers.~~

~~(g) Paragraph (f) does not apply if the parent stays at home to care for other nonjoint children, only.~~

~~(h) A self-employed parent shall not be considered to be voluntarily unemployed or underemployed if that parent can show that the parent's net self-employment income is lower because of economic conditions.~~

~~Subd. 24.~~ Subd. 22. **Primary physical custody.** The parent having "primary physical custody" means the parent who provides the primary residence for a child and is responsible for the majority of the day-to-day decisions concerning a child.

~~Subd. 25.~~ Subd. 23. **Social Security benefits.** "Social Security benefits" means the monthly ~~amount~~ retirement, survivors, or disability insurance benefits that the Social Security Administration ~~pays to~~ provides to a parent for that parent's own benefit or for the benefit of a joint child ~~or the child's representative payee due solely to the disability or retirement of either parent. Benefits paid~~. Social Security benefits do not include Supplemental Security Income benefits that the Social Security Administration provides to a parent for the parent's own benefit or to a parent due to the disability of a child ~~are excluded from this definition~~.

~~Subd. 26. **Split custody.** "Split custody" means that each parent in a two-parent calculation has primary physical custody of at least one of the joint children.~~

~~Subd. 27.~~ Subd. 24. **Survivors' and dependents' educational assistance.** "Survivors' and dependents' educational assistance" are funds disbursed by the Veterans Administration under United States Code, title 38, chapter 35, to the child or the child's representative payee.

Sec. 9. Laws 2005, chapter 164, section 8, is amended to read:

Sec. 8. Minnesota Statutes 2004, section 518.551, subdivision 5b, is amended to read:

Subd. 5b. **Providing income information.** (a) In any case where the parties have joint children for which a child support order must be determined, the parties shall serve and file with their initial pleadings or motion documents, a financial affidavit, disclosing all sources of gross income for purposes of section 518.7123. The financial affidavit shall include relevant supporting documentation necessary to calculate the parental income for child support under section 518.54, subdivision 15, including, but not limited to, pay stubs for the most recent three months, employer statements, or statements of receipts and expenses if self-employed. Documentation of earnings and income also include relevant copies of each parent's most recent federal tax returns, including W-2 forms, 1099 forms, unemployment benefit statements, workers' compensation statements, and all other documents evidencing earnings or income as received that provide verification for the financial affidavit. The commissioner of human services shall prepare a financial affidavit form that must be used by the parties for disclosing information under this subdivision.

(b) In addition to the requirements of paragraph (a), at any time after an action seeking child support has been commenced or when a child support order is in effect, a party or the public authority may require the other party to give them a copy of the party's most recent federal tax returns that were filed with the Internal Revenue Service. The party shall provide a copy of the tax returns within 30 days of receipt of the request unless the request is not made in good faith. A request under this paragraph may not be made more than once every two years, in the absence of good cause.

(c) If a parent under the jurisdiction of the court does not serve and file the financial affidavit with the parent's initial pleading or motion documents, the court shall set income for that parent based on credible evidence before the court or in accordance with section ~~518.54, subdivision 23~~ 518.7124. Credible evidence may include documentation of current or recent income, testimony of the other parent concerning recent earnings and income levels, and the parent's wage reports filed with the Minnesota Department of Employment and Economic Development under section 268.044.

Sec. 10. Laws 2005, chapter 164, section 9, is amended to read:

Sec. 9. **[518.6197] CHILD SUPPORT DEBT/ARREARAGE MANAGEMENT.**

(a) In order to reduce and otherwise manage support debts and arrearages, the parties, including the public authority where arrearages have been assigned to the public authority, may compromise unpaid support debts or arrearages owed by one party to another, whether or not docketed as a judgment. A party may agree or disagree to compromise only those debts or arrearages owed to that party.

(b) The public authority shall consider the following factors in determining whether to compromise child support debt or arrearages:

(1) whether a party, either presently or during the period for which arrears accrued, had a significant physical or mental disability, was a recipient of federal Supplemental Security Income, Title II Older Americans, Survivor's Disability Insurance, or other disability benefits, or was a recipient of public assistance based upon need;

(2) the party was institutionalized or incarcerated for an offense other than nonsupport of a child during the period for which arrearages accrued and lacked the financial ability to pay the support ordered during that time period;

(3) the order for which the party seeks debt compromise was entered by default, the party had good cause for not appearing, and the record contains no factual evidence or clearly erroneous evidence, regarding the obligor's ability to pay; and

(4) other factors the public authority considers relevant to its decision.

Sec. 11. Laws 2005, chapter 164, section 10, is amended to read:

Sec. 10. Minnesota Statutes 2004, section 518.64, subdivision 2, is amended to read:

Subd. 2. **Modification.** (a) The terms of an order respecting maintenance or support may be modified upon a showing of one or more of the following, any of which makes the terms unreasonable and unfair: (1) substantially increased or decreased gross income of an obligor or obligee; (2) substantially increased or decreased need of an obligor or obligee or the child or children that are the subject of these proceedings; (3) receipt of assistance under the AFDC program formerly codified under sections 256.72 to 256.87 or 256B.01 to 256B.40, or chapter 256J or 256K; (4) a change in the cost of living for either party as measured by the Federal Bureau of Labor Statistics~~, any of which makes the terms unreasonable and unfair~~; (5) extraordinary medical expenses of the child not provided for under section 518.171; (6) the addition of work-related or education-related child care expenses of the obligee or a substantial increase or decrease in existing work-related or education-related child care expenses; or (7) upon the emancipation of the child, as provided in section 518.64, subdivision 4a.

(b) It is presumed that there has been a substantial change in circumstances under paragraph (a) and the terms of a current support order shall be rebuttably presumed to be unreasonable and unfair if:

(1) the application of the child support guidelines in section ~~518.551, subdivision 5~~ 518.725, to the current circumstances of the parties results in a calculated court order that is at least 20 percent

and at least $75 per month higher or lower than the current support order or, if the current support order is less than $75, it results in a calculated court order that is at least 20 percent per month higher or lower;

(2) the medical support provisions of the order established under section 518.719 are not enforceable by the public authority or the obligee;

(3) health coverage ordered under section 518.719 is not available to the child for whom the order is established by the parent ordered to provide;

(4) the existing support obligation is in the form of a statement of percentage and not a specific dollar amount; or

(5) the gross income of an obligor or obligee has decreased by at least 20 percent through no fault or choice of the party.

(c) A child support order is not presumptively modifiable solely because an obligor or obligee becomes responsible for the support of an additional nonjoint child, which is born after an existing order. Section 518.717 shall be considered if other grounds are alleged which allow a modification of support.

(d) On a motion for modification of maintenance, including a motion for the extension of the duration of a maintenance award, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court:

(1) shall apply section 518.725, and shall not consider the financial circumstances of each party's spouse, if any; and

(2) shall not consider compensation received by a party for employment in excess of a 40-hour work week, provided that the party demonstrates, and the court finds, that:

(i) the excess employment began after entry of the existing support order;

(ii) the excess employment is voluntary and not a condition of employment;

(iii) the excess employment is in the nature of additional, part-time employment, or overtime employment compensable by the hour or fractions of an hour;

(iv) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation;

(v) in the case of an obligor, current child support payments are at least equal to the guidelines amount based on income not excluded under this clause; and

(vi) in the case of an obligor who is in arrears in child support payments to the obligee, any net income from excess employment must be used to pay the arrearages until the arrearages are paid in full.

(e) A modification of support or maintenance, including interest that accrued pursuant to section 548.091, may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification but only from the date of service of notice of the motion on the responding party and on the public authority if public assistance is being furnished or the county attorney is the attorney of record.

(f) Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2.

The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

(g) The court need not hold an evidentiary hearing on a motion for modification of maintenance or support.

(h) Section 518.14 shall govern the award of attorney fees for motions brought under this subdivision.

(i) Except as expressly provided, an enactment, amendment, or repeal of law does not constitute a substantial change in the circumstances for purposes of modifying a child support order.

(j) There may be no modification of an existing child support order during the first year following the effective date of sections 518.7123 to 518.729 except as follows:

(1) there is at least a 20 percent change in the gross income of the obligor;

(2) there is a change in the number of joint children for whom the obligor is legally responsible and actually supporting;

(3) a parent or another caregiver of the child who is supported by the existing support order begins to receive public assistance, as defined in section 256.741;

(4) there are additional work-related or education-related child care expenses of the obligee or a substantial increase or decrease in existing work-related or education-related child care expenses;

(5) there is a change in the availability of health care coverage, as defined in section 518.719, subdivision 1, paragraph (a), or a substantial increase or decrease in the cost of existing health care coverage;

(6) the child supported by the existing child support order becomes disabled; or

~~(4)~~ (7) both parents consent to modification of the existing order ~~in compliance with the new income shares guidelines~~ under section 518.713.

A modification under clause (4) may be granted only with respect to child care support. A modification under clause (5) may be granted only with respect to medical support. This paragraph expires January 1, 2008.

(k) On the first modification ~~under the income shares method of calculation,~~ of a support order that was calculated under the statutory guidelines in effect before January 1, 2007, the court may phase in the modification of basic support ~~may be limited~~ if the ~~amount of the~~ full ~~variance~~ amount of the modification would create an undue hardship for ~~either~~ the obligor or the obligee.

Paragraph (j) expires January 1, 2008.

Sec. 12. Laws 2005, chapter 164, section 11, is amended to read:

Sec. 11. Minnesota Statutes 2004, section 518.64, is amended by adding a subdivision to read:

Subd. 7. **Child care exception.** Child care support must be based on the actual child care expenses. The court may provide that a ~~reduction~~ decrease in the amount ~~allocated for~~ of the child care ~~expenses~~ based on a ~~substantial~~ decrease in the actual child care expenses is effective as of the date the expense is decreased.

Sec. 13. Laws 2005, chapter 164, section 14, is amended to read:

Sec. 14. **[518.7123] CALCULATION OF GROSS INCOME.**

(a) ~~Except as excluded below~~ Subject to the exclusions and deductions in this section, gross income includes ~~income from any source~~ any form of periodic payment to an individual, including, but not limited to, salaries, wages, commissions, ~~advances, bonuses, dividends, severance pay, pensions, interest, honoraria, trust income, annuities, return on capital, Social Security benefits, workers' compensation benefits, unemployment insurance benefits, disability insurance benefits, gifts, prizes, including lottery winnings, alimony, spousal maintenance payments, income from self-employment or operation of a business, as determined~~ self-employment income under section 518.7125, workers' compensation, unemployment benefits, annuity payments, military and naval retirement, pension and disability payments, spousal maintenance received under a previous order or the current proceeding, Social Security or veterans benefits provided for a joint child under section 518.718, and potential income under section 518.7124. ~~All salary~~ Salaries, wages, commissions, or other compensation paid by third parties shall be based upon Medicare gross income. No deductions shall be allowed for contributions to pensions, 401-K, IRA, or other retirement benefits.

(b) ~~Excluded and not counted in~~ Gross income ~~is~~ does not include compensation received by a party for employment in excess of a 40-hour work week, provided that:

(1) child support is ~~nonetheless~~ ordered in an amount at least equal to the guideline amount based on gross income not excluded under this clause; and

(2) the party demonstrates, and the court finds, that:

(i) the excess employment began after the filing of the petition for dissolution or legal separation or a petition or motion related to custody, parenting time, or support;

(ii) the excess employment reflects an increase in the work schedule or hours worked over that of the two years immediately preceding the filing of the petition;

(iii) the excess employment is voluntary and not a condition of employment;

(iv) the excess employment is in the nature of additional, part-time or overtime employment compensable by the hour or fraction of an hour; and

(v) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation.

(c) Expense reimbursements or in-kind payments received by a parent in the course of employment, self-employment, or operation of a business shall be counted as income if they reduce personal living expenses.

(d) Gross income may be calculated on either an annual or monthly basis. Weekly income shall be translated to monthly income by multiplying the weekly income by 4.33.

(e) ~~Excluded and not counted as~~ Gross income ~~is any~~ does not include a child support payment received by a party. It is a rebuttable presumption that adoption assistance payments, guardianship assistance payments, and foster care subsidies are ~~excluded and~~ not ~~counted as~~ gross income.

(f) ~~Excluded and not counted as~~ Gross income ~~is~~ does not include the income of the obligor's spouse and the obligee's spouse.

(g) Child support or spousal maintenance payments ordered by a court for a nonjoint child or former spouse or ordered payable to the other party as part of the current proceeding are deducted from other periodic payments received by a party for purposes of determining gross income.

Sec. 14. Laws 2005, chapter 164, section 15, is amended to read:

Sec. 15. **[518.7125] INCOME FROM SELF-EMPLOYMENT OR OPERATION OF A BUSINESS.**

For purposes of section 518.7123, income from self-employment~~, rent, royalties, proprietorship~~ or operation of a business, ~~or~~ including joint ownership of a partnership or closely held corporation, ~~gross income~~ is defined as gross receipts minus costs of goods sold minus ordinary and necessary expenses required for self-employment or business operation. Specifically excluded from ordinary and necessary expenses are amounts allowable by the Internal Revenue Service for the accelerated component of depreciation expenses, investment tax credits, or any other business expenses determined by the court to be inappropriate or excessive for determining gross income for purposes of calculating child support. The person seeking to deduct an expense, including depreciation, has the burden of proving, if challenged, that the expense is ordinary and necessary.

Sec. 15. Laws 2005, chapter 164, section 16, is amended to read:

Sec. 16. **[518.713] COMPUTATION OF CHILD SUPPORT OBLIGATIONS.**

(a) To determine the presumptive ~~amount of~~ child support ~~owed by~~ obligation of a parent, the court shall follow the procedure set forth in this section~~:~~.

(b) To determine the obligor's basic support obligation, the court shall:

(1) determine the gross income of each parent ~~using the definition in section 518.54, subdivision 18~~ under section 518.7123;

(2) calculate the parental income for determining child support (PICS) of each parent ~~under section 518.54, subdivision 15~~, by subtracting from the gross income the credit, if any, for each parent's nonjoint children under section 518.717;

(3) determine the percentage contribution of each parent to the combined PICS by dividing the combined PICS into each parent's PICS;

(4) determine the combined basic support obligation by application of the ~~schedule~~ guidelines in section 518.725;

(5) determine ~~each parent's~~ the obligor's share of the basic support obligation by multiplying the percentage figure from clause (3) by the combined basic support obligation in clause (4); and

(6) determine the parenting expense adjustment, if any, as provided in section 518.722, and adjust ~~that parent's~~ the obligor's basic support obligation accordingly~~;~~. If the parenting time of the parties is presumed equal, section 518.722, subdivision 3, applies to the calculation of the basic support obligation and a determination of which parent is the obligor.

~~(7)~~ (c) The court shall determine the child care support obligation for ~~each parent~~ the obligor as provided in section 518.72~~;~~.

~~(8)~~ (d) The court shall determine the ~~health care coverage~~ medical support obligation for each parent as provided in section 518.719. Unreimbursed and uninsured medical expenses are not included in the presumptive amount of support owed by a parent and are calculated and collected as described in section ~~518.722;~~ 518.719.

~~(9)~~ (e) The court shall determine each parent's total child support obligation by adding together each parent's basic support, child care support, and health care coverage obligations as provided in ~~clauses (1) to (8);~~

~~(10) reduce or increase each parent's total child support obligation by the amount of the health care coverage contribution paid by or on behalf of the other parent, as provided in section 518.719, subdivision 5;~~ this section.

~~(11)~~ (f) If Social Security benefits or veterans' benefits are received by one parent as a representative payee for a joint child ~~due to the other parent's disability or retirement,~~ based on the other parent's eligibility, the court shall subtract the amount of benefits from the other parent's net

child support obligation, if any~~;~~.

~~(12) apply the self-support adjustment and minimum support obligation provisions as provided in section 518.724; and~~

~~(13)~~ (g) The final child support order shall separately designate the amount owed for basic support, child care support, and medical support. If applicable, the court shall use the self-support adjustment and minimum support adjustment under section 518.724 to determine the obligor's child support obligation.

Sec. 16. Laws 2005, chapter 164, section 17, subdivision 1, is amended to read:

Subdivision 1. **General factors.** Among other reasons, deviation from the presumptive ~~guideline amount~~ child support obligation computed under section 518.713 is intended to encourage prompt and regular payments of child support and to prevent either parent or the joint children from living in poverty. In addition to the child support guidelines and other factors used to calculate the child support obligation under section 518.713, the court must take into consideration the following factors in setting or modifying child support or in determining whether to deviate upward or downward from the ~~guidelines~~ presumptive child support obligation:

(1) all earnings, income, circumstances, and resources of each parent, including real and personal property, but excluding income from excess employment of the obligor or obligee that meets the criteria of section 518.7123, paragraph (b)~~, clause (2)~~;

(2) the extraordinary financial needs and resources, physical and emotional condition, and educational needs of the child to be supported;

(3) the standard of living the child would enjoy if the parents were currently living together, but recognizing that the parents now have separate households;

(4) which parent receives the income taxation dependency exemption and the financial benefit the parent receives from it;

(5) the parents' debts as provided in subdivision 2; and

(6) the obligor's total payments for court-ordered child support exceed the limitations set forth in section 571.922.

Sec. 17. Laws 2005, chapter 164, section 18, is amended to read:

Sec. 18. **[518.715] WRITTEN FINDINGS.**

Subdivision 1. **No deviation.** If the court does not deviate from the ~~guidelines~~ presumptive child support obligation computed under section 518.713, the court must make written findings ~~concerning the amount of the parties' gross income used as the basis for the guidelines calculation and~~ that state:

(1) each parent's gross income;

(2) each parent's PICS; and

(3) any other significant evidentiary factors affecting the child support determination.

Subd. 2. **Deviation.** ~~(a)~~ If the court deviates from the ~~guidelines by agreement of the parties or pursuant to~~ presumptive child support obligation computed under section ~~518.714~~ 518.713, the court must make written findings ~~giving~~ that state:

(1) each parent's gross income;

(2) each parent's PICS;

(3) the amount of the child support ~~calculated~~ obligation computed under ~~the guidelines,~~ section 518.713;

(4) the reasons for the deviation~~,~~; and~~ must specifically address~~

(5) how the deviation serves the best interests of the child~~; and~~.

~~(b) determine each parent's gross income and PICS.~~

Subd. 3. **Written findings required in every case.** The provisions of this section apply whether or not the parties are each represented by independent counsel and have entered into a written agreement. The court must review stipulations presented to it for conformity ~~to the guidelines~~ with section 518.713. The court is not required to conduct a hearing, but the parties must provide sufficient documentation to verify the child support determination~~,~~ and to justify any deviation ~~from the guidelines~~.

Sec. 18. Laws 2005, chapter 164, section 20, is amended to read:

Sec. 20. **[518.717] DEDUCTION FROM INCOME FOR NONJOINT CHILDREN.**

(a) When either or both parents ~~of the joint child subject to this determination~~ are legally responsible for a nonjoint child ~~who resides in that parent's household~~, a ~~credit~~ deduction for this obligation shall be calculated under this section if:

(1) the nonjoint child primarily resides in the parent's household; and

(2) the parent is not obligated to pay basic child support for the nonjoint child to the other parent or a legal custodian of the child under an existing child support order.

(b) ~~Determine the gross income for each parent under section 518.54, subdivision 18.~~

~~(c) Using~~ The court shall use the ~~guideline as established in~~ guidelines under section 518.725~~,~~ to determine the basic child support obligation for the nonjoint child or children ~~who actually reside in the parent's household,~~ by using the gross income of the parent for whom the ~~credit~~ deduction is being calculated~~,~~ and ~~using~~ the number of nonjoint children ~~actually~~ primarily residing in the parent's ~~immediate~~ household. If the number of nonjoint children to be used for the determination is greater than two, the determination ~~shall~~ must be made using the number two instead of the greater number.

~~(d)~~ (c) The ~~credit~~ deduction for nonjoint children ~~shall be~~ is 50 percent of the guideline amount ~~from~~ determined under paragraph ~~(c)~~ (b).

Sec. 19. Laws 2005, chapter 164, section 21, is amended to read:

Sec. 21. **[518.718] SOCIAL SECURITY OR VETERANS' BENEFIT PAYMENTS RECEIVED ON BEHALF OF THE CHILD.**

(a) The amount of the monthly Social Security benefits or apportioned veterans' benefits ~~received by the child or on behalf of the~~ provided for a joint child shall be ~~added to~~ included in the gross income of the parent ~~for whom the disability or retirement benefit was paid~~ on whose eligibility the benefits are based.

(b) The amount of the monthly survivors' and dependents' educational assistance ~~received by the child or on behalf of the~~ provided for a joint child shall be ~~added to~~ included in the gross income of the parent ~~for whom the disability or retirement benefit was paid~~ on whose eligibility the benefits are based.

(c) If ~~the~~ Social Security or apportioned veterans' benefits are ~~paid on behalf~~ provided for a joint child based on the eligibility of the obligor, and are received by the obligee as a representative payee for the child or by the child attending school, then the amount of the benefits ~~may~~ shall also be subtracted from the obligor's net child support obligation as calculated pursuant to section 518.713.

(d) If the survivors' and dependents' educational assistance is ~~paid on behalf~~ provided for a joint child based on the eligibility of the obligor, and is received by the obligee as a representative payee for the child or by the child attending school, then the amount of the assistance shall also be subtracted from the obligor's net child support obligation as calculated ~~pursuant to~~ under section 518.713.

Sec. 20. Laws 2005, chapter 164, section 22, subdivision 2, is amended to read:

Subd. 2. **Order.** (a) A completed national medical support notice issued by the public authority or a court order that complies with this section is a qualified medical child support order under the federal Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1169(a).

(b) Every order addressing child support must state:

(1) the names, last known addresses, and Social Security numbers of the parents and the joint child that is a subject of the order unless the court prohibits the inclusion of an address or Social Security number and orders the parents to provide the address and Social Security number to the administrator of the health plan;

(2) whether appropriate health care coverage for the joint child is available and, if so, state:

(i) which ~~party~~ parent must carry health care coverage;

(ii) the cost of premiums and how the cost is allocated between the ~~parties~~ parents;

(iii) how unreimbursed expenses will be allocated and collected by the ~~parties~~ parents; and

(iv) the circumstances, if any, under which the obligation to provide health care coverage for the joint child will shift from one ~~party~~ parent to the other; and

(3) if appropriate health care coverage is not available for the joint child, whether a contribution for medical support is required~~; and~~.

~~(4) whether the amount ordered for medical support is subject to a cost-of-living adjustment under section 518.641.~~

Sec. 21. Laws 2005, chapter 164, section 22, subdivision 3, is amended to read:

Subd. 3. [DETERMINING APPROPRIATE HEALTH CARE COVERAGE.] (a) In determining whether a ~~party~~ parent has appropriate health care coverage for the joint child, the court must evaluate the health plan using the following factors:

(1) accessible coverage. Dependent health care coverage is accessible if the covered joint child can obtain services from a health plan provider with reasonable effort by the parent with whom the joint child resides. Health care coverage is presumed accessible if:

(i) primary care coverage is available within 30 minutes or 30 miles of the joint child's residence and specialty care coverage is available within 60 minutes or 60 miles of the joint child's residence;

(ii) the coverage is available through an employer and the employee can be expected to remain employed for a reasonable amount of time; and

(iii) no preexisting conditions exist to delay coverage unduly;

(2) comprehensive coverage. Dependent health care coverage is presumed comprehensive if it includes~~, at a minimum,~~ medical and hospital coverage and provides for preventive, emergency, acute, and chronic care. If both ~~parties~~ parents have health care coverage that meets the minimum requirements, the court must determine which health care coverage is more comprehensive by considering whether the coverage includes:

(i) basic dental coverage;

(ii) orthodontia;

(iii) eyeglasses;

(iv) contact lenses;

(v) mental health services; or

(vi) substance abuse treatment;

(3) affordable coverage. Dependent health care coverage is affordable if it is reasonable in cost; and

(4) the joint child's special medical needs, if any.

(b) If both ~~parties~~ parents have health care coverage available for a joint child, and the court determines under paragraph (a), clauses (1) and (2), that the available coverage is comparable with regard to accessibility and comprehensiveness, the least costly health care coverage is the presumed appropriate health care coverage for the joint child.

Sec. 22. Laws 2005, chapter 164, section 22, subdivision 4, is amended to read:

Subd. 4. **Ordering health care coverage.** (a) If a joint child is presently enrolled in health care coverage, the court must order that the parent who currently has the joint child enrolled continue that enrollment unless the ~~parties~~ parents agree otherwise or a ~~party~~ parent requests a change in coverage and the court determines that other health care coverage is more appropriate.

(b) If a joint child is not presently enrolled in health care coverage, upon motion of a ~~party~~ parent or the public authority, the court must determine whether one or both ~~parties~~ parents have appropriate health care coverage for the joint child and order the ~~party~~ parent with appropriate health care coverage available to carry the coverage for the joint child.

(c) If only one ~~party~~ parent has appropriate health care coverage available, the court must order that ~~party~~ parent to carry the coverage for the joint child.

(d) If both ~~parties~~ parents have appropriate health care coverage available, the court must order the parent with whom the joint child resides to carry the coverage for the joint child, unless:

(1) either ~~party~~ parent expresses a preference for coverage available through the parent with whom the joint child does not reside;

(2) the parent with whom the joint child does not reside is already carrying dependent health care coverage for other children and the cost of contributing to the premiums of the other parent's coverage would cause the parent with whom the joint child does not reside extreme hardship; or

(3) the parents agree to provide coverage and agree on the allocation of costs.

(e) If the exception in paragraph (d), clause (1) or (2), applies, the court must determine which ~~party~~ parent has the most appropriate coverage available and order that ~~party~~ parent to carry coverage for the joint child. If the court determines under subdivision 3, paragraph (a), clauses (1) and (2), that the ~~parties'~~ parents' health care coverage for the joint child is comparable with regard to accessibility

and comprehensiveness, the court must presume that the ~~party~~ parent with the least costly health care coverage to carry coverage for the joint child.

(f) If neither ~~party~~ parent has appropriate health care coverage available, the court must order the parents to:

(1) contribute toward the actual health care costs of the joint children based on a pro rata share; or

(2) if the joint child is receiving any form of medical assistance under chapter 256B or MinnesotaCare under chapter 256L, the parent with whom the joint child does not reside shall contribute a monthly amount toward the actual cost of medical assistance under chapter 256B or MinnesotaCare under chapter 256L. The amount of contribution of the noncustodial parent is the amount the noncustodial parent would pay for the child's premiums if the noncustodial parent's PICS income meets the eligibility requirements for public coverage. For purposes of determining the premium amount, the noncustodial parent's household size is equal to one parent plus the child or children who are the subject of the child support order. If the noncustodial parent's PICS income exceeds the eligibility requirements for public coverage, the court must order the noncustodial parent's contribution toward the full premium cost of the child's or children's coverage. The custodial parent's obligation is determined under the requirements for public coverage as set forth in chapter 256B or 256L. The court may order the parent with whom the child resides to apply for public coverage for the child.

~~(g) A presumption of no less than $50 per month must be applied to the actual health care costs of the joint children or to the cost of health care coverage.~~

~~(h)~~ (g) The commissioner of human services must publish a table with the premium schedule for public coverage and update the chart for changes to the schedule by July 1 of each year.

Sec. 23. Laws 2005, chapter 164, section 22, subdivision 16, is amended to read:

Subd. 16. ~~**Income withholding;**~~ **Offset.** (a) If a party ~~owes no joint child support obligation for a child~~ is the parent with primary physical custody as defined in section 518.54, subdivision 24, and is an obligor ordered to contribute to the other party's cost for carrying health care coverage for the joint child, the ~~obligor~~ other party's child support obligation is subject to an offset under subdivision 5 ~~or income withholding under section 518.6111~~.

~~(b) If a party's court-ordered health care coverage for the joint child terminates and the joint child is not enrolled in other health care coverage or public coverage, and a modification motion is not pending, the public authority may remove the offset to a party's child support obligation or terminate income withholding instituted against a party under section 518.6111. The public authority must provide notice to the parties of the action.~~

(b) The public authority, if the public authority provides services, may remove the offset to a party's child support obligation when:

(1) the party's court-ordered health care coverage for the joint child terminates;

(2) the party does not enroll the joint child in other health care coverage; and

(3) a modification motion is not pending.

The public authority must provide notice to the parties of the action.

(c) A party may contest the public authority's action to remove the offset to the child support obligation ~~or terminate income withholding~~ if the party makes a written request for a hearing within 30 days after receiving written notice. If a party makes a timely request for a hearing, the public authority must schedule a hearing and send written notice of the hearing to the parties by mail to the

parties' last known addresses at least 14 days before the hearing. The hearing must be conducted in district court or in the expedited child support process if section 484.702 applies. The district court or child support magistrate must determine whether removing the offset ~~or terminating income withholding~~ is appropriate and, if appropriate, the effective date for the removal ~~or termination~~.

(d) If the party does not request a hearing, the ~~district court or child support magistrate must order the offset or income withholding termination~~ public authority will remove the offset effective the first day of the month following termination of the joint child's health care coverage.

Sec. 24. Laws 2005, chapter 164, section 22, subdivision 17, is amended to read:

Subd. 17. **Collecting unreimbursed ~~and~~ or uninsured medical expenses.** (a) This subdivision and subdivision 18 apply when a court order has determined and ordered the parties' proportionate share and responsibility to contribute to unreimbursed or uninsured medical expenses.

(b) A party requesting reimbursement of unreimbursed or uninsured medical expenses must initiate a request ~~for reimbursement of unreimbursed and uninsured medical expenses~~ to the other party within two years of the date that the requesting party incurred the unreimbursed or uninsured medical expenses. ~~The time period in this paragraph does not apply if the location of the other party is unknown.~~ If a court order has been signed ordering the contribution towards unreimbursed or uninsured expenses, a two-year limitations provision must be applied to any requests made on or after January 1, 2007. The provisions of this section apply retroactively to court orders signed before January 1, 2007. Requests for unreimbursed or uninsured expenses made on or after January 1, 2007, may include expenses incurred before January 1, 2007, and on or after January 1, 2005.

~~(b)~~ (c) A requesting party ~~seeking reimbursement of unreimbursed and uninsured medical expenses~~ must mail a written notice of intent to collect the unreimbursed or uninsured medical expenses and a copy of an affidavit of health care expenses to the other party at the other party's last known address.

~~(c)~~ (d) The written notice must include a statement that the other party has 30 days from the date the notice was mailed to (1) pay in full; (2) ~~enter~~ agree to a payment ~~agreement~~ schedule; or (3) file a motion requesting a hearing ~~contesting the matter~~ to contest the amount due or to set a court-ordered monthly payment amount. If the public authority provides ~~support enforcement~~ services, the written notice also must include a statement that, if the other party does not respond within the 30 days, the requesting party ~~must~~ may submit the amount due to the public authority for collection.

~~(d)~~ (e) The affidavit of health care expenses must itemize and document the joint child's unreimbursed or uninsured medical expenses and include copies of all bills, receipts, and insurance company explanations of benefits.

(f) If the other party does not respond to the request for reimbursement within 30 days, the requesting party may commence enforcement against the other party under subdivision 18; file a motion for a court-ordered monthly payment amount under paragraph (h); or notify the public authority, if the public authority provides services, that the other party has not responded.

~~(e) If~~ (g) The notice to the public authority ~~provides support enforcement services, the party seeking reimbursement must send to the public authority~~ must include: a copy of the written notice, a copy of the ~~original~~ affidavit of health care expenses, and copies of all bills, receipts, and insurance company explanations of benefits.

~~(f) If the party does not respond to the request for reimbursement within 30 days, the party seeking reimbursement or public authority, if the public authority provides support enforcement services, must commence an enforcement action against the party under subdivision 18.~~

~~(g)~~ (h) If noticed under paragraph (f), the public authority must serve the other party with a notice of intent to enforce unreimbursed and uninsured medical expenses and file an affidavit of

service by mail with the district court administrator. The notice must state that~~, unless~~ the other party has 14 days to (1) ~~pays~~ pay in full; or (2) ~~enters into a payment agreement; or (3) files~~ file a motion ~~contesting~~ to contest the ~~matter within 14 days of service of the notice,~~ amount due or to set a court-ordered monthly payment amount. The notice must also state that if there is no response within 14 days, the public authority will commence enforcement of the expenses as ~~medical support~~ arrears under subdivision 18.

~~(h) If the~~ (i) To contest the amount due or set a court-ordered monthly payment amount, a party ~~files~~ must file a timely motion ~~for a hearing contesting the requested reimbursement, the contesting party must~~ and schedule a hearing in district court or in the expedited child support process if section 484.702 applies. The ~~contesting~~ moving party must provide the other party ~~seeking reimbursement~~ and the public authority, if the public authority provides ~~support enforcement~~ services, with written notice ~~of the hearing~~ at least 14 days before the hearing by mailing notice of the hearing to the public authority and to the requesting party at the requesting party's last known address. The moving party ~~seeking reimbursement~~ must file the ~~original~~ affidavit of health care expenses with the court at least five days before the hearing. ~~Based upon the evidence presented,~~ The district court or child support magistrate must determine liability for the expenses and order that the liable party is subject to enforcement of the expenses as ~~medical support~~ arrears under subdivision 18 or set a court-ordered monthly payment amount.

Sec. 25. Laws 2005, chapter 164, section 22, subdivision 18, is amended to read:

Subd. 18. **Enforcing ~~an order for~~ unreimbursed or uninsured medical ~~support~~ expenses as arrears.** (a) ~~If a party liable for~~ Unreimbursed ~~and~~ or uninsured medical expenses ~~owes a child support obligation to the party seeking reimbursement of the expenses, the expenses must be~~ enforced under this subdivision are collected as ~~medical support~~ arrears.

~~(b) If a party liable for unreimbursed and uninsured medical expenses does not owe a child support obligation to the party seeking reimbursement, and the party seeking reimbursement owes the liable party basic support arrears, the liable party's medical support arrears must be deducted from the amount of the basic support arrears.~~

~~(c) If a liable party owes medical support arrears after deducting the amount owed from the amount of the child support arrears owed by the party seeking reimbursement, it must be collected as follows:~~

~~(1) if the party seeking reimbursement owes a child support obligation to the liable party, the child support obligation must be reduced by 20 percent until the medical support arrears are satisfied;~~

~~(2) if the party seeking reimbursement does not owe a child support obligation to the liable party, the liable party's income must be subject to income withholding under section 518.6111 for an amount required under section 518.553 until the medical support arrears are satisfied; or~~

~~(3) if the party seeking reimbursement does not owe a child support obligation, and income withholding under section 518.6111 is not available, payment of the medical support arrears must be required under a payment agreement under section 518.553.~~

~~(d) If a liable party fails to enter into or comply with a payment agreement, the party seeking reimbursement or the public authority, if it provides support enforcement services, may schedule a hearing to have a court order payment. The party seeking reimbursement or the public authority must provide the liable party with written notice of the hearing at least 14 days before the hearing.~~

(b) If the liable party is the parent with primary physical custody as defined in section 518.54, subdivision 24, the unreimbursed or uninsured medical expenses must be deducted from any arrears the requesting party owes the liable party. If unreimbursed or uninsured expenses remain after the deduction, the expenses must be collected as follows:

(1) If the requesting party owes a current child support obligation to the liable party, 20 percent of each payment received from the requesting party must be returned to the requesting party. The total amount returned to the requesting party each month must not exceed 20 percent of the current monthly support obligation.

(2) If the requesting party does not owe current child support or arrears, a payment agreement under section 518.553 is required. If the liable party fails to enter into or comply with a payment agreement, the requesting party or the public authority, if the public authority provides services, may schedule a hearing to set a court-ordered payment. The requesting party or the public authority must provide the liable party with written notice of the hearing at least 14 days before the hearing.

(c) If the liable party is not the parent with primary physical custody as defined in section 518.54, subdivision 24, the unreimbursed or uninsured medical expenses must be deducted from any arrears the requesting party owes the liable party. If unreimbursed or uninsured expenses remain after the deduction, the expenses must be added and collected as arrears owed by the liable party.

Sec. 26. Laws 2005, chapter 164, section 23, subdivision 1, is amended to read:

Subdivision 1. **Child care costs**. Unless otherwise agreed to by the parties and approved by the court, the court must order that work-related or education-related child care costs of joint children be divided between the obligor and obligee based on their proportionate share of the parties' combined monthly ~~parental income for determining child support~~ PICS. Child care costs shall be adjusted by the amount of the estimated federal and state child care credit payable on behalf of a joint child. The Department of Human Services shall develop tables to calculate the applicable credit based upon the custodial parent's ~~parental income for determining child support~~ PICS.

Sec. 27. Laws 2005, chapter 164, section 23, subdivision 2, is amended to read:

Subd. 2. **Low-income obligor.** (a) If the obligor's ~~parental income for determining child support~~ PICS meets the income eligibility requirements for child care assistance under the basic sliding fee program under chapter 119B, the court must order the obligor to pay the lesser of the following amounts:

(1) the amount of the obligor's monthly co-payment for child care assistance under the basic sliding fee schedule established by the commissioner of education under chapter 119B, based on an obligor's monthly ~~parental income for determining child support~~ PICS and the size of the obligor's household provided that the obligee is actually receiving child care assistance under the basic sliding fee program. For purposes of this subdivision, the obligor's household includes the obligor and the number of joint children for whom child support is being ordered; or

(2) the amount of the obligor's child care obligation under subdivision 1.

(b) The commissioner of human services must publish a table with the child care assistance basic sliding fee amounts and update the table for changes to the basic sliding fee schedule by July 1 of each year.

Sec. 28. Laws 2005, chapter 164, section 24, is amended to read:

Sec. 24. **[518.722] PARENTING EXPENSE ADJUSTMENT.**

Subdivision 1.**General.** (a) ~~This section shall apply when the amount of parenting time granted to an obligor is ten percent or greater.~~ The parenting expense adjustment under this section reflects the presumption that while exercising parenting time, a parent is responsible for and incurs costs of caring for the child, including, but not limited to, food, transportation, recreation, and household expenses. Every child support order shall specify the ~~total percent~~ percentage of parenting time granted to or presumed for each parent. For purposes of this section, the percentage of parenting time means the percentage of time a child is scheduled to spend with the parent during a calendar year

according to a court order. Parenting time includes time with the child whether it is designated as visitation, physical custody, or parenting time. The percentage of parenting time may be determined by calculating the number of overnights that a child spends with a parent, or by using a method other than overnights if the parent has significant time periods on separate days where the child is in the parent's physical custody but does not stay overnight. The court may consider the age of the child in determining whether a child is with a parent for a significant period of time.

(b) If there is not a court order awarding parenting time, the court shall determine the child support award without consideration of the parenting expense adjustment. If a parenting time order is subsequently issued or is issued in the same proceeding, then the child support order shall include application of the parenting expense adjustment.

Subd. 2.**Calculation of parenting expense adjustment.** ~~(b)~~ The obligor ~~shall be~~ is entitled to a parenting expense adjustment calculated as ~~follows~~ provided in this subdivision. The court shall:

(1) find the adjustment percentage corresponding to the percentage of parenting time allowed to the obligor below:

	Percentage Range of Parenting Time	Adjustment Percentage
(i)	less than 10 percent	no adjustment
(ii)	10 percent to 45 percent	12 percent
(iii)	45.1 percent to 50 percent	presume parenting time is equal

(2) multiply the adjustment percentage by the obligor's basic child support obligation to arrive at the parenting expense adjustment~~.~~; and

~~(c)~~ (3) subtract the parenting expense adjustment from the obligor's basic child support obligation. The result is the obligor's basic support obligation after parenting expense adjustment.

Subd. 3.**Calculation of basic support when parenting time presumed equal.** ~~(d)~~ (a) If the parenting time is equal~~, the expenses for the children are equally shared,~~ and the parental incomes for determining child support of the parents also are equal, no basic support shall be paid unless the court determines that the expenses for the child are not equally shared.

~~(e)~~ (b) If the parenting time is equal but the parents' parental incomes for determining child support are not equal, the parent having the greater parental income for determining child support shall be obligated for basic child support, calculated as follows:

(1) multiply the combined basic support calculated under section 518.713 by ~~1.5~~ 0.75;

(2) prorate the ~~basic child support obligation~~ amount under clause (1) between the parents~~,~~ based on each parent's proportionate share of the combined PICS; and

(3) subtract the lower amount from the higher amount ~~and divide the balance in half; and~~.

~~(3)~~ The resulting figure is the obligation after parenting expense adjustment for the parent with the greater ~~adjusted gross~~ parental income for determining child support.

~~(f) This parenting expense adjustment reflects the presumption that while exercising parenting time, a parent is responsible for and incurs costs of caring for the child, including, but not limited to, food, transportation, recreation, and household expenses.~~

~~(g) In the absence of other evidence, there is a rebuttable presumption that each parent has 25 percent of the parenting time for each joint child.~~

Sec. 29. Laws 2005, chapter 164, section 25, is amended to read:

Sec. 25. **[518.724] ABILITY TO PAY; SELF-SUPPORT ADJUSTMENT.**

Subdivision 1.**Ability to pay.** (a) It is a rebuttable presumption that a child support order should not exceed the obligor's ability to pay. To determine the amount of child support the obligor has the ability to pay, the court shall follow the procedure set out in this section~~:~~.

~~(1)~~ (b) The court shall calculate the obligor's income available for support by subtracting a monthly self-support reserve equal to 120 percent of the federal poverty guidelines for one person from the obligor's gross income~~;~~. If the obligor's income available for support calculated under this paragraph is equal to or greater than the obligor's support obligation calculated under section 518.713, the court shall order child support under section 518.713.

~~(2) compare the obligor's income available for support from clause (1) to the amount of support calculated as per section 518.713, clauses (1) to (15). The amount of child support that is presumed to be correct, as defined in section 518.713, is the lesser of these two amounts;~~

~~(3) this section does not apply to an incarcerated obligor;~~

~~(4) if the obligor's child support is reduced under clause (2),~~ (c) If the obligor's income available for support calculated under paragraph (b) is more than the minimum support amount under subdivision 2, but less than the guideline amount under section 518.713, then the court ~~must~~ shall apply ~~the~~ a reduction to the child support obligation in the following order, until the support order is equal to the obligor's income available for support:

~~(i)~~ (1) medical support obligation;

~~(ii)~~ (2) child ~~support~~ care support obligation; and

~~(iii)~~ (3) basic support obligation~~; and~~.

(d) If the obligor's income available for support calculated under paragraph (b) is equal to or less than the minimum support amount under subdivision 2 or if the obligor's gross income is less than 120 percent of the federal poverty guidelines for one person, the minimum support amount under subdivision 2 applies.

~~(5)~~ Subd. 2. **Minimum basic support amount.** (a) If the~~ obligor's income available for support is less than the self-support reserve~~ basic support amount applies, ~~then~~ the court must order the following amount as the minimum basic support ~~as follows~~ obligation:

~~(i)~~ (1) for one or two children, the obligor's basic support obligation is $50 per month;

~~(ii)~~ (2) for three or four children, the obligor's basic support obligation is $75 per month; and

~~(iii)~~ (3) for five or more children, the obligor's basic support obligation is $100 per month.

(b) If the court orders the obligor to pay the minimum basic support amount under this ~~paragraph~~ subdivision, the obligor is presumed unable to pay child care support and medical support.

If the court finds the obligor receives no income and completely lacks the ability to earn income, the minimum basic support amount under this ~~paragraph~~ subdivision does not apply.

Subd. 3.**Exception.** This section does not apply to an obligor who is incarcerated.

Sec. 30. Laws 2005, chapter 164, section 26, subdivision 2, as amended by Laws 2005, First Special Session chapter 7, section 27, subdivision 2, is amended to read:

Subd. 2. **Basic support; guideline.** Unless otherwise agreed to by the parents and approved by the court, when establishing basic support, the court must order that basic support be divided between the parents based on their proportionate share of the parents' combined monthly parental income for determining child support~~, as determined under section 518.54, subdivision 15~~ (PICS).

Basic support must be computed using the following guideline:

Combined Parental Income for Determining Child Support	Number of Children					
	One	Two	Three	Four	Five	Six
$0- $799	$50	$50	$75	$75	$100	$100
800-899	80	129	149	173	201	233
900-999	90	145	167	194	226	262
1,000- 1,099	116	161	186	216	251	291
1,100- 1,199	145	205	237	275	320	370
1,200- 1,299	177	254	294	341	396	459
1,300- 1,399	212	309	356	414	480	557
1,400- 1,499	251	368	425	493	573	664
1,500- 1,599	292	433	500	580	673	780
1,600- 1,699	337	502	580	673	781	905
1,700- 1,799	385	577	666	773	897	1,040
1,800- 1,899	436	657	758	880	1,021	1,183
1,900- 1,999	490	742	856	994	1,152	1,336
2,000- 2,099	516	832	960	1,114	1,292	1,498
2,100- 2,199	528	851	981	1,139	1,320	1,531
2,200- 2,299	538	867	1,000	1,160	1,346	1,561
2,300- 2,399	546	881	1,016	1,179	1,367	1,586
2,400- 2,499	554	893	1,029	1,195	1,385	1,608
2,500- 2,599	560	903	1,040	1,208	1,400	1,625
2,600- 2,699	570	920	1,060	1,230	1,426	1,655
2,700- 2,799	580	936	1,078	1,251	1,450	1,683
2,800- 2,899	589	950	1,094	1,270	1,472	1,707
2,900- 2,999	596	963	1,109	1,287	1,492	1,730
3,000- 3,099	603	975	1,122	1,302	1,509	1,749
3,100- 3,199	613	991	1,141	1,324	1,535	1,779
3,200- 3,299	623	1,007	1,158	1,344	1,558	1,807
3,300- 3,399	~~632~~636	1,021	1,175	1,363	1,581	1,833
3,400- 3,499	~~640~~650	1,034	1,190	1,380	1,601	1,857
3,500- 3,599	~~648~~664	1,047	1,204	1,397	1,621	1,880
3,600- 3,699	~~657~~ 677	1,062	1,223	1,418	1,646	1,909

3,700- 3,799	~~667~~ 691	1,077	1,240	1,439	1,670	1,937
3,800- 3,899	~~676~~ 705	1,081	1,257	1,459	1,693	1,963
3,900- 3,999	~~684~~ 719	1,104	1,273	1,478	1,715	1,988
4,000- 4,099	~~692~~ 732	1,116	1,288	1,496	1,736	2,012
4,100- 4,199	~~701~~ 746	1,132	1,305	1,516	1,759	2,039
4,200- 4,299	~~710~~ 760	1,147	1,322	1,536	1,781	2,064
4,300- 4,399	~~718~~ 774	1,161	1,338	1,554	1,802	2,088
4,400- 4,499	~~726~~ 787	1,175	1,353	1,572	1,822	2,111
4,500- 4,599	~~734~~ 801	1,184	1,368	1,589	1,841	2,133
4,600- 4,699	~~743~~ 808	1,200	1,386	1,608	1,864	2,160
4,700- 4,799	~~753~~ 814	1,215	1,402	1,627	1,887	2,186
4,800- 4,899	~~762~~ 820	1,231	1,419	1,645	1,908	2,212
4,900- 4,999	~~771~~ 825	1,246	1,435	1,663	1,930	2,236
5,000- 5,099	~~780~~ 831	1,260	1,450	1,680	1,950	2,260
5,100- 5,199	~~788~~ 837	1,275	1,468	1,701	1,975	2,289
5,200- 5,299	~~797~~ 843	1,290	1,485	1,722	1,999	2,317
5,300- 5,399	~~805~~ 849	1,304	1,502	1,743	2,022	2,345
5,400- 5,499	~~812~~ 854	1,318	1,518	1,763	2,046	2,372
5,500- 5,599	~~820~~ 860	1,331	1,535	1,782	2,068	2,398
5,600- 5,699	~~829~~ 866	1,346	1,551	1,801	2,090	2,424
5,700- 5,799	~~838~~ 873	1,357	1,568	1,819	2,111	2,449
5,800- 5,899	~~847~~ 881	1,376	1,583	1,837	2,132	2,473
5,900- 5,999	~~856~~ 888	1,390	1,599	1,855	2,152	2,497
6,000- 6,099	~~864~~ 895	1,404	1,604	1,872	2,172	2,520
6,100- 6,199	~~874~~ 902	1,419	1,631	1,892	2,195	2,546
6,200- 6,299	~~883~~ 909	1,433	1,645	1,912	2,217	2,572
6,300- 6,399	~~892~~ 916	1,448	1,664	1,932	2,239	2,597
6,400- 6,499	~~901~~ 923	1,462	1,682	1,951	2,260	2,621
6,500- 6,599	~~910~~ 930	1,476	1,697	1,970	2,282	2,646
6,600- 6,699	~~919~~ 936	1,490	1,713	1,989	2,305	2,673
6,700- 6,799	~~927~~ 943	1,505	1,730	2,009	2,328	2,700
6,800- 6,899	~~936~~ 950	1,519	1,746	2,028	2,350	2,727
6,900- 6,999	~~944~~ 957	1,533	1,762	2,047	2,379	~~2,753~~ 2,747

7,000- 7,099	~~952~~ 963	1,547	1,778	2,065	2,394	~~2,779~~ 2,753
7,100- 7,199	~~961~~ 970	1,561	1,795	2,085	2,417	~~2,805~~ 2,758
7,200- 7,299	~~971~~ 974	1,574	1,812	2,104	2,439	~~2,830~~ 2,764
7,300- 7,399	980	1,587	1,828	2,123	2,462	~~2,854~~ 2,769
7,400- 7,499	989	1,600	1,844	2,142	2,483	~~2,879~~ 2,775
7,500- 7,599	998	1,613	1,860	2,160	2,505	~~2,903~~ 2,781
7,600- 7,699	1,006	1,628	1,877	2,180	2,528	~~2,929~~ 2,803
7,700- 7,799	1,015	1,643	1,894	2,199	2,550	~~2,955~~ 2,833
7,800- 7,899	1,023	1,658	1,911	2,218	2,572	~~2,981~~ 2,864
7,900- 7,999	1,032	1,673	1,928	2,237	2,594	~~3,007~~ 2,894
8,000- 8,099	1,040	1,688	1,944	2,256	2,616	~~3,032~~ 2,925
8,100- 8,199	1,048	1,703	1,960	2,274	2,637	~~3,057~~ 2,955
8,200- 8,299	1,056	1,717	1,976	2,293	2,658	~~3,082~~ 2,985
8,300 -8,399	1,064	1,731	1,992	2,311	2,679	~~3,106~~ 3,016
8,400- 8,499	1,072	1,746	2,008	2,328	2,700	~~3,130~~ 3,046
8,500- 8,599	1,080	1,760	2,023	2,346	2,720	~~3,154~~ 3,077
8,600- 8,699	1,092	1,780	2,047	2,374	2,752	~~3,191~~ 3,107
8,700- 8,799	1,105	1,801	2,071	2,401	2,784	~~3,228~~ 3,138
8,800- 8,899	1,118	1,822	2,094	2,429	2,816	~~3,265~~ 3,168
8,900- 8,999	1,130	1,842	2,118	2,456	2,848	~~3,302~~ 3,199
9,000- 9,099	1,143	1,863	2,142	2,484	2,880	~~3,339~~ 3,223

9,100- 9,199	1,156	1,884	2,166	2,512	2,912	~~3,376~~ 3,243
9,200- 9,299	1,168	1,904	2,190	2,539	2,944	~~3,413~~ 3,263
9,300- 9,399	1,181	1,925	2,213	2,567	2,976	~~3,450~~ 3,284
9,400- 9,499	1,194	1,946	2,237	2,594	3,008	~~3,487~~ 3,304
9,500- 9,599	1,207	1,967	2,261	2,622	~~3,040~~ 3,031	~~3,525~~ 3,324
9,600- 9,699	1,219	1,987	2,285	2,650	~~3,072~~ 3,050	~~3,562~~ 3,345
9,700- 9,799	1,232	2,008	2,309	2,677	~~3,104~~ 3,069	~~3,599~~ 3,365
9,800- 9,899	1,245	2,029	2,332	2,705	~~3,136~~ 3,087	~~3,636~~ 3,385
9,900- 9,999	1,257	2,049	2,356	2,732	~~3,168~~ 3,106	~~3,673~~ 3,406
10,000-10,099	1,270	2,070	2,380	2,760	~~3,200~~ 3,125	~~3,710~~ 3,426
10,100-10,199	1,283	2,091	2,404	2,788	~~3,232~~ 3,144	~~3,747~~ 3,446
10,200-10,299	1,295	2,111	2,428	2,815	~~3,264~~ 3,162	~~3,784~~ 3,467
10,300-10,399	1,308	2,132	2,451	2,843	~~3,296~~ 3,181	~~3,821~~ 3,487
10,400-10,499	1,321	2,153	2,475	2,870	~~3,328~~ 3,200	~~3,858~~ 3,507
10,500-10,599	1,334	2,174	2,499	2,898	~~3,360~~ 3,218	~~3,896~~ 3,528
10,600-10,699	1,346	2,194	2,523	~~2,926~~ 2,921	~~3,392~~ 3,237	~~3,933~~ 3,548
10,700-10,799	1,359	2,215	2,547	~~2,953~~ 2,938	~~3,424~~ 3,256	~~3,970~~ 3,568
10,800-10,899	1,372	2,236	2,570	~~2,981~~ 2,955	~~3,456~~ 3,274	~~4,007~~ 3,589
10,900-10,999	1,384	2,256	2,594	~~3,008~~ 2,972	~~3,488~~ 3,293	~~4,044~~ 3,609
11,000-11,099	1,397	2,277	2,618	~~3,036~~ 2,989	~~3,520~~ 3,312	~~4,081~~ 3,629
11,100-11,199	1,410	~~2,298~~ 2,294	2,642	~~3,064~~ 3,006	~~3,552~~ 3,331	~~4,118~~ 3,649

11,200-11,299	1,422	~~2,318~~ 2,306	2,666	~~3,091~~ 3,023	~~3,584~~ 3,349	~~4,155~~ 3,667
11,300-11,399	1,435	~~2,339~~ 2,319	2,689	~~3,119~~ 3,040	~~3,616~~ 3,366	~~4,192~~ 3,686
11,400-11,499	1,448	~~2,360~~ 2,331	2,713	~~3,146~~ 3,055	~~3,648~~ 3,383	~~4,229~~ 3,705
11,500-11,599	1,461	~~2,381~~ 2,344	~~2,737~~ 2,735	~~3,174~~ 3,071	~~3,680~~ 3,400	~~4,267~~ 3,723
11,600-11,699	1,473	~~2,401~~ 2,356	~~2,761~~ 2,748	~~3,202~~ 3,087	~~3,712~~ 3,417	~~4,304~~ 3,742
11,700-11,799	1,486	~~2,422~~ 2,367	~~2,785~~ 2,762	~~3,229~~ 3,102	~~3,744~~ 3,435	~~4,341~~ 3,761
11,800-11,899	1,499	~~2,443~~ 2,378	~~2,808~~ 2,775	~~3,257~~ 3,116	~~3,776~~ 3,452	~~4,378~~ 3,780
11,900-11,999	1,511	~~2,463~~ 2,389	~~2,832~~ 2,788	~~3,284~~ 3,131	~~3,808~~ 3,469	~~4,415~~ 3,798
12,000-12,099	1,524	~~2,484~~ 2,401	~~2,856~~ 2,801	~~3,312~~ 3,146	~~3,840~~ 3,485	~~4,452~~ 3,817
12,100-12,199	1,537	~~2,505~~ 2,412	~~2,880~~ 2,814	~~3,340~~ 3,160	~~3,872~~ 3,501	~~4,489~~ 3,836
12,200-12,299	1,549	~~2,525~~ 2,423	~~2,904~~ 2,828	~~3,367~~ 3,175	~~3,904~~ 3,517	~~4,526~~ 3,854
12,300-12,399	1,562	~~2,546~~ 2,434	~~2,927~~ 2,841	~~3,395~~ 3,190	~~3,936~~ 3,534	~~4,563~~ 3,871
12,400-12,499	1,575	~~2,567~~ 2,445	~~2,951~~ 2,854	~~3,422~~ 3,205	~~3,968~~ 3,550	~~4,600~~ 3,889
12,500-12,599	1,588	~~2,588~~ 2,456	~~2,975~~ 2,867	~~3,450~~ 3,219	~~4,000~~ 3,566	~~4,638~~ 3,907
12,600-12,699	1,600	~~2,608~~ 2,467	~~2,999~~ 2,880	~~3,478~~ 3,234	~~4,032~~ 3,582	~~4,675~~ 3,924
12,700-12,799	1,613	~~2,629~~ 2,478	~~3,023~~ 2,894	~~3,505~~ 3,249	~~4,064~~ 3,598	~~4,712~~ 3,942
12,800-12,899	1,626	~~2,650~~ 2,489	~~3,046~~ 2,907	~~3,533~~ 3,264	~~4,096~~ 3,615	~~4,749~~ 3,960
12,900-12,999	1,638	~~2,670~~ 2,500	~~3,070~~ 2,920	~~3,560~~ 3,278	~~4,128~~ 3,631	~~4,786~~ 3,977
13,000-13,099	1,651	~~2,691~~ 2,512	~~3,094~~ 2,933	~~3,588~~ 3,293	~~4,160~~ 3,647	~~4,823~~ 3,995
13,100-13,199	1,664	~~2,712~~ 2,523	~~3,118~~ 2,946	~~3,616~~ 3,308	~~4,192~~ 3,663	~~4,860~~ 4,012
13,200-13,299	1,676	~~2,732~~ 2,534	~~3,142~~ 2,960	~~3,643~~ 3,322	~~4,224~~ 3,679	~~4,897~~ 4,030

13,300-13,399	1,689	~~2,753~~ 2,545	~~3,165~~ 2,973	~~3,671~~ 3,337	~~4,256~~ 3,696	~~4,934~~ 4,048
13,400-13,499	1,702	~~2,774~~ 2,556	~~3,189~~ 2,986	~~3,698~~ 3,352	~~4,288~~ 3,712	~~4,971~~ 4,065
13,500-13,599	1,715	~~2,795~~ 2,567	~~3,213~~ 2,999	~~3,726~~ 3,367	~~4,320~~ 3,728	~~5,009~~ 4,083
13,600-13,699	1,727	~~2,815~~ 2,578	~~3,237~~ 3,012	~~3,754~~ 3,381	~~4,352~~ 3,744	~~5,046~~ 4,100
13,700-13,799	1,740	~~2,836~~ 2,589	~~3,261~~ 3,026	~~3,781~~ 3,396	~~4,384~~ 3,760	~~5,083~~ 4,118
13,800-13,899	1,753	~~2,857~~ 2,600	~~3,284~~ 3,039	~~3,809~~ 3,411	~~4,416~~ 3,777	~~5,120~~ 4,136
13,900-13,999	1,765	~~2,877~~ 2,611	~~3,308~~ 3,052	~~3,836~~ 3,425	~~4,448~~ 3,793	~~5,157~~ 4,153
14,000-14,099	1,778	~~2,898~~ 2,623	~~3,332~~ 3,065	~~3,864~~ 3,440	~~4,480~~ 3,809	~~5,194~~ 4,171
14,100-14,199	1,791	~~2,919~~ 2,634	~~3,356~~ 3,078	~~3,892~~ 3,455	~~4,512~~ 3,825	~~5,231~~ 4,189
14,200-14,299	1,803	~~2,939~~ 2,645	~~3,380~~ 3,092	~~3,919~~ 3,470	~~4,544~~ 3,841	~~5,268~~ 4,206
14,300-14,399	1,816	~~2,960~~ 2,656	~~3,403~~ 3,105	~~3,947~~ 3,484	~~4,576~~ 3,858	~~5,305~~ 4,224
14,400-14,499	1,829	~~2,981~~ 2,667	~~3,427~~ 3,118	~~3,974~~ 3,499	~~4,608~~ 3,874	~~5,342~~ 4,239
14,500-14,599	1,842	~~3,002~~ 2,678	~~3,451~~ 3,131	~~4,002~~ 3,514	~~4,640~~ 3,889	~~5,380~~ 4,253
14,600-14,699	1,854	~~3,022~~ 2,689	~~3,475~~ 3,144	~~4,030~~ 3,529	~~4,672~~ 3,902	~~5,417~~ 4,268
14,700-14,799	~~1,867~~ 1,864	~~3,043~~ 2,700	~~3,499~~ 3,158	~~4,057~~ 3,541	~~4,704~~ 3,916	~~5,454~~ 4,282
14,800-14,899	~~1,880~~ 1,872	~~3,064~~ 2,711	~~3,522~~ 3,170	~~4,085~~ 3,553	~~4,736~~ 3,929	~~5,491~~ 4,297
14,900-14,999	~~1,892~~ 1,879	~~3,084~~ 2,722	~~3,546~~ 3,181	~~4,112~~ 3,565	~~4,768~~ 3,942	~~5,528~~ 4,311
15,000, or the amount in effect under subd. 4	~~1,905~~ 1,883	~~3,105~~ 2,727	~~3,570~~ 3,186	~~4,140~~ 3,571	~~4,800~~ 3,949	~~5,565~~ 4,319

Sec. 31. Laws 2005, chapter 164, section 31, is amended to read:

Sec. 31. **REPEALER.**

Minnesota Statutes 2004, sections 518.171; ~~518.54, subdivisions 2, 4, and 4a;~~ and 518.551, subdivisions 1, 5a, 5c, and 5f, are repealed.

Sec. 32. Laws 2005, chapter 164, section 32, is amended to read:

Sec. 32. **EFFECTIVE DATE.**

Except as otherwise provided, this act is effective January 1, 2007~~, and applies to orders adopted or modified after that date~~. With respect to the calculation of child support, this act applies to actions commenced or motions filed after the effective date, including those involving support orders in effect before the effective date. The provisions of this act used to calculate support obligations apply to actions or motions for past support or reimbursement filed on or after January 1, 2007. The terms and provisions of any court orders in effect before January 1, 2007, remain in full force and effect until modified by subsequent orders, judgments, decrees of dissolutions, or legal separations signed on or after January 1, 2007, when the provisions of this act must be applied. Sections 1 to 3 of this act are effective July 1, 2005.

Sec. 33. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall change cross-references in Minnesota Statutes from section 518.171 to section 518.719.

Sec. 34. **REPEALER.**

Laws 2005, chapter 164, section 12, is repealed.

Sec. 35. **EFFECTIVE DATE.**

Except where otherwise indicated, this act is effective January 1, 2007."

Amend the title accordingly

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

Senator Vickerman from the Committee on Agriculture, Veterans and Gaming, to which was referred

S.F. No. 3281: A bill for an act relating to the military; establishing a policy statement supportive of military service; proposing coding for new law in Minnesota Statutes, chapter 190.

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

Page 1, line 11, after "to" insert "meet the physical and mental health needs of returning veterans, and"

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

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 3355: A bill for an act relating to health; modifying the definition of governmental unit; amending Minnesota Statutes 2004, section 145.925, by adding a subdivision.

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

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 2511: A bill for an act relating to human services; excluding aid and attendance benefits from the MinnesotaCare definition of income for other household members; amending Minnesota Statutes 2005 Supplement, section 256L.01, subdivision 5.

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

Page 1, line 20, before "be" insert "not" and delete everything after "income" and insert a period

Page 1, delete line 21

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

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 3522: A bill for an act relating to human services; changing health care provisions; modifying medical assistance-related transportation costs, state agency claim provisions, alternative services, commissioner's authorities, transitioned adults provisions, medical assistance liens, commissioner's duties, and managed care contract provisions; amending Minnesota Statutes 2004, sections 256B.15, subdivision 1c; 256B.692, subdivision 6; 514.982, subdivision 1; Minnesota Statutes 2005 Supplement, sections 256B.0625, subdivisions 3f, 17; 256B.69, subdivision 23; 256L.05, subdivision 2; 256L.15, subdivision 4; Laws 2005, First Special Session chapter 4, article 8, section 84; repealing Minnesota Statutes 2004, section 256B.692, subdivision 10.

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

Page 5, delete section 5

Page 7, delete section 9

Renumber the sections in sequence

Amend the title accordingly

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

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 2535: A bill for an act relating to human services; requiring a report on case management and other social services; amending Laws 2005, First Special Session chapter 4, article 7, section 59.

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

Delete everything after the enacting clause and insert:

"Section 1. **[256K.60] RUNAWAY AND HOMELESS YOUTH ACT.**

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

(b) "Commissioner" means the commissioner of human services.

(c) "Homeless youth" means a person 21 years or younger who is unaccompanied by a parent or guardian and is without shelter where appropriate care and supervision are available, whose parent or legal guardian is unable or unwilling to provide shelter and care, or who lacks a fixed, regular, and adequate nighttime residence. The following are not fixed, regular, or adequate nighttime residences:

(1) a supervised publicly or privately operated shelter designed to provide temporary living accommodations;

(2) an institution publicly or privately operated shelter designed to provide temporary living accommodations;

(3) transitional housing;

(4) a temporary placement with a peer, friend, or family member that has not offered permanent

residence, a residential lease, or temporary lodging for more than 30 days; or

(5) a public or private place not designed for, nor ordinarily used as, a regular sleeping accommodation for human beings.

Homeless youth does not include persons incarcerated or otherwise detained under federal or state law.

(d) "Youth at risk of homelessness" means a person 21 years or younger whose status or circumstances indicate a significant danger of experiencing homelessness in the near future. Status or circumstances that indicate a significant danger may include youth exiting out-of-home placements, youth who previously were homeless, youth whose parents or primary caregivers are or were previously homeless, youth who are exposed to abuse and neglect in their homes, youth who experience conflict with parents due to chemical or alcohol dependency, mental health disabilities, or other disabilities, and runaways.

(e) "Runaway" means an unmarried child under the age of 18 years who is absent from the home of a parent or guardian or other lawful placement without the consent of the parent, guardian, or lawful custodian.

Subd. 2. **Homeless and runaway youth initiative.** (a) The commissioner shall develop a comprehensive initiative for homeless youth, youth at risk of homelessness, and runaways. The commissioner shall contract with organizations and public and private agencies, including faith-based organizations, to provide street outreach, emergency shelter services, drop-in services, family mediation counseling and conflict resolution, transitional living services, case management services, life skills training, and family reunification services to youth, to the extent that funds exist or become available. The programs must be culturally competent to serve specific populations and must provide voluntary services to homeless youth, youth at risk of homelessness, and runaways in an appropriate and responsible manner.

(b) The commissioner shall plan for and coordinate services for homeless, runaway, and at-risk youth. The commissioner may provide support services required to achieve the objectives and goals of the initiative.

(c) Nothing in this section relieves counties from existing responsibilities to provide services for homeless youth, youth at risk of being homeless, or runaways under section 626.556, chapter 256E, or other applicable laws.

(d) Nothing in this section is intended to preclude homeless youth ages 18 to 21 from utilizing other services or programs available to homeless adults.

Subd. 3. **Street and community outreach and drop-in program.** Youth drop-in centers must provide walk-in access to crisis intervention and on-going supportive services including one-to-one case management services on a self-referral basis. Street and community outreach programs must locate, contact, and provide information, referrals, and services to homeless youth, youth at risk of homelessness, and runaways. Information, referrals, and services provided may include, but are not limited to:

(1) family reunification services;

(2) conflict resolution or mediation counseling;

(3) assistance in obtaining temporary emergency shelter;

(4) assistance in obtaining food, clothing, medical care, or mental health counseling;

(5) counseling regarding violence, prostitution, substance abuse, sexually transmitted diseases, and pregnancy;

(6) referrals to other agencies that provide support to services to homeless youth, youth at risk

of homelessness, and runaways;

(7) assistance with education, employment, and independent living skills;

(8) after-care services;

(9) specialized services for highly vulnerable runaways and homeless youth, including teen parents, emotionally disturbed and mentally ill youth, and sexually exploited youth; and

(10) homelessness prevention.

Subd. 4. **Emergency shelter program.** (a) Emergency shelter programs must provide homeless youth and runaways with referral and walk-in access to emergency, short-term residential care. The program shall provide homeless youth and runaways with safe, dignified shelter, including private shower facilities, beds, and at least one meal each day, and shall assist a runaway with reunification with the family or legal guardian when required or appropriate.

(b) The services provided at emergency shelters may include, but are not limited to:

(1) family reunification services;

(2) individual, family, and group counseling;

(3) assistance obtaining clothing;

(4) access to medical and dental care and mental health counseling;

(5) education and employment services;

(6) recreational activities;

(7) advocacy and referral services;

(8) independent living skills training;

(9) after-care and follow-up services;

(10) transportation; and

(11) homelessness prevention.

Subd. 5. **Supportive housing and transitional living programs.** Transitional living programs must help homeless youth and youth at risk of homelessness to find and maintain safe, dignified housing. The program may also provide rental assistance and related supportive services, or refer youth to other organizations or agencies that provide such services. Services provided may include, but are not limited to:

(1) educational assessment and referrals to educational programs;

(2) career planning, employment, work skill training, and independent living skills training;

(3) job placement;

(4) budgeting and money management;

(5) assistance in securing housing appropriate to needs and income;

(6) counseling regarding violence, prostitution, substance abuse, sexually transmitted diseases, and pregnancy;

(7) referral for medical services or chemical dependency treatment;

(8) parenting skills;

(9) self-sufficiency support services or life skill training;

(10) after-care and follow-up services; and

(11) homelessness prevention.

Sec. 2. Laws 2005, First Special Session chapter 4, article 7, section 59, is amended to read:

Sec. 59. **REPORT TO LEGISLATURE.**

The commissioner shall report to the legislature by December 15, 2006, on the redesign of case management services. In preparing the report, the commissioner shall consult with representatives for consumers, consumer advocates, counties, labor organizations representing county social service workers, and service providers. The report shall include draft legislation for case management changes that will:

(1) streamline administration;

(2) improve consumer access to case management services;

(3) address the use of a comprehensive universal assessment protocol for persons seeking community supports;

(4) establish case management performance measures;

(5) provide for consumer choice of the case management service vendor; and

(6) provide a method of payment for case management services that is cost-effective and best supports the draft legislation in clauses (1) to (5).

Sec. 3. **IMPACT ON REDUCED MEDICAID REIMBURSEMENTS.**

The commissioner of human services shall report to the chair of the house Health Policy and Finance Committee and the chairs of the senate Health and Family Security Committee and Health and Human Services Budget Division by December 1, 2006, on the impact of reduced Medicaid reimbursements resulting from the federal Deficit Reduction Act of 2005. The report shall include options to restore lost revenues and ensure the continuation of targeted case management and other affected social services.

Sec. 4. **APPROPRIATION.**

$..... is appropriated for the biennium ending June 30, 2007, from the general fund to the commissioner of human services for purposes of Minnesota Statutes, section 256K.50.

Sec. 5. **EFFECTIVE DATE.**

Sections 2 and 3 are effective the day following final enactment."

Amend the title accordingly

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

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 3302: A bill for an act relating to human services; expanding reimbursement for mental health services; amending Minnesota Statutes 2004, sections 256B.0623, subdivision 8; 256B.0625, subdivision 43, by adding a subdivision; 256B.0943, subdivisions 1, 2, by adding a subdivision; 256B.761; Minnesota Statutes 2005 Supplement, sections 256B.0625, subdivisions 38, 46; 256L.035; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

Senator Scheid from the Committee on Commerce, to which was referred

S.F. No. 3331: A bill for an act relating to commerce; modifying provisions relating to petroleum fund compensation for transport vehicles; appropriating money; amending Minnesota Statutes 2005 Supplement, section 115C.09, subdivision 3j.

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

Senator Johnson, D.E., from the Committee on Rules and Administration, to which was referred

H.F. No. 2697 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2697	2474				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2697 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2697, the first engrossment; and insert the language after the enacting clause of S.F. No. 2474, the first engrossment; further, delete the title of H.F. No. 2697, the first engrossment; and insert the title of S.F. No. 2474, the first engrossment.

And when so amended H.F. No. 2697 will be identical to S.F. No. 2474, and further recommends that H.F. No. 2697 be given its second reading and substituted for S.F. No. 2474, and that the Senate File be indefinitely postponed.

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

Senator Johnson, D.E., from the Committee on Rules and Administration, to which was referred

H.F. No. 2746 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.
2746	2541				

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 Johnson, D.E., from the Committee on Rules and Administration, to which was referred

H.F. No. 3515 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.
3515	3142				

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 Johnson, D.E., from the Committee on Rules and Administration, to which was referred

H.F. No. 3310 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.
3310	2969				

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 Johnson, D.E., from the Committee on Rules and Administration, to which was referred

H.F. No. 3285 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.
3285	2929				

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.

SECOND READING OF SENATE BILLS

S.F. Nos. 2743, 3364, 2940, 2980, 3175, 3260, 2633, 1426, 3256, 3026, 2524, 3199, 3281, 3355

and 3522 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2697, 2746, 3515, 3310 and 3285 were read the second time.

MOTIONS AND RESOLUTIONS

Senator Rosen moved that her name be stricken as a co-author to S.F. No. 979. The motion prevailed.

Senator LeClair moved that the names of Senators Larson and Higgins be added as co-authors to S.F. No. 2302. The motion prevailed.

Senator Saxhaug moved that the name of Senator Ruud be added as a co-author to S.F. No. 2391. The motion prevailed.

Senator Belanger moved that his name be stricken as a co-author to S.F. No. 2507. The motion prevailed.

Senator Pappas moved that the name of Senator Pogemiller be added as a co-author to S.F. No. 2876. The motion prevailed.

Senator Bachmann moved that the name of Senator Johnson, D.J. be added as a co-author to S.F. No. 2985. The motion prevailed.

Senator Saxhaug moved that the name of Senator Tomassoni be added as a co-author to S.F. No. 3111. The motion prevailed.

Senator Senjem moved that the name of Senator LeClair be added as a co-author to S.F. No. 3359. The motion prevailed.

Senator Kubly moved that the name of Senator Johnson, D.E. be added as a co-author to S.F. No. 3437. The motion prevailed.

Senator Larson moved that the names of Senators Metzen, Vickerman and Kiscaden be added as co-authors to S.F. No. 3614. The motion prevailed.

Senator Bonoff moved that the names of Senators Cohen, Pappas and Pogemiller be added as co-authors to S.F. No. 3616. The motion prevailed.

Senator Rosen moved that S.F. No. 3267 be withdrawn from the Committee on Education and re-referred to the Committee on Finance. The motion prevailed.

Senator Johnson, D.E., for Senator Kelley, moved that S.F. No. 3495 be withdrawn from the Committee on Crime Prevention and Public Safety and re-referred to the Committee on Education. The motion prevailed.

Senator Michel introduced –

Senate Resolution No. 169: A Senate resolution congratulating the St. Thomas Academy boys hockey team and team captain Jack Baer on winning the State High School Class 1A boys hockey tournament.

Referred to the Committee on Rules and Administration.

Senator Vickerman introduced –

Senate Resolution No. 170: A Senate resolution congratulating the Fulda High School girls basketball team on winning the 2006 State High School Class 1A girls basketball tournament.

Referred to the Committee on Rules and Administration.

Senator Saxhaug moved that S.F. No. 2974 be withdrawn from the Committee on Finance and re-referred to the Committee on State and Local Government Operations. The motion prevailed.

Senator Kelley moved that S.F. No. 1553 be withdrawn from the Committee on State and Local Government Operations and re-referred to the Committee on Jobs, Energy and Community Development. The motion prevailed.

CONSENT CALENDAR

H.F. No. 2709: A bill for an act relating to financial institutions; authorizing a detached facility in Shamrock Township under certain conditions.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Koering	Nienow	Saxhaug
Bakk	Gerlach	Kubly	Olson	Scheid
Berglin	Hann	Langseth	Pappas	Senjem
Betzold	Higgins	Larson	Pariseau	Skoe
Bonoff	Hottinger	LeClair	Pogemiller	Skoglund
Chaudhary	Johnson, D.E.	Lourey	Ranum	Solon
Clark	Johnson, D.J.	Marko	Reiter	Sparks
Day	Jungbauer	Marty	Rest	Stumpf
Dibble	Kelley	McGinn	Robling	Tomassoni
Dille	Kierlin	Metzen	Rosen	Vickerman
Fischbach	Kiscaden	Michel	Ruud	Wergin
Foley	Koch	Neuville	Sams	Wiger

So the bill passed and its title was agreed to.

S.F. No. 2749: A bill for an act relating to counties; removing limit in county expenditures for soldiers' rest; amending Minnesota Statutes 2004, section 375.36, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Kiscaden	Metzen	Robling
Bakk	Frederickson	Koch	Michel	Rosen
Berglin	Gerlach	Koering	Neuville	Ruud
Betzold	Hann	Kubly	Nienow	Sams
Bonoff	Higgins	Langseth	Olson	Saxhaug
Chaudhary	Hottinger	Larson	Pappas	Scheid
Clark	Johnson, D.E.	LeClair	Pariseau	Skoe
Day	Johnson, D.J.	Lourey	Pogemiller	Skoglund
Dibble	Jungbauer	Marko	Ranum	Solon
Dille	Kelley	Marty	Reiter	Sparks
Fischbach	Kierlin	McGinn	Rest	Stumpf

Tomassoni	Vickerman	Wergin	Wiger

So the bill passed and its title was agreed to.

S.F. No. 2621: A bill for an act relating to health; requiring programs to meet an average yearly pass rate for EMT certification; amending Minnesota Statutes 2004, section 144E.285, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	Kubly	Olson	Scheid
Bakk	Hann	Langseth	Pappas	Skoe
Berglin	Higgins	Larson	Pariseau	Skoglund
Betzold	Hottinger	LeClair	Pogemiller	Solon
Bonoff	Johnson, D.E.	Lourey	Ranum	Sparks
Clark	Johnson, D.J.	Marko	Reiter	Stumpf
Day	Jungbauer	Marty	Rest	Tomassoni
Dibble	Kelley	McGinn	Robling	Vickerman
Dille	Kierlin	Metzen	Rosen	Wergin
Fischbach	Kiscaden	Michel	Ruud	Wiger
Foley	Koch	Neuville	Sams	
Frederickson	Koering	Nienow	Saxhaug	

So the bill passed and its title was agreed to.

S.F. No. 2726: A bill for an act relating to health; extending the essential community provider designation to a mental health provider located in Hennepin County; amending Minnesota Statutes 2004, section 62Q.19, subdivision 2.

Pursuant to Rule 25.4, there being at least three objectors, S.F. No. 2726 was stricken from the Consent Calendar and placed on General Orders.

S.F. No. 2793: A bill for an act relating to health; modifying essential community provider designation; amending Minnesota Statutes 2004, section 62Q.19, subdivision 2.

Pursuant to Rule 25.4, there being at least three objectors, S.F. No. 2793 was stricken from the Consent Calendar and placed on General Orders.

S.F. No. 2818: A bill for an act relating to domestic abuse; authorizing extension of the domestic fatality review team pilot project in the fourth judicial district; amending Laws 2002, chapter 266, section 1, as amended.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Dibble	Johnson, D.E.	Langseth	Michel
Bakk	Dille	Johnson, D.J.	Larson	Neuville
Berglin	Fischbach	Jungbauer	LeClair	Nienow
Betzold	Foley	Kelley	Limmer	Olson
Bonoff	Frederickson	Kierlin	Lourey	Pappas
Chaudhary	Gerlach	Kiscaden	Marko	Pariseau
Clark	Hann	Koch	Marty	Pogemiller
Cohen	Higgins	Koering	McGinn	Ranum
Day	Hottinger	Kubly	Metzen	Reiter

Rest	Sams	Skoe	Stumpf	Wiger
Robling	Saxhaug	Skoglund	Tomassoni	
Rosen	Scheid	Solon	Vickerman	
Ruud	Senjem	Sparks	Wergin	

So the bill passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Stumpf introduced–

S.F. No. 3618: A bill for an act relating to state lands; authorizing private sale and conveyance of certain tax-forfeited lands that border public water in Marshall County.

Referred to the Committee on Environment and Natural Resources.

Senator Tomassoni introduced–

S.F. No. 3619: A bill for an act relating to the city of Hibbing; dissolving the Hibbing Area Redevelopment Agency; transferring the assets of the Hibbing Area Redevelopment Agency to the Hibbing Economic Development Authority; providing for the assumption of debts and obligations.

Referred to the Committee on Jobs, Energy and Community Development.

Senator Olson introduced–

S.F. No. 3620: A bill for an act relating to capital improvements; appropriating money for the Minnehaha Creek Watershed District; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senator Koch introduced–

S.F. No. 3621: A bill for an act relating to education; providing for a teacher licensing alternative.

Referred to the Committee on Education.

Senator Dille introduced–

S.F. No. 3622: A bill for an act relating to education finance; authorizing a fund transfer for Independent School District No. 463, Eden Valley-Watkins.

Referred to the Committee on Finance.

Senator Dille introduced–

S.F. No. 3623: A bill for an act relating to the environment; modifying environmental review exemption for feedlots; amending Minnesota Statutes 2004, section 116D.04, subdivision 2a.

Referred to the Committee on Environment and Natural Resources.

Senator Bakk introduced–

S.F. No. 3624: A bill for an act relating to taxes; authorizing the city of Ely to impose a local sales and use tax.

Referred to the Committee on Taxes.

Senator Pogemiller introduced–

S.F. No. 3625: A bill for an act relating to taxation; property; providing that the property tax statement must contain additional information on targeting; amending Minnesota Statutes 2005 Supplement, section 276.04, subdivision 2.

Referred to the Committee on Taxes.

Senator Saxhaug introduced–

S.F. No. 3626: A bill for an act relating to local government; authorizing the creation of the Lakeview Cemetery Association; authorizing a tax levy.

Referred to the Committee on State and Local Government Operations.

Senator Senjem introduced–

S.F. No. 3627: A bill for an act relating to game and fish; modifying restrictions on using artificial lights to locate animals; amending Minnesota Statutes 2004, section 97B.081, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Senators Ortman, McGinn and Ruud introduced–

S.F. No. 3628: A bill for an act relating to public safety; expanding venue for the crime of aiding an offender; amending Minnesota Statutes 2004, section 609.495, by adding a subdivision.

Referred to the Committee on Crime Prevention and Public Safety.

Senators Murphy, Skoe and Senjem introduced–

S.F. No. 3629: A bill for an act relating to transportation; providing for transportation financing; modifying vehicle registration tax; increasing and indexing gasoline and special fuels tax rates; authorizing metropolitan area half-cent sales tax for transit contingent on voter approval; prohibiting certain expenditures of federal transportation funds; amending Minnesota Statutes 2004, sections 161.04, by adding a subdivision; 168.013, subdivision 1a; 296A.07, subdivision 3, by adding a subdivision; 296A.08, subdivision 2, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 297A.

Referred to the Committee on Transportation.

Senator Saxhaug introduced–

S.F. No. 3630: A bill for an act relating to local government; authorizing Itasca County to establish a revolving loan fund to upgrade failing septic systems.

Referred to the Committee on Environment and Natural Resources.

Senators Skoglund, Chaudhary and Reiter introduced–

S.F. No. 3631: A bill for an act relating to claims against the state; providing for settlement of various claims; appropriating money.

Referred to the Committee on Finance.

Senator Belanger introduced–

S.F. No. 3632: A bill for an act relating to property taxation; eliminating the growth factor in the state general levy; amending Minnesota Statutes 2005 Supplement, section 275.025, subdivision 1.

Referred to the Committee on Taxes.

Senator Pogemiller introduced–

S.F. No. 3633: A bill for an act relating to public finance; providing terms and conditions related to the issuance of obligations; defining terms; providing for authorization of interfund loans; amending Minnesota Statutes 2004, sections 103E.635, subdivision 7; 162.18, subdivision 1; 162.181, subdivision 1; 273.032; 365A.08; 365A.095; 373.45, subdivision 1; 469.035; 469.103, subdivision 2; Minnesota Statutes 2005 Supplement, sections 469.178, subdivision 7; 475.521, subdivision 4.

Referred to the Committee on Taxes.

Senators Koering, Pariseau and Kiscaden introduced–

S.F. No. 3634: A bill for an act relating to human services; providing reimbursement for licensed professional counselors; amending Minnesota Statutes 2005 Supplement, section 256B.0625, subdivision 38.

Referred to the Committee on Health and Family Security.

Senator LeClair introduced–

S.F. No. 3635: A bill for an act relating to human services; providing for interstate contracts for chemical health services; amending Minnesota Statutes 2004, section 245.50, subdivisions 1, 2, 5.

Referred to the Committee on Health and Family Security.

Senator Neuville introduced–

S.F. No. 3636: A bill for an act relating to education finance; requiring Independent School Districts Nos. 721, New Prague; 394, Montgomery-Lonsdale; and 659, Northfield, to contract with Holy Cross School to provide transportation for Holy Cross students.

Referred to the Committee on Finance.

Senator Hottinger introduced–

S.F. No. 3637: A bill for an act relating to education finance; authorizing a planning grant to establish supportive community partnerships; appropriating money.

Referred to the Committee on Finance.

Senator Bonoff introduced–

S.F. No. 3638: A bill for an act relating to transportation; amending driver education requirements; amending license examination requirements; modifying information required in driver's manual; amending Minnesota Statutes 2004, sections 171.0701; 171.13, subdivision 1, by adding a subdivision.

Referred to the Committee on Transportation.

Senator Foley introduced–

S.F. No. 3639: A bill for an act relating to public safety; clarifying security responsibilities of Capitol Security Division of Department of Public Safety; amending Minnesota Statutes 2004, section 299E.01, subdivision 2.

Referred to the Committee on State and Local Government Operations.

Senators Murphy, Moua and Johnson, D.E. introduced–

S.F. No. 3640: A bill for an act relating to capital improvements; appropriating money for a statue commemorating Hmong veterans; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senator Saxhaug introduced–

S.F. No. 3641: A bill for an act relating to economic development; providing a grant to evaluate the Grand Mound Interpretation Center in Koochiching County; appropriating money.

Referred to the Committee on Finance.

Senator Olson introduced–

S.F. No. 3642: A bill for an act relating to education; eliminating the intermediate school district exception to the postsecondary enrollment options program; repealing Minnesota Statutes 2004, section 124D.09, subdivision 23.

Referred to the Committee on Education.

Senator Berglin introduced–

S.F. No. 3643: A bill for an act relating to public safety; creating an open appropriation to commissioner of corrections for certain federal money received by commissioner of corrections; proposing coding for new law in Minnesota Statutes, chapter 241.

Referred to the Committee on Finance.

Senator Vickerman introduced–

S.F. No. 3644: A bill for an act relating to energy; providing tax refunds to electric utilities that transition to soy-based transformer fluid; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Jobs, Energy and Community Development.

Senators Tomassoni, Hann, Kelley, LeClair and Reiter introduced–

S.F. No. 3645: A bill for an act relating to education; establishing an advisory task force to recommend options for accelerated K-12 science and mathematics programs throughout Minnesota.

Referred to the Committee on Education.

Senators Kiscaden and Senjem introduced–

S.F. No. 3646: A bill for an act relating to education; extending the date by which Independent School District No. 535, Rochester, must certify proposed property tax levy to the county auditor.

Referred to the Committee on Taxes.

Senators Higgins, Marty, Pappas, Tomassoni and Johnson, D.J. introduced–

S.F. No. 3647: A bill for an act relating to health; requiring the commissioner of health to provide information on the dangers of jewelry containing lead and prohibiting the sale of jewelry containing lead; amending Minnesota Statutes 2004, section 144.9503, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Health and Family Security.

Senators Skoe; Langseth; Johnson, D.E.; Sams and Larson introduced–

S.F. No. 3648: A bill for an act relating to corrections; human services; appropriating money for predesign of the West Central Chemical Dependency Treatment and Correctional Center.

Referred to the Committee on Finance.

Senator Langseth introduced–

S.F. No. 3649: A bill for an act relating to public safety; modifying procedures for community notification for out-of-state sex offenders; amending Minnesota Statutes 2005 Supplement, section 244.052, subdivision 3a.

Referred to the Committee on Crime Prevention and Public Safety.

Senator Sparks introduced–

S.F. No. 3650: A bill for an act relating to commerce; regulating motor fuel franchises; providing an exemption from certain regulation; amending Minnesota Statutes 2004, section 80C.01, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 80C.

Referred to the Committee on Commerce.

Senator Bakk introduced–

S.F. No. 3651: A bill for an act relating to local government; authorizing a hospital district to agree to include territory of the Bois Forte Band of Minnesota Chippewa in the district.

Referred to the Committee on Taxes.

Senator Sams introduced–

S.F. No. 3652: A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other public improvements of a capital nature; authorizing the issuance of general obligation bonds; appropriating money for Central Lakes Regional Sanitary District sewer system.

Referred to the Committee on Finance.

Senator Olson introduced–

S.F. No. 3653: A bill for an act relating to state lands; authorizing conveyance of certain tax-forfeited land that borders public water or wetlands in Hennepin County.

Referred to the Committee on Environment and Natural Resources.

Senator Kubly introduced–

S.F. No. 3654: A bill for an act relating to education; providing for the closing of schools during official storm warnings; amending Minnesota Statutes 2004, section 120A.41.

Referred to the Committee on Education.

Senator Lourey introduced–

S.F. No. 3655: A bill for an act relating to local government; clarifying certain procedures in Pine County.

Referred to the Committee on State and Local Government Operations.

Senator Fischbach introduced–

S.F. No. 3656: A bill for an act relating to local government; permitting political subdivisions to fly the American flag at half-staff on certain occasions; proposing coding for new law in Minnesota Statutes, chapter 1.

Referred to the Committee on State and Local Government Operations.

Senators Tomassoni and Pappas introduced–

S.F. No. 3657: A bill for an act relating to higher education; regulating the membership of the Board of Trustees of the Minnesota State Colleges and Universities; amending Minnesota Statutes 2004, section 136F.02, subdivision 1.

Referred to the Committee on Finance.

MEMBERS EXCUSED

Senators Bachmann, Belanger, Moua, Murphy and Ortman were excused from the Session of today. Senators Cohen and Limmer were excused from the Session of today from 8:45 to 9:10 a.m.

ADJOURNMENT

Senator Johnson, D.E. moved that the Senate do now adjourn until 9:00 a.m., Thursday, March 30, 2006. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate