

THIRTY-FOURTH DAY

St. Paul, Minnesota, Thursday, March 22, 2007

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Monsignor James D. Habiger.

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

Anderson	Fischbach	Larson	Ortman	Skoe
Bakk	Foley	Latz	Pappas	Skogen
Berglin	Frederickson	Limmer	Pariseau	Sparks
Betzold	Gerlach	Lourey	Pogemiller	Stumpf
Bonoff	Gimse	Lynch	Prettner Solon	Tomassoni
Carlson	Hann	Marty	Rest	Torres Ray
Chaudhary	Higgins	Metzen	Robling	Vandever
Clark	Ingebrigtsen	Michel	Rosen	Vickerman
Cohen	Johnson	Moua	Rummel	Wergin
Day	Jungbauer	Murphy	Saltzman	Wiger
Dibble	Koch	Neuville	Saxhaug	
Dille	Koering	Olseen	Senjem	
Doll	Kubly	Olson, G.	Sheran	
Erickson Ropes	Langseth	Olson, M.	Sieben	

The President declared a quorum present.

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

REPORTS FILED WITH THE SECRETARY OF THE SENATE

The following reports were received and filed with the Secretary of the Senate: Minnesota Sentencing Guidelines Commission, Juvenile Out-of-State or Alternative Placement Reports, 2007; Department of Revenue, Assessment and Classification Practices Report, 2007; Department of Education, 2006 Annual Report on Obsolete, Unnecessary, or Duplicative Rules, 2007; Department of Education, Dangerous Weapons and Disciplinary Incidents, School Year 2005-2006, 2007; Department of Labor and Industry, Payroll Card Use in Minnesota, 2007; Teachers Retirement Association, Actuarial Report, 2006; Department of Human Services, Survey of the Average Cost of Filling a Medicaid Prescription in the State of Minnesota, 2006; Department of Human Services, Medical Care Surcharge Fund, 2007; Minnesota Housing Finance Agency, Housing Assistance in Minnesota, 2005-2006; University of Minnesota, Moving Forward Together: U of

M Minneapolis Area Neighborhood Impact Report and Appendices, 2007; Department of Public Safety, Criminal and Juvenile Justice Information Task Force, Report of the Background Checks and Expungements Delivery Team, 2006; Minnesota Racing Commission, 2006 Annual Report, 2007; Department of Employment and Economic Development, Urban Initiative Board, 2006; Department of Education, Staff Development Report of District and Site Results and Expenditures for 2005-2006, 2007; Department of Revenue, This Old House, Assessment Year 2006, 2007; Department of Revenue, Assessment and Classification Practices Report, Lands Enrolled in State or Federal Conservation Programs and Class 4d Low-Income Rental Housing, 2007; Minnesota Foundation for Student Organizations, Biennium Report, 2007; Office of Enterprise Technology, Information and Telecommunications Technology Systems and Services, Master Plan, 2007; Department of Corrections, Annual Report on Obsolete, Unnecessary, or Duplicative Rules, 2007; Department of Corrections, Performance Report, Fiscal Year 2006, 2007; Department of Corrections, Minnesota Felony Driving While Impaired Report, 2007; Department of Corrections, Minnesota Sex Offender Management, Final Report, 2007; Department of Corrections, Supervision Fees, 2007; Department of Corrections, Interstate Compact for Adult Offender Supervision, 2007; Department of Corrections, Interstate Commission for Adult Offender Supervision, Annual Report, 2006; Department of Public Safety, Report on the Expenditure of Public Law Number 105-206, Section 164 Funds, 2006; Department of Finance, Debt Capacity Forecast, February 2007; Department of Human Services, Runaway and Homeless Youth in Minnesota, 2007; Department of Human Services, Medical Assistance Inpatient Hospital Medicare Upper Limits Disproportionate Share Funding, 2007; Department of Health, Protecting Communities Through Improved Public Health Information Systems, 2007; Department of Health, Accelerating e-Health in Minnesota, 2007; Department of Health, Building a Solid Foundation for Health: A Report on Public Health System Development, 2007; Department of Health, Adverse Health Events in Minnesota, Third Annual Public Report, 2007; Department of Revenue, Assessment and Classification Practices Report, Commercial and Industrial Property, 2007; Department of Health, State Community Health Services Advisory Committee, Accountability Review Process Work Group Report, 2007; Department of Employee Relations, Metropolitan Agency Report, 2007; Gambling Control Board and Department of Revenue, Automation and Consolidation of Reporting Requirements for Lawful Gambling, 2007; Department of Human Services, Redesigning Case Management Services for People with Disabilities in Minnesota, 2007; Department of Human Services, Quality Assurance, Findings and Recommendations of the Legislatively-Mandated Quality Assurance Panel, Final Report and Executive Summary, 2007; Department of Employment and Economic Development, Job Skills Partnership Special Incumbent Worker Training Program, FY 2006; Department of Corrections, Substance Abuse Treatment Recommendations, 2007; Department of Revenue, Property Values and Assessment Practices Report, 2007; Department of Health, Information on Fetal Development, Abortion and Alternatives.

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. 272, 532 and 1441.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted March 22, 2007

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 272: A bill for an act relating to the military and veterans; clarifying that a statute ensuring the continuation of state licenses and certificates of registration for any trade, employment, occupation, or profession while soldiers and certain essential employees are engaged in active military service applies to licenses and certificates of registration requiring firearms and use of force training; amending Minnesota Statutes 2006, section 326.56, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 699, now on General Orders.

H.F. No. 532: A bill for an act relating to consumer protection; regulating certain contracts entered into by military service personnel; authorizing cancellations; requiring utilities to establish payment arrangements for military service personnel; proposing coding for new law in Minnesota Statutes, chapters 190; 325E; 325G.

Referred to the Committee on Commerce and Consumer Protection.

H.F. No. 1441: A bill for an act relating to trust companies; limited purpose companies; making nonsubstantive term changes; amending Minnesota Statutes 2006, section 48A.03, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 792, now on the Consent Calendar.

REPORTS OF COMMITTEES

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

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

S.F. No. 1336: A bill for an act relating to corrections; authorizing independently licensed mental health care professionals to deliver service to inmates; amending Minnesota Statutes 2006, section 241.69, subdivisions 3, 4.

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

Page 1, line 9, strike "care"

Page 1, line 12, delete the new language and strike "health care professional or"

Amend the title as follows:

Page 1, line 2, delete "care"

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

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

S.F. No. 1157: A bill for an act relating to public safety; authorizing integrated search service inquiries; restricting use of drivers' license photographs for criminal justice use; authorizing the Department of Public Safety to establish a secure subscription service to enhance officer safety during tactical operations by and between federal, state, and local law enforcement agencies; updating and clarifying membership on the CriMNet Task Force; amending Minnesota Statutes 2006, sections 171.07, subdivision 1a; 299C.405; 299C.65, subdivisions 2, 5; proposing coding for new law in Minnesota Statutes, chapter 13.

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

Page 1, delete section 1 and insert:

"Section 1. **[13.873] CRIMNET.**

Subdivision 1. **Definition.** For purposes of this section, "integrated search service" is a service operated by the Bureau of Criminal Apprehension that allows authorized users to search and view data that are stored on one or more databases maintained by criminal justice agencies, as defined in section 299C.46, subdivision 2.

Subd. 2. **Requests by data subject.** An individual who is the subject of data accessible through the integrated search service has access to the service only as provided in this section. An individual may request that an integrated search service query to locate data about the individual be performed by state or local law enforcement agencies with integrated search service access. State and local law enforcement agencies with integrated search service access shall provide only the following:

(1) a list of the government entities that have provided public or private data about that individual through integrated search service; and

(2) data that describe what is maintained about the individual at each government entity on the list.

Subd. 3. **Bureau responsibilities.** The Bureau of Criminal Apprehension shall provide the following information at a public Internet site:

(1) a listing of all law enforcement agencies with integrated search service access; and

(2) information for individual data subjects on how to challenge the accuracy or completeness of data pursuant to section 13.04, subdivision 4."

Page 2, line 14, before "location" insert "issuance of orders for protection or no contact orders;"

Page 4, lines 6 and 7, before the semicolon, insert ", or the member's designee"

Amend the title as follows:

Page 1, line 3, delete "restricting" and insert "clarifying" and before the semicolon, insert "and authorizing use by public defenders" and delete "authorizing"

Page 1, delete lines 4 and 5

Page 1, line 6, delete "and local law enforcement agencies;"

And when so amended the bill do pass and be re-referred to the Committee on State and Local

Government Operations and Oversight. Amendments adopted. Report adopted.

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

S.F. No. 1051: A bill for an act relating to environment; adopting the Uniform Environmental Covenants Act; amending Minnesota Statutes 2006, sections 115.072; 115B.17, subdivision 15; proposing coding for new law as Minnesota Statutes, chapter 114E.

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

Page 3, line 7, after the period, insert "When the environmental agency is a federal agency, the covenant must also be approved and signed by the state environmental agency that has authority under state law to address the release or threatened release involved in the environmental response project."

Page 3, line 34, delete the second "of" and insert "title to"

Page 8, line 11, delete the second "of" and insert "title to"

Page 9, after line 13, insert:

"(b) The state environmental agency that signed the covenant may use any remedy or enforcement measure provided in section 115.071, subdivisions 3 to 5, or 116.072 to remedy violations of a covenant. This paragraph does not limit the state environmental agency from taking action to enforce the terms of a covenant against a person required to comply with the covenant in connection with that person's obligation to perform response actions or as a condition of receiving a liability assurance with respect to a release or threatened release of contaminants."

Page 9, line 14, delete "(b)" and insert "(c)"

Page 9, line 16, delete "(c)" and insert "(d)"

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

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

S.F. No. 1119: A bill for an act relating to state lands; modifying land acquisition requirements; modifying land owners' bill of rights; modifying recordation requirements for mineral interests; adding to and deleting from state parks; authorizing public and private sales and conveyances of certain state lands; authorizing a 20-year lease of certain tax-forfeited land; exempting certain exchanged land from the tax-forfeited land assurance fee; providing for temporary suspension of apportionment of certain net proceeds in Lake County; amending Minnesota Statutes 2006, sections 84.0272, subdivision 3; 84.0274, subdivision 5; 93.55, subdivision 1; Laws 2006, chapter 236, article 1, section 21.

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. 400: A bill for an act relating to transportation; removing length limit for middle vehicle in recreational vehicle combination; amending Minnesota Statutes 2006, section 169.81, subdivision

3c.

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

Page 1, lines 10 and 18, after "truck" insert "or towing vehicle"

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. 155: A bill for an act relating to traffic regulations; prohibiting local authorities from enforcing traffic regulations with administrative penalties; amending Minnesota Statutes 2006, section 169.022.

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 2006, section 169.022, is amended to read:

169.022 UNIFORM APPLICATION.

The provisions of this chapter shall be applicable and uniform throughout this state and in all political subdivisions and municipalities therein, and no local authority shall enact or enforce any rule or regulation in conflict with the provisions of this chapter unless expressly authorized herein. Local authorities may adopt traffic regulations which are not in conflict with the provisions of this chapter; provided, that when any local ordinance regulating traffic covers the same subject for which a penalty is provided for in this chapter, then the penalty provided for violation of said local ordinance shall be identical with the penalty provided for in this chapter for the same offense, except as provided in section 471.984.

Sec. 2. Minnesota Statutes 2006, section 169.985, is amended to read:

169.985 TRAFFIC CITATION QUOTA PROHIBITED.

A law enforcement agency may not order, mandate, require, or suggest to a peace officer a quota for the issuance of traffic citations or administrative penalties under section 471.984 on a daily, weekly, monthly, quarterly, or yearly basis.

Sec. 3. Minnesota Statutes 2006, section 169.99, subdivision 3, is amended to read:

Subd. 3. Alteration by local government. (a) Any city of the first class, through its governing body, may alter by deletion or addition the uniform traffic ticket in such manner as it deems advisable for use in such city, provided that it includes the notice required by subdivision 1, paragraph (b).

(b) In respect to any public corporation organized and existing pursuant to sections 473.601 to 473.679, whose ordinances and regulations for the control of traffic are enforced through prosecution in the district court having jurisdiction in one or the other of the cities of the first class included within such public corporation, the traffic ticket used in such enforcement shall conform to that used by the city of the first class in the district court having jurisdiction where its ordinances and regulations are enforced, except as to color and as to information uniquely applying to such public corporation and to its ordinances and regulations.

(c) Any county or home rule charter or statutory city that has adopted an ordinance under section 471.984 shall alter by deletion or addition the uniform traffic ticket as it deems advisable, including, but not limited to, incorporating information concerning the administrative penalty, response by the alleged violator, and consequence of failure to respond.

Sec. 4. [471.984] IMPOSITION OF PENALTY FOR MINOR TRAFFIC OFFENSE.

Subdivision 1. **Authority.** Notwithstanding section 169.02, the county board of any county or the city council of any home rule charter or statutory city may adopt ordinances to establish administrative penalties that may be imposed on a vehicle operator who:

(1) violates section 169.14, and the violation consists of a speed no more than ten miles per hour in excess of the lawful speed limit;

(2) fails to obey a traffic control device in violation of section 169.06 or a stop line in violation of section 169.30; or

(3) operates a vehicle that is not equipped with or does not display vehicle lighting required by chapter 169.

Subd. 2. **Officer's authority.** An officer may not be required by ordinance to issue a citation under this section instead of a citation under state law.

Subd. 3. **Right to contest penalty.** An ordinance adopted under this subdivision must allow the alleged violator to contest the administrative penalty and elect to be charged under state law with adjudication of the charge in district court.

Subd. 4. **Penalties.** (a) An ordinance may provide that penalties collected must be transferred to the treasurer of the government unit and deposited in the city or county's general fund.

(b) An administrative penalty may not exceed the maximum state fine for the offense.

Subd. 5. **Exception.** A holder of a commercial driver's license may not be issued a citation under this section or under an ordinance adopted under this section."

Delete the title and insert:

"A bill for an act relating to traffic regulations; limiting local authorities from enforcing traffic regulations with administrative penalties; amending Minnesota Statutes 2006, sections 169.022; 169.985; 169.99, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 471."

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

Senator Pappas from the Committee on Higher Education, to which was referred

S.F. No. 153: A bill for an act relating to taxes; providing a credit for employer postsecondary education expenses; amending Minnesota Statutes 2006, section 290.06, by adding a subdivision.

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

Senator Pappas from the Committee on Higher Education, to which was referred

S.F. No. 725: A bill for an act relating to taxation; income taxes; providing a subtraction from federal taxable income for deposits to a qualified tuition savings plan; amending Minnesota Statutes 2006, section 290.01, subdivision 19b.

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

Senator Pappas from the Committee on Higher Education, to which was referred

S.F. No. 1970: A bill for an act relating to higher education; providing for a study of educational needs in northeastern Minnesota.

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

Page 1, line 11, delete "must" and insert "will" and after "participate" insert "as partners"

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

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 1398: A bill for an act relating to health care; providing for patient visitation by health care agents; establishing and specifying visitation rights and the right to designate a domestic partner for certain purposes; amending Minnesota Statutes 2006, sections 144.651, subdivision 26; 145C.05; 145C.07, by adding a subdivision.

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

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 14: A bill for an act relating to health; providing for a universal health care system that provides affordable access to high quality medical care for all Minnesotans; requiring a focus on preventive care and early intervention; providing comprehensive benefits; reducing costs through prevention, efficiency, and elimination of bureaucracy; directing the commissioner of health to prepare a plan to be implemented by 2010; proposing an amendment to the Minnesota Constitution, article XIII, by adding a section, affirming that every resident of Minnesota has the right to affordable, comprehensive health care; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Delete everything after the enacting clause and insert:

"Section 1. CONSTITUTIONAL AMENDMENT PROPOSED.

An amendment to the Minnesota Constitution, article XIII, by adding a section, is proposed to

the people. If the amendment is adopted, the section will read as follows:

"Sec. 13. Every Minnesota resident has the right to health care. It is the responsibility of the governor and the legislature to implement all necessary legislation to ensure affordable health care."

Sec. 2. **SUBMISSION TO VOTERS.**

The proposed amendment must be submitted to the people at the 2008 general election. If approved, it is effective December 31, 2010. The question submitted shall be:

"Shall the Minnesota Constitution be amended to state that, effective December 31, 2010, every resident of Minnesota has the right to health care and that it is the responsibility of the governor and the legislature to implement all necessary legislation to ensure affordable health care?"

Yes

No"

Delete the title and insert:

"A bill for an act relating to health; proposing an amendment to the Minnesota Constitution, article XIII, by adding a section, affirming that every resident of Minnesota has the right to affordable health care."

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

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 967: A bill for an act relating to health; modifying the hospital public interest review; modifying the alternative approval process; establishing accountability requirements for certain hospitals for tax purposes; amending Minnesota Statutes 2006, sections 144.50, by adding subdivisions; 144.552; 144.553, subdivision 3; 144.699, by adding a subdivision; 273.13, subdivision 25; 297A.70, subdivision 7.

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 2006, section 144.50, is amended by adding a subdivision to read:

Subd. 1a. **Community benefit.** "Community benefit" means the costs of community care, underpayment for services provided under state health care programs, research costs, community health services costs, financial and in-kind contributions, costs of community building activities, costs of community benefit operations, education costs, and the cost of operating subsidized services. The cost of bad debts and underpayment for Medicare services are not included in the calculation of community benefit.

Sec. 2. Minnesota Statutes 2006, section 144.50, is amended by adding a subdivision to read:

Subd. 1b. **Community care.** "Community care" means the costs for medical care that a hospital

has determined is charity care as defined under Minnesota Rules, part 4650.0115, or for which the hospital determines after billing for the services that there is a demonstrated inability to pay. Any costs forgiven under a hospital's community care plan or under section 62J.83 may be counted in the hospital's calculation of community care. Bad debt expenses and discounted charges available to the uninsured shall not be included in the calculation of community care. The amount of community care is the value of costs incurred and not the charges made for services.

Sec. 3. Minnesota Statutes 2006, section 144.552, is amended to read:

144.552 PUBLIC INTEREST REVIEW.

(a) The following entities must submit a plan to the commissioner:

(1) a hospital seeking to increase its number of licensed beds; or

(2) an organization seeking to obtain a hospital license and notified by the commissioner under section 144.553, subdivision 1, paragraph (c), that it is subject to this section.

The plan must include information that includes an explanation of how the expansion will meet the public's interest. When submitting a plan to the commissioner, an applicant shall pay the commissioner for the commissioner's cost of reviewing and monitoring the plan, as determined by the commissioner and notwithstanding section 16A.1283. Money received by the commissioner under this section is appropriated to the commissioner for the purpose of administering this section.

(b) Plans submitted under this section shall include detailed information necessary for the commissioner to review the plan and reach a finding. The commissioner may request additional information from the hospital submitting a plan under this section and from others affected by the plan that the commissioner deems necessary to review the plan and make a finding.

(c) The commissioner shall review the plan and, within 90 days, but no more than six months if extenuating circumstances apply, issue a finding on whether the plan is in the public interest. In making the recommendation, the commissioner shall consider issues including but not limited to:

(1) whether the new hospital or hospital beds are needed to provide timely access to care or access to new or improved services;

(2) the financial impact of the new hospital or hospital beds on existing acute-care hospitals that have emergency departments in the region;

(3) how the new hospital or hospital beds will affect the ability of existing hospitals in the region to maintain existing staff;

(4) the extent to which the new hospital or hospital beds will provide services to nonpaying or low-income patients relative to the level of services provided to these groups by existing hospitals in the region; and

(5) the views of affected parties.

(d) If the plan is being submitted by an existing hospital seeking authority to construct a new hospital, the commissioner shall also consider:

(1) the ability of the applicant to maintain the applicant's current level of community benefit at

the existing facility;

(2) the impact on the workforce at the existing facility; and

(3) the commitment of the applicant to provide to the existing workforce the right of first refusal for jobs the existing workforce is qualified for at the new facility, the applicant's commitment to retraining and employment security for the existing workforce, and, in the case of layoffs at the existing facility, the applicant's commitment to severance and other measures to minimize the loss to these workers.

(e) Prior to making a recommendation, the commissioner shall conduct a public hearing in the affected hospital service area to take testimony from interested persons.

~~(d)~~ (f) Upon making a recommendation under paragraph (c), the commissioner shall provide a copy of the recommendation to the chairs of the house and senate committees having jurisdiction over health and human services policy and finance.

(g) If an exception to the moratorium is approved under section 144.551 after a review under this section, the commissioner shall monitor the implementation of the exception until completion of the construction project to ensure that the project continues to be in the public interest. If the commissioner determines that the project does not reflect the details of the plan submitted under this section, the commissioner may refuse to grant the license for the project approved under section 144.551. Upon completion of the construction project and before the final license approval is granted, the hospital shall submit to the commissioner a report on how the construction has met the provisions of the plan originally submitted under the public interest review process.

Sec. 4. Minnesota Statutes 2006, section 144.553, subdivision 3, is amended to read:

Subd. 3. **Process when hospital need is determined.** (a) If the commissioner determines that a new hospital is needed in the proposed service area, the commissioner shall notify the applicants of that finding and shall select the applicant determined under the process established in this subdivision to be best able to provide services consistent with the review criteria established in this subdivision.

(b) The commissioner shall:

(1) determine market-specific criteria that shall be used to evaluate all proposals. The criteria must include standards regarding:

(i) access to care;

(ii) quality of care;

(iii) cost of care; and

(iv) overall project feasibility;

(2) establish additional criteria at the commissioner's discretion. In establishing the criteria, the commissioner shall consider the need for:

(i) mental health services in the service area, including both inpatient and outpatient services for adults, adolescents, and children;

(ii) a significant commitment to providing uncompensated care, including discounts for uninsured patients and coordination with other providers of care to low-income uninsured persons; and

(iii) coordination with other hospitals so that specialized services are not unnecessarily duplicated and are provided in sufficient volume to ensure the maintenance of high-quality care; and

(3) define a service area for the proposed hospital. The service area shall consist of:

(i) in the 11-county metropolitan area, in St. Cloud, and in Duluth, the zip codes located within a 20-mile radius of the proposed new hospital location; and

(ii) in the remainder of the state, the zip codes within a 30-mile radius of the proposed new hospital location.

(c) If the plan is being submitted by an existing hospital, the commissioner shall also consider:

(1) the ability of the applicant to maintain the applicant's current level of community benefit at the existing facility;

(2) the impact on the workforce at the existing facility; and

(3) the commitment of the applicant to provide to the existing workforce the right of first refusal for jobs the existing workforce is qualified for at the new facility, the applicant's commitment to retraining and employment security for the existing workforce, and, in the case of layoffs at the existing facility, the applicant's commitment to severance and other measures to minimize the loss to these workers.

(d) The commissioner shall publish the criteria determined under ~~paragraph~~ paragraphs (b) and (c) in the State Register within 60 days of the determination under subdivision 2. Once published, the criteria shall not be modified with respect to the particular project and applicants to which they apply. The commissioner shall publish with the criteria guidelines for a proposal and submission review process.

~~(d)~~ (e) For 60 days after the publication under paragraph ~~(e)~~ (d), the commissioner shall accept proposals to construct a hospital from organizations that have submitted a letter of intent under subdivision 1, paragraph (a), or have notified the commissioner under subdivision 1, paragraph (b). The proposal must include a plan for the new hospital and evidence of compliance with the criteria specified under ~~paragraph~~ paragraphs (b) and (c). Once submitted, the proposal may not be revised except:

(1) to submit corrections of material facts; or

(2) in response to a request from the commissioner to provide clarification or further information.

~~(e)~~ (f) The commissioner shall determine within 90 days of the deadline for applications under paragraph ~~(d)~~ (e), which applicant has demonstrated that it is best able to provide services consistent with the published criteria. The commissioner shall make this determination by order following a hearing according to this paragraph. The hearing shall not constitute or be considered to be a contested case hearing under chapter 14 and shall be conducted solely under the procedures specified in this paragraph. The hearing shall commence upon at least 30 days' notice to the applicants by the

commissioner. The hearing may be conducted by the commissioner or by a person designated by the commissioner. The designee may be an administrative law judge. The purpose of the hearing shall be to receive evidence to assist the commissioner in determining which applicant has demonstrated that it best meets the published criteria.

The parties to the hearing shall consist only of those applicants who have submitted a completed application. Each applicant shall have the right to be represented by counsel, to present evidence deemed relevant by the commissioner, and to examine and cross-examine witnesses. Persons who are not parties to the proceeding but who wish to present comments or submit information may do so in the manner determined by the commissioner or the commissioner's designee. Any person who is not a party shall have no right to examine or cross-examine witnesses. The commissioner may participate as an active finder of fact in the hearing and may ask questions to elicit information or clarify answers or responses.

~~(f)~~ (g) Prior to making a determination selecting an application, the commissioner shall hold a public hearing in the proposed hospital service area to accept comments from members of the public. The commissioner shall take this information into consideration in making the determination. The commissioner ~~may~~ shall appoint an advisory committee, including legislators and local elected officials who represent the service area and outside experts to assist in the recommendation process. The legislative appointees shall include, at a minimum, the chairs of the senate and house of representatives committees with jurisdiction over health care policy. The commissioner shall issue an order selecting an application following the closing of the record of the hearing as determined by the hearing officer. The commissioner's order shall include a statement of the reasons the selected application best meets the published criteria.

~~(g)~~ (h) Within 30 days following the determination under paragraph ~~(e)~~ (f), the commissioner shall recommend the selected proposal to the legislature.

(i) If an exception to the moratorium is approved under section 144.551 after a review under this section, the commissioner shall monitor the implementation of the exception until completion of the construction project to ensure that the project continues to be in the public interest. If the commissioner determines that the project does not reflect the details of the plan submitted under this section, the commissioner may refuse to grant the license for the project approved under section 144.551. Upon completion of the construction project and before the final license approval is granted, the hospital shall submit to the commissioner a report on how the construction has met the provisions of the plan originally submitted under the alternative approval process.

Sec. 5. Minnesota Statutes 2006, section 144.699, is amended by adding a subdivision to read:

Subd. 5. Annual reports on community benefit, community care amounts, and state program underfunding. For each hospital reporting health care cost information under section 144.698 or 144.702, the commissioner shall report annually on the hospital's community benefit, community care, and underpayment for state public health care programs. For purposes of this subdivision, underpayment for services provided by state public health care programs is the difference between hospital costs and public program payments. The information shall be reported in terms of total dollars and as a percentage of total operating costs for each hospital."

Delete the title and insert:

"A bill for an act relating to health; modifying the hospital public interest review; modifying

the alternative approval process; requiring an annual report; amending Minnesota Statutes 2006, sections 144.50, by adding subdivisions; 144.552; 144.553, subdivision 3; 144.699, by adding a subdivision."

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

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 1221: A bill for an act relating to human services; changing child welfare provisions; amending Minnesota Statutes 2006, sections 256.01, subdivision 2; 259.24, subdivision 3; 259.53, subdivision 1; 259.57, subdivision 1; 259.67, subdivision 7; 259.75, subdivision 8; 260.012; 260.771, subdivisions 1, 2; 260C.152, subdivision 5; 260C.201, subdivision 11; 260C.212, subdivisions 1, 4; 260C.317, subdivision 3; 626.556, subdivisions 10, 10a, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 260; repealing Laws 1997, chapter 8, section 1; Minnesota Rules, part 9560.0102, subpart 2, item C.

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

Page 1, after line 10, insert:

**"ARTICLE 1
CHILD WELFARE"**

Page 16, after line 15, insert:

"Sec. 8. Minnesota Statutes 2006, section 260.755, subdivision 12, is amended to read:

Subd. 12. **Indian tribe.** "Indian tribe" means an Indian tribe, band, nation, or other organized group or community of Indians recognized as eligible for the services provided to Indians by the secretary because of their status as Indians, including any ~~band~~ Native group under the Alaska Native Claims Settlement Act, United States Code, title 43, section 1602, ~~and exercising tribal governmental powers.~~

Sec. 9. Minnesota Statutes 2006, section 260.755, subdivision 20, is amended to read:

Subd. 20. **Tribal court.** "Tribal court" means a court with ~~federally recognized~~ jurisdiction over child custody proceedings and which is either a court of Indian offenses, or a court established and operated under the code or custom of an Indian tribe, or ~~the~~ any other administrative body of a tribe which is vested with authority over child custody proceedings. Except as provided in section 260.771, subdivision 5, nothing in this chapter shall be construed as conferring jurisdiction on an Indian tribe.

Sec. 10. Minnesota Statutes 2006, section 260.761, subdivision 7, is amended to read:

Subd. 7. **Identification of extended family members.** Any agency considering placement of an Indian child shall make ~~reasonable~~ active efforts to identify and locate extended family members.

Sec. 11. Minnesota Statutes 2006, section 260.765, subdivision 5, is amended to read:

Subd. 5. **Identification of extended family members.** Any agency considering placement of an

Indian child shall make ~~reasonable~~ active efforts to identify and locate extended family members."

Page 16, line 20, before the period, insert ", except where jurisdiction is otherwise vested in the state by existing federal law"

Page 16, line 28, delete "Indian Child Welfare Act" and insert "act"

Page 16, line 34, after "or" insert "off-reservation"

Page 19, after line 11, insert:

"Sec. 16. Minnesota Statutes 2006, section 260C.163, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) Except for hearings arising under section 260C.425, hearings on any matter shall be without a jury and may be conducted in an informal manner. In all adjudicatory proceedings involving a child alleged to be in need of protection or services, the court shall admit only evidence that would be admissible in a civil trial. To be proved at trial, allegations of a petition alleging a child to be in need of protection or services must be proved by clear and convincing evidence.

(b) Except for proceedings involving a child alleged to be in need of protection or services and petitions for the termination of parental rights, hearings may be continued or adjourned from time to time. In proceedings involving a child alleged to be in need of protection or services and petitions for the termination of parental rights, hearings may not be continued or adjourned for more than one week unless the court makes specific findings that the continuance or adjournment is in the best interests of the child. If a hearing is held on a petition involving physical or sexual abuse of a child who is alleged to be in need of protection or services or neglected and in foster care, the court shall file the decision with the court administrator as soon as possible but no later than 15 days after the matter is submitted to the court. When a continuance or adjournment is ordered in any proceeding, the court may make any interim orders as it deems in the best interests of the minor in accordance with the provisions of sections 260C.001 to 260C.421.

(c) Except as otherwise provided in this paragraph, the court shall exclude the general public from hearings under this chapter and shall admit only those persons who, in the discretion of the court, have a direct interest in the case or in the work of the court.

(d) Adoption hearings shall be conducted in accordance with the provisions of laws relating to adoptions.

(e) In any permanency hearing, including the transition of a child from foster care to independent living, the court shall assure that any consultation with the child is in an age appropriate manner."

Page 32, after line 29, insert:

"Sec. 21. Minnesota Statutes 2006, section 260C.331, subdivision 1, is amended to read:

Subdivision 1. **Care, examination, or treatment.** (a) Except where parental rights are terminated,

(1) whenever legal custody of a child is transferred by the court to a responsible social services agency,

(2) whenever legal custody is transferred to a person other than the responsible social services agency, but under the supervision of the responsible social services agency, or

(3) whenever a child is given physical or mental examinations or treatment under order of the court, and no provision is otherwise made by law for payment for the care, examination, or treatment of the child, these costs are a charge upon the welfare funds of the county in which proceedings are held upon certification of the judge of juvenile court.

(b) The court shall order, and the responsible social services agency shall require, the parents or custodian of a child, while the child is under the age of 18, to use the total income and resources attributable to the child for the period of care, examination, or treatment, except for clothing and personal needs allowance as provided in section 256B.35, to reimburse the county for the cost of care, examination, or treatment. Income and resources attributable to the child include, but are not limited to, Social Security benefits, supplemental security income (SSI), veterans benefits, railroad retirement benefits and child support. When the child is over the age of 18, and continues to receive care, examination, or treatment, the court shall order, and the responsible social services agency shall require, reimbursement from the child for the cost of care, examination, or treatment from the income and resources attributable to the child less the clothing and personal needs allowance. Income does not include earnings from a child over 18 who is working as part of a plan under section 260C.212, subdivision 1, paragraph (c), clause (8), to transition from foster care.

(c) If the income and resources attributable to the child are not enough to reimburse the county for the full cost of the care, examination, or treatment, the court shall inquire into the ability of the parents to support the child and, after giving the parents a reasonable opportunity to be heard, the court shall order, and the responsible social services agency shall require, the parents to contribute to the cost of care, examination, or treatment of the child. When determining the amount to be contributed by the parents, the court shall use a fee schedule based upon ability to pay that is established by the responsible social services agency and approved by the commissioner of human services. The income of a stepparent who has not adopted a child shall be excluded in calculating the parental contribution under this section.

(d) The court shall order the amount of reimbursement attributable to the parents or custodian, or attributable to the child, or attributable to both sources, withheld under chapter 518A from the income of the parents or the custodian of the child. A parent or custodian who fails to pay without good reason may be proceeded against for contempt, or the court may inform the county attorney, who shall proceed to collect the unpaid sums, or both procedures may be used.

(e) If the court orders a physical or mental examination for a child, the examination is a medically necessary service for purposes of determining whether the service is covered by a health insurance policy, health maintenance contract, or other health coverage plan. Court-ordered treatment shall be subject to policy, contract, or plan requirements for medical necessity. Nothing in this paragraph changes or eliminates benefit limits, conditions of coverage, co-payments or deductibles, provider restrictions, or other requirements in the policy, contract, or plan that relate to coverage of other medically necessary services."

Page 33, line 23, reinstate the stricken language

Page 33, line 28, delete "and"

Page 33, delete lines 29 to 31

Page 33, line 32, delete everything before the period

Page 37, line 1, after "assessment" insert "or investigation"

Page 37, line 3, before the period, insert ", and share not public information with an Indian child's tribal social services agency without violating any law of the state that may otherwise impose duties of confidentiality on the local welfare agency in accordance with the tribal state agreement"

Page 39, after line 26, insert:

"Sec. 26. Minnesota Statutes 2006, section 626.556, subdivision 10f, is amended to read:

Subd. 10f. **Notice of determinations.** Within ten working days of the conclusion of a family assessment, the local welfare agency shall notify the parent or guardian of the child of the need for services to address child safety concerns or significant risk of subsequent child maltreatment. The local welfare agency and the family may also jointly agree that family support and family preservation services are needed. Within ten working days of the conclusion of an investigation, the local welfare agency or agency responsible for assessing or investigating the report shall notify the parent or guardian of the child, the person determined to be maltreating the child, and if applicable, the director of the facility, of the determination and a summary of the specific reasons for the determination. The notice must also include a certification that the information collection procedures under subdivision 10, paragraphs (h), (i), and (j), were followed and a notice of the right of a data subject to obtain access to other private data on the subject collected, created, or maintained under this section. In addition, the notice shall include the length of time that the records will be kept under subdivision 11c. The investigating agency shall notify the parent or guardian of the child who is the subject of the report, and any person or facility determined to have maltreated a child, of their appeal or review rights under this section or section 256.022. The notice shall also state that a finding of maltreatment may result in denial of a license application or background study disqualification under chapter 245C related to employment or services that are licensed by the Department of Human Services under chapter 245A, the Department of Health under chapter 144 or 144A, the Department of Corrections under section 241.021, and from providing services related to an unlicensed personal care provider organization under chapter 256B."

Page 40, after line 3, insert:

"ARTICLE 2

DEPARTMENT OF HUMAN SERVICES TECHNICAL PROVISIONS

Section 1. Minnesota Statutes 2006, section 259.67, subdivision 4, is amended to read:

Subd. 4. **Eligibility conditions.** (a) The placing agency shall use the AFDC requirements as specified in federal law as of July 16, 1996, when determining the child's eligibility for adoption assistance under title IV-E of the Social Security Act. If the child does not qualify, the placing agency shall certify a child as eligible for state funded adoption assistance only if the following criteria are met:

(1) Due to the child's characteristics or circumstances it would be difficult to provide the child an adoptive home without adoption assistance.

(2)(i) A placement agency has made reasonable efforts to place the child for adoption without

adoption assistance, but has been unsuccessful; or

(ii) the child's licensed foster parents desire to adopt the child and it is determined by the placing agency that the adoption is in the best interest of the child.

(3)(i) The child has been a ward of the commissioner, a Minnesota-licensed child-placing agency, or a tribal social service agency of Minnesota recognized by the Secretary of the Interior; or (ii) the child will be adopted according to tribal law without a termination of parental rights or relinquishment, provided that the tribe has documented the valid reason why the child cannot or should not be returned to the home of the child's parent. The placing agency shall not certify a child who remains under the jurisdiction of the sending agency pursuant to section 260.851, article 5, for state-funded adoption assistance when Minnesota is the receiving state.

(b) For purposes of this subdivision, the characteristics or circumstances that may be considered in determining whether a child is a child with special needs under United States Code, title 42, chapter 7, subchapter IV, part E, or meets the requirements of paragraph (a), clause (1), are the following:

(1) The child is a member of a sibling group to be placed as one unit in which at least one sibling is older than 15 months of age or is described in clause (2) or (3).

(2) The child has documented physical, mental, emotional, or behavioral disabilities.

(3) The child has a high risk of developing physical, mental, emotional, or behavioral disabilities.

~~(4) The child is adopted according to tribal law without a termination of parental rights or relinquishment, provided that the tribe has documented the valid reason why the child cannot or should not be returned to the home of the child's parent.~~

(c) When a child's eligibility for adoption assistance is based upon the high risk of developing physical, mental, emotional, or behavioral disabilities, payments shall not be made under the adoption assistance agreement unless and until the potential disability manifests itself as documented by an appropriate health care professional.

Sec. 2. Minnesota Statutes 2006, section 260.012, is amended to read:

260.012 DUTY TO ENSURE PLACEMENT PREVENTION AND FAMILY REUNIFICATION; REASONABLE EFFORTS.

(a) Once a child alleged to be in need of protection or services is under the court's jurisdiction, the court shall ensure that reasonable efforts, including culturally appropriate services, by the social services agency are made to prevent placement or to eliminate the need for removal and to reunite the child with the child's family at the earliest possible time, and ~~when a child cannot be reunified with the parent or guardian from whom the child was removed,~~ the court must ensure that the responsible social services agency makes reasonable efforts to finalize an alternative permanent plan for the child as provided in paragraph (e). In determining reasonable efforts to be made with respect to a child and in making those reasonable efforts, the child's best interests, health, and safety must be of paramount concern. Reasonable efforts to prevent placement and for rehabilitation and reunification are always required except upon a determination by the court that a petition has been filed stating a prima facie case that:

(1) the parent has subjected a child to egregious harm as defined in section 260C.007, subdivision 14;

(2) the parental rights of the parent to another child have been terminated involuntarily;

(3) the child is an abandoned infant under section 260C.301, subdivision 2, paragraph (a), clause (2);

(4) the parent's custodial rights to another child have been involuntarily transferred to a relative under section 260C.201, subdivision 11, paragraph (e), clause (1), or a similar law of another jurisdiction; or

(5) the provision of services or further services for the purpose of reunification is futile and therefore unreasonable under the circumstances.

(b) When the court makes one of the prima facie determinations under paragraph (a), either permanency pleadings under section 260C.201, subdivision 11, or a termination of parental rights petition under sections 260C.141 and 260C.301 must be filed. A permanency hearing under section 260C.201, subdivision 11, must be held within 30 days of this determination.

(c) In the case of an Indian child, in proceedings under sections 260B.178 or 260C.178, 260C.201, and 260C.301 the juvenile court must make findings and conclusions consistent with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901 et seq., as to the provision of active efforts. In cases governed by the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901, the responsible social services agency must provide active efforts as required under United States Code, title 25, section 1911(d).

(d) "Reasonable efforts to prevent placement" means:

(1) the agency has made reasonable efforts to prevent the placement of the child in foster care;
or

(2) given the particular circumstances of the child and family at the time of the child's removal, there are no services or efforts available which could allow the child to safely remain in the home.

(e) "Reasonable efforts to finalize a permanent plan for the child" means due diligence by the responsible social services agency to:

(1) reunify the child with the parent or guardian from whom the child was removed;

(2) assess a noncustodial parent's ability to provide day-to-day care for the child and, where appropriate, provide services necessary to enable the noncustodial parent to safely provide the care, as required by section 260C.212, subdivision 4;

(3) conduct a relative search as required under section 260C.212, subdivision 5; and

(4) when the child cannot return to the parent or guardian from whom the child was removed, to plan for and finalize a safe and legally permanent alternative home for the child, preferably through adoption or transfer of permanent legal and physical custody of the child.

(f) Reasonable efforts are made upon the exercise of due diligence by the responsible social services agency to use culturally appropriate and available services to meet the needs of the child and

the child's family. Services may include those provided by the responsible social services agency and other culturally appropriate services available in the community. At each stage of the proceedings where the court is required to review the appropriateness of the responsible social services agency's reasonable efforts as described in paragraphs (a), (d), and (e), the social services agency has the burden of demonstrating that:

- (1) it has made reasonable efforts to prevent placement of the child in foster care;
- (2) it has made reasonable efforts to eliminate the need for removal of the child from the child's home and to reunify the child with the child's family at the earliest possible time;
- (3) it has made reasonable efforts to finalize an alternative permanent home for the child; or
- (4) reasonable efforts to prevent placement and to reunify the child with the parent or guardian are not required. The agency may meet this burden by stating facts in a sworn petition filed under section 260C.141, by filing an affidavit summarizing the agency's reasonable efforts or facts the agency believes demonstrate there is no need for reasonable efforts to reunify the parent and child, or through testimony or a certified report required under juvenile court rules.

(g) Once the court determines that reasonable efforts for reunification are not required because the court has made one of the prima facie determinations under paragraph (a), the court may only require reasonable efforts for reunification after a hearing according to section 260C.163, where the court finds there is not clear and convincing evidence of the facts upon which the court based its prima facie determination. In this case when there is clear and convincing evidence that the child is in need of protection or services, the court may find the child in need of protection or services and order any of the dispositions available under section 260C.201, subdivision 1. Reunification of a surviving child with a parent is not required if the parent has been convicted of:

- (1) a violation of, or an attempt or conspiracy to commit a violation of, sections 609.185 to 609.20; 609.222, subdivision 2; or 609.223 in regard to another child of the parent;
- (2) a violation of section 609.222, subdivision 2; or 609.223, in regard to the surviving child; or
- (3) a violation of, or an attempt or conspiracy to commit a violation of, United States Code, title 18, section 1111(a) or 1112(a), in regard to another child of the parent.

(h) The juvenile court, in proceedings under sections 260B.178 or 260C.178, 260C.201, and 260C.301 shall make findings and conclusions as to the provision of reasonable efforts. When determining whether reasonable efforts have been made, the court shall consider whether services to the child and family were:

- (1) relevant to the safety and protection of the child;
- (2) adequate to meet the needs of the child and family;
- (3) culturally appropriate;
- (4) available and accessible;
- (5) consistent and timely; and
- (6) realistic under the circumstances.

In the alternative, the court may determine that provision of services or further services for the purpose of rehabilitation is futile and therefore unreasonable under the circumstances or that reasonable efforts are not required as provided in paragraph (a).

(i) This section does not prevent out-of-home placement for treatment of a child with a mental disability when the child's diagnostic assessment or individual treatment plan indicates that appropriate and necessary treatment cannot be effectively provided outside of a residential or inpatient treatment program.

(j) If continuation of reasonable efforts to prevent placement or reunify the child with the parent or guardian from whom the child was removed is determined by the court to be inconsistent with the permanent plan for the child or upon the court making one of the prima facie determinations under paragraph (a), reasonable efforts must be made to place the child in a timely manner in a safe and permanent home and to complete whatever steps are necessary to legally finalize the permanent placement of the child.

(k) Reasonable efforts to place a child for adoption or in another permanent placement may be made concurrently with reasonable efforts to prevent placement or to reunify the child with the parent or guardian from whom the child was removed. When the responsible social services agency decides to concurrently make reasonable efforts for both reunification and permanent placement away from the parent under paragraph (a), the agency shall disclose its decision and both plans for concurrent reasonable efforts to all parties and the court. When the agency discloses its decision to proceed on both plans for reunification and permanent placement away from the parent, the court's review of the agency's reasonable efforts shall include the agency's efforts under both plans.

Sec. 3. Minnesota Statutes 2006, section 260B.157, subdivision 1, is amended to read:

Subdivision 1. **Investigation.** Upon request of the court the local social services agency or probation officer shall investigate the personal and family history and environment of any minor coming within the jurisdiction of the court under section 260B.101 and shall report its findings to the court. The court may order any minor coming within its jurisdiction to be examined by a duly qualified physician, psychiatrist, or psychologist appointed by the court.

The court shall have order a chemical use assessment conducted when a child is (1) found to be delinquent for violating a provision of chapter 152, or for committing a felony-level violation of a provision of chapter 609 if the probation officer determines that alcohol or drug use was a contributing factor in the commission of the offense, or (2) alleged to be delinquent for violating a provision of chapter 152, if the child is being held in custody under a detention order. The assessor's qualifications and the assessment criteria shall comply with Minnesota Rules, parts 9530.6600 to 9530.6655. If funds under chapter 254B are to be used to pay for the recommended treatment, the assessment and placement must comply with all provisions of Minnesota Rules, parts 9530.6600 to 9530.6655 and 9530.7000 to 9530.7030. The commissioner of human services shall reimburse the court for the cost of the chemical use assessment, up to a maximum of \$100.

The court shall have order a children's mental health screening conducted when a child is found to be delinquent. The screening shall be conducted with a screening instrument approved by the commissioner of human services and shall be conducted by a mental health practitioner as defined in section 245.4871, subdivision 26, or a probation officer who is trained in the use of the screening instrument. If the screening indicates a need for assessment, the local social services agency, in consultation with the child's family, shall have a diagnostic assessment conducted, including a

functional assessment, as defined in section 245.4871.

With the consent of the commissioner of corrections and agreement of the county to pay the costs thereof, the court may, by order, place a minor coming within its jurisdiction in an institution maintained by the commissioner for the detention, diagnosis, custody and treatment of persons adjudicated to be delinquent, in order that the condition of the minor be given due consideration in the disposition of the case. Any funds received under the provisions of this subdivision shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner of corrections during that period and are hereby appropriated annually to the commissioner of corrections as reimbursement of the costs of providing these services to the juvenile courts.

Sec. 4. Minnesota Statutes 2006, 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, and in the case of sexual abuse also includes 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.

(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:

(1) 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;

(2) a school as defined in sections 120A.05, subdivisions 9, 11, and 13; and 124D.10; or

(3) 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. 5. Minnesota Statutes 2006, 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).

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~~ section, "immediately" means as soon as possible but in no event longer than 24 hours.

Sec. 6. Minnesota Statutes 2006, section 626.556, subdivision 10, is amended to read:

Subd. 10. **Duties of local welfare agency and local law enforcement agency upon receipt of a report.** (a) Upon receipt of a report, the local welfare agency shall determine whether to conduct a family assessment or an investigation as appropriate to prevent or provide a remedy for child maltreatment. The local welfare agency:

(1) shall conduct an investigation on reports involving substantial child endangerment;

(2) shall begin an immediate investigation if, at any time when it is using a family assessment response, it determines that there is reason to believe that substantial child endangerment or a serious threat to the child's safety exists;

(3) may conduct a family assessment for reports that do not allege substantial child endangerment. In determining that a family assessment is appropriate, the local welfare agency may consider issues of child safety, parental cooperation, and the need for an immediate response; and

(4) may conduct a family assessment on a report that was initially screened and assigned for an investigation. In determining that a complete investigation is not required, the local welfare agency must document the reason for terminating the investigation and notify the local law enforcement agency if the local law enforcement agency is conducting a joint investigation.

If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care, the local welfare agency shall immediately conduct a family assessment or investigation as identified in clauses (1) to (4). In conducting a family assessment or investigation, the local welfare agency shall gather information on the existence of substance abuse and domestic violence and offer services for purposes of preventing future child maltreatment, safeguarding and enhancing the welfare of the abused or neglected minor, and supporting and preserving family life whenever possible. If the report alleges a violation of a criminal statute involving sexual abuse, physical abuse, or neglect or endangerment, under section 609.378, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of its investigation. In cases of alleged child maltreatment resulting in death, the local agency may rely on the fact-finding efforts of a law enforcement investigation to make a determination of whether or not maltreatment occurred. When necessary the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living. In performing any of these duties, the local welfare agency shall

maintain appropriate records.

If the family assessment or investigation indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or person responsible for the child's care, the local welfare agency shall conduct a chemical use assessment pursuant to Minnesota Rules, part 9530.6615. The local welfare agency shall report the determination of the chemical use assessment, and the recommendations and referrals for alcohol and other drug treatment services to the state authority on alcohol and drug abuse.

(b) When a local agency receives a report or otherwise has information indicating that a child who is a client, as defined in section 245.91, has been the subject of physical abuse, sexual abuse, or neglect at an agency, facility, or program as defined in section 245.91, it shall, in addition to its other duties under this section, immediately inform the ombudsman established under sections 245.91 to 245.97. The commissioner of education shall inform the ombudsman established under sections 245.91 to 245.97 of reports regarding a child defined as a client in section 245.91 that maltreatment occurred at a school as defined in sections 120A.05, subdivisions 9, 11, and 13, and 124D.10.

(c) Authority of the local welfare agency responsible for assessing or investigating the child abuse or neglect report, the agency responsible for assessing or investigating the report, and of the local law enforcement agency for investigating the alleged abuse or neglect includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged offender. The interview may take place at school or at any facility or other place where the alleged victim or other minors might be found or the child may be transported to, and the interview conducted at, a place appropriate for the interview of a child designated by the local welfare agency or law enforcement agency. The interview may take place outside the presence of the alleged offender or parent, legal custodian, guardian, or school official. For family assessments, it is the preferred practice to request a parent or guardian's permission to interview the child prior to conducting the child interview, unless doing so would compromise the safety assessment. Except as provided in this paragraph, the parent, legal custodian, or guardian shall be notified by the responsible local welfare or law enforcement agency no later than the conclusion of the investigation or assessment that this interview has occurred. Notwithstanding rule ~~49.02~~ 32 of the Minnesota Rules of Procedure for Juvenile Courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, the agency withhold notification of this interview from the parent, legal custodian, or guardian. If the interview took place or is to take place on school property, the order shall specify that school officials may not disclose to the parent, legal custodian, or guardian the contents of the notification of intent to interview the child on school property, as provided under this paragraph, and any other related information regarding the interview that may be a part of the child's school record. A copy of the order shall be sent by the local welfare or law enforcement agency to the appropriate school official.

(d) When the local welfare, local law enforcement agency, or the agency responsible for assessing or investigating a report of maltreatment determines that an interview should take place on school property, written notification of intent to interview the child on school property must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. For interviews conducted by the local welfare agency, the notification shall be signed by the chair of the local social services agency or the chair's designee.

The notification shall be private data on individuals subject to the provisions of this paragraph. School officials may not disclose to the parent, legal custodian, or guardian the contents of the notification or any other related information regarding the interview until notified in writing by the local welfare or law enforcement agency that the investigation or assessment has been concluded, unless a school employee or agent is alleged to have maltreated the child. Until that time, the local welfare or law enforcement agency or the agency responsible for assessing or investigating a report of maltreatment shall be solely responsible for any disclosures regarding the nature of the assessment or investigation.

Except where the alleged offender is believed to be a school official or employee, the time and place, and manner of the interview on school premises shall be within the discretion of school officials, but the local welfare or law enforcement agency shall have the exclusive authority to determine who may attend the interview. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is considered necessary by agreement between the school officials and the local welfare or law enforcement agency. Where the school fails to comply with the provisions of this paragraph, the juvenile court may order the school to comply. Every effort must be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.

(e) Where the alleged offender or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency or the local law enforcement agency outside the presence of the alleged offender or any person responsible for the child's care at reasonable places and times as specified by court order.

(f) Before making an order under paragraph (e), the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If appointed, the guardian ad litem shall be present at the hearing on the order to show cause.

(g) The commissioner of human services, the ombudsman for mental health and developmental disabilities, the local welfare agencies responsible for investigating reports, the commissioner of education, and the local law enforcement agencies have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records, including medical records, as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or neglecting a child, and to provide the facility with a copy of the report and the investigative findings.

(h) The local welfare agency responsible for conducting a family assessment shall collect available and relevant information to determine child safety, risk of subsequent child maltreatment, and family strengths and needs. The local welfare agency or the agency responsible for investigating the report shall collect available and relevant information to ascertain whether maltreatment occurred and whether protective services are needed. Information collected includes, when

relevant, information with regard to the person reporting the alleged maltreatment, including the nature of the reporter's relationship to the child and to the alleged offender, and the basis of the reporter's knowledge for the report; the child allegedly being maltreated; the alleged offender; the child's caretaker; and other collateral sources having relevant information related to the alleged maltreatment. The local welfare agency or the agency responsible for assessing or investigating the report may make a determination of no maltreatment early in an assessment, and close the case and retain immunity, if the collected information shows no basis for a full assessment or investigation.

Information relevant to the assessment or investigation must be asked for, and may include:

(1) the child's sex and age, prior reports of maltreatment, information relating to developmental functioning, credibility of the child's statement, and whether the information provided under this clause is consistent with other information collected during the course of the assessment or investigation;

(2) the alleged offender's age, a record check for prior reports of maltreatment, and criminal charges and convictions. The local welfare agency or the agency responsible for assessing or investigating the report must provide the alleged offender with an opportunity to make a statement. The alleged offender may submit supporting documentation relevant to the assessment or investigation;

(3) collateral source information regarding the alleged maltreatment and care of the child. Collateral information includes, when relevant: (i) a medical examination of the child; (ii) prior medical records relating to the alleged maltreatment or the care of the child maintained by any facility, clinic, or health care professional and an interview with the treating professionals; and (iii) interviews with the child's caretakers, including the child's parent, guardian, foster parent, child care provider, teachers, counselors, family members, relatives, and other persons who may have knowledge regarding the alleged maltreatment and the care of the child; and

(4) information on the existence of domestic abuse and violence in the home of the child, and substance abuse.

Nothing in this paragraph precludes the local welfare agency, the local law enforcement agency, or the agency responsible for assessing or investigating the report from collecting other relevant information necessary to conduct the assessment or investigation. Notwithstanding section 13.384 or 144.335, the local welfare agency has access to medical data and records for purposes of clause (3). Notwithstanding the data's classification in the possession of any other agency, data acquired by the local welfare agency or the agency responsible for assessing or investigating the report during the course of the assessment or investigation are private data on individuals and must be maintained in accordance with subdivision 11. Data of the commissioner of education collected or maintained during and for the purpose of an investigation of alleged maltreatment in a school are governed by this section, notwithstanding the data's classification as educational, licensing, or personnel data under chapter 13.

In conducting an assessment or investigation involving a school facility as defined in subdivision 2, paragraph (i), the commissioner of education shall collect investigative reports and data that are relevant to a report of maltreatment and are from local law enforcement and the school facility.

(i) Upon receipt of a report, the local welfare agency shall conduct a face-to-face contact with the child reported to be maltreated and with the child's primary caregiver sufficient to complete a

safety assessment and ensure the immediate safety of the child. The face-to-face contact with the child and primary caregiver shall occur immediately if substantial child endangerment is alleged and within five calendar days for all other reports. If the alleged offender was not already interviewed as the primary caregiver, the local welfare agency shall also conduct a face-to-face interview with the alleged offender in the early stages of the assessment or investigation. At the initial contact, the local child welfare agency or the agency responsible for assessing or investigating the report must inform the alleged offender of the complaints or allegations made against the individual in a manner consistent with laws protecting the rights of the person who made the report. The interview with the alleged offender may be postponed if it would jeopardize an active law enforcement investigation.

(j) When conducting an investigation, the local welfare agency shall use a question and answer interviewing format with questioning as nondirective as possible to elicit spontaneous responses. For investigations only, the following interviewing methods and procedures must be used whenever possible when collecting information:

- (1) audio recordings of all interviews with witnesses and collateral sources; and
- (2) in cases of alleged sexual abuse, audio-video recordings of each interview with the alleged victim and child witnesses.

(k) In conducting an assessment or investigation involving a school facility as defined in subdivision 2, paragraph (i), the commissioner of education shall collect available and relevant information and use the procedures in paragraphs (i), (k), and subdivision 3d, except that the requirement for face-to-face observation of the child and face-to-face interview of the alleged offender is to occur in the initial stages of the assessment or investigation provided that the commissioner may also base the assessment or investigation on investigative reports and data received from the school facility and local law enforcement, to the extent those investigations satisfy the requirements of paragraphs (i) and (k), and subdivision 3d.

Sec. 7. Minnesota Statutes 2006, section 626.556, subdivision 10c, is amended to read:

Subd. 10c. **Duties of local social service agency upon receipt of a report of medical neglect.** If the report alleges medical neglect as defined in section 260C.007, subdivision 4 6, clause (5), the local welfare agency shall, in addition to its other duties under this section, immediately consult with designated hospital staff and with the parents of the infant to verify that appropriate nutrition, hydration, and medication are being provided; and shall immediately secure an independent medical review of the infant's medical charts and records and, if necessary, seek a court order for an independent medical examination of the infant. If the review or examination leads to a conclusion of medical neglect, the agency shall intervene on behalf of the infant by initiating legal proceedings under section 260C.141 and by filing an expedited motion to prevent the withholding of medically indicated treatment.

ARTICLE 3

CONTINUING CARE

Section 1. Minnesota Statutes 2006, section 256B.69, subdivision 23, is amended to read:

Subd. 23. **Alternative services; elderly and disabled persons.** (a) The commissioner may implement demonstration projects to create alternative integrated delivery systems for acute and long-term care services to elderly persons and persons with disabilities as defined in section

256B.77, subdivision 7a, that provide increased coordination, improve access to quality services, and mitigate future cost increases. The commissioner may seek federal authority to combine Medicare and Medicaid capitation payments for the purpose of such demonstrations and may contract with Medicare-approved special needs plans to provide Medicaid services. Medicare funds and services shall be administered according to the terms and conditions of the federal contract and demonstration provisions. For the purpose of administering medical assistance funds, demonstrations under this subdivision are subject to subdivisions 1 to 22. The provisions of Minnesota Rules, parts 9500.1450 to 9500.1464, apply to these demonstrations, with the exceptions of parts 9500.1452, subpart 2, item B; and 9500.1457, subpart 1, items B and C, which do not apply to persons enrolling in demonstrations under this section. An initial open enrollment period may be provided. Persons who disenroll from demonstrations under this subdivision remain subject to Minnesota Rules, parts 9500.1450 to 9500.1464. When a person is enrolled in a health plan under these demonstrations and the health plan's participation is subsequently terminated for any reason, the person shall be provided an opportunity to select a new health plan and shall have the right to change health plans within the first 60 days of enrollment in the second health plan. Persons required to participate in health plans under this section who fail to make a choice of health plan shall not be randomly assigned to health plans under these demonstrations. Notwithstanding section 256L.12, subdivision 5, and Minnesota Rules, part 9505.5220, subpart 1, item A, if adopted, for the purpose of demonstrations under this subdivision, the commissioner may contract with managed care organizations, including counties, to serve only elderly persons eligible for medical assistance, elderly and disabled persons, or disabled persons only. For persons with a primary diagnosis of developmental disability, serious and persistent mental illness, or serious emotional disturbance, the commissioner must ensure that the county authority has approved the demonstration and contracting design. Enrollment in these projects for persons with disabilities shall be voluntary. The commissioner shall not implement any demonstration project under this subdivision for persons with a primary diagnosis of developmental disabilities, serious and persistent mental illness, or serious emotional disturbance, without approval of the county board of the county in which the demonstration is being implemented.

(b) Notwithstanding chapter 245B, sections 252.40 to 252.46, 256B.092, 256B.501 to 256B.5015, and Minnesota Rules, parts 9525.0004 to 9525.0036, 9525.1200 to 9525.1330, 9525.1580, and 9525.1800 to 9525.1930, the commissioner may implement under this section projects for persons with developmental disabilities. The commissioner may capitate payments for ICF/MR services, waived services for developmental disabilities, including case management services, day training and habilitation and alternative active treatment services, and other services as approved by the state and by the federal government. Case management and active treatment must be individualized and developed in accordance with a person-centered plan. Costs under these projects may not exceed costs that would have been incurred under fee-for-service. Beginning July 1, 2003, and until ~~two~~ four years after the pilot project implementation date, subcontractor participation in the long-term care developmental disability pilot is limited to a nonprofit long-term care system providing ICF/MR services, home and community-based waiver services, and in-home services to no more than 120 consumers with developmental disabilities in Carver, Hennepin, and Scott Counties. The commissioner shall report to the legislature prior to expansion of the developmental disability pilot project. This paragraph expires ~~two~~ four years after the implementation date of the pilot project.

(c) Before implementation of a demonstration project for disabled persons, the commissioner must provide information to appropriate committees of the house of representatives and senate and

must involve representatives of affected disability groups in the design of the demonstration projects.

(d) A nursing facility reimbursed under the alternative reimbursement methodology in section 256B.434 may, in collaboration with a hospital, clinic, or other health care entity provide services under paragraph (a). The commissioner shall amend the state plan and seek any federal waivers necessary to implement this paragraph.

(e) The commissioner, in consultation with the commissioners of commerce and health, may approve and implement programs for all-inclusive care for the elderly (PACE) according to federal laws and regulations governing that program and state laws or rules applicable to participating providers. The process for approval of these programs shall begin only after the commissioner receives grant money in an amount sufficient to cover the state share of the administrative and actuarial costs to implement the programs during state fiscal years 2006 and 2007. Grant amounts for this purpose shall be deposited in an account in the special revenue fund and are appropriated to the commissioner to be used solely for the purpose of PACE administrative and actuarial costs. A PACE provider is not required to be licensed or certified as a health plan company as defined in section 62Q.01, subdivision 4. Persons age 55 and older who have been screened by the county and found to be eligible for services under the elderly waiver or community alternatives for disabled individuals or who are already eligible for Medicaid but meet level of care criteria for receipt of waiver services may choose to enroll in the PACE program. Medicare and Medicaid services will be provided according to this subdivision and federal Medicare and Medicaid requirements governing PACE providers and programs. PACE enrollees will receive Medicaid home and community-based services through the PACE provider as an alternative to services for which they would otherwise be eligible through home and community-based waiver programs and Medicaid State Plan Services. The commissioner shall establish Medicaid rates for PACE providers that do not exceed costs that would have been incurred under fee-for-service or other relevant managed care programs operated by the state.

(f) The commissioner shall seek federal approval to expand the Minnesota disability health options (MnDHO) program established under this subdivision in stages, first to regional population centers outside the seven-county metro area and then to all areas of the state. Until January 1, 2008, expansion for MnDHO projects that include home and community-based services is limited to the two projects and service areas in effect on March 1, 2006. Enrollment in integrated MnDHO programs that include home and community-based services shall remain voluntary. Costs for home and community-based services included under MnDHO must not exceed costs that would have been incurred under the fee-for-service program. In developing program specifications for expansion of integrated programs, the commissioner shall involve and consult the state-level stakeholder group established in subdivision 28, paragraph (d), including consultation on whether and how to include home and community-based waiver programs. Plans for further expansion of MnDHO projects shall be presented to the chairs of the house and senate committees with jurisdiction over health and human services policy and finance by February 1, 2007.

(g) Notwithstanding section 256B.0261, health plans providing services under this section are responsible for home care targeted case management and relocation targeted case management. Services must be provided according to the terms of the waivers and contracts approved by the federal government."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, before "amending" insert "extending a disability pilot project two years;"

Amend the title numbers accordingly

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

Senator Pogemiller from the Committee on Rules and Administration, to which was referred under Rule 21, together with the committee report thereon,

S.F. No. 1085: A bill for an act relating to health and the environment; prohibiting the sale of certain mercury-containing products; modifying restrictions on the sale, use, and disposal of certain mercury-containing products; requiring certain consumer information; modifying lamp recycling facility operation requirements; providing for mercury reduction at crematoriums; requiring a report; amending Minnesota Statutes 2006, sections 115A.932, subdivision 1; 116.92, subdivisions 3, 7a, by adding subdivisions; 116.93, subdivision 2; 149A.95, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 121A; 325E.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for March 15, 2007, be amended to read:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Business, Industry and Jobs". Amendments adopted. Report adopted.

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

S.F. No. 1547: A bill for an act relating to residential mortgage lending; modifying licensing and education requirements; providing examination powers to the commissioner; prescribing a criminal penalty; amending Minnesota Statutes 2006, sections 58.04, subdivisions 1, 2; 58.05; 58.06, subdivision 2, by adding a subdivision; 58.08, subdivision 3; 58.10, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 58; 609; repealing Minnesota Statutes 2006, section 58.08, subdivision 1.

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

Page 1, line 20, delete "\$100,000" and insert "\$50,000"

Page 4, lines 6 and 33, delete "\$100,000" and insert "\$50,000"

Page 6, after line 9, insert:

"Sec. 10. Minnesota Statutes 2006, section 58.13, subdivision 1, is amended to read:

Subdivision 1. **Generally.** No person acting as a residential mortgage originator or servicer, including a person required to be licensed under this chapter, and no person exempt from the licensing requirements of this chapter under section 58.04, shall:

(1) fail to maintain a trust account to hold trust funds received in connection with a residential mortgage loan;

(2) fail to deposit all trust funds into a trust account within three business days of receipt; commingle trust funds with funds belonging to the licensee or exempt person; or use trust account funds for any purpose other than that for which they are received;

(3) unreasonably delay the processing of a residential mortgage loan application, or the closing of a residential mortgage loan. For purposes of this clause, evidence of unreasonable delay includes but is not limited to those factors identified in section 47.206, subdivision 7, clause (d);

(4) fail to disburse funds according to its contractual or statutory obligations;

(5) fail to perform in conformance with its written agreements with borrowers, investors, other licensees, or exempt persons;

(6) charge a fee for a product or service where the product or service is not actually provided, or misrepresent the amount charged by or paid to a third party for a product or service;

(7) fail to comply with sections 345.31 to 345.60, the Minnesota unclaimed property law;

(8) violate any provision of any other applicable state or federal law regulating residential mortgage loans including, without limitation, sections 47.20 to 47.208;

(9) make or cause to be made, directly or indirectly, any false, deceptive, or misleading statement or representation in connection with a residential loan transaction including, without limitation, a false, deceptive, or misleading statement or representation regarding the borrower's ability to qualify for any mortgage product;

(10) conduct residential mortgage loan business under any name other than that under which the license or certificate of exemption was issued;

(11) compensate, whether directly or indirectly, coerce or intimidate an appraiser for the purpose of influencing the independent judgment of the appraiser with respect to the value of real estate that is to be covered by a residential mortgage or is being offered as security according to an application for a residential mortgage loan;

(12) issue any document indicating conditional qualification or conditional approval for a residential mortgage loan, unless the document also clearly indicates that final qualification or approval is not guaranteed, and may be subject to additional review;

(13) make or assist in making any residential mortgage loan with the intent that the loan will not be repaid and that the residential mortgage originator will obtain title to the property through foreclosure;

(14) provide or offer to provide for a borrower, any brokering or lending services under an arrangement with a person other than a licensee or exempt person, provided that a person may rely upon a written representation by the residential mortgage originator that it is in compliance with the licensing requirements of this chapter;

(15) claim to represent a licensee or exempt person, unless the person is an employee of the licensee or exempt person or unless the person has entered into a written agency agreement with the licensee or exempt person;

(16) fail to comply with the record keeping and notification requirements identified in section

58.14 or fail to abide by the affirmations made on the application for licensure;

(17) represent that the licensee or exempt person is acting as the borrower's agent after providing the nonagency disclosure required by section 58.15, unless the disclosure is retracted and the licensee or exempt person complies with all of the requirements of section 58.16;

(18) make, provide, or arrange for a residential mortgage loan that is of a lower investment grade if the borrower's credit score or, if the originator does not utilize credit scoring or if a credit score is unavailable, then comparable underwriting data, indicates that the borrower may qualify for a residential mortgage loan, available from or through the originator, that is of a higher investment grade, unless the borrower is informed that the borrower may qualify for a higher investment grade loan with a lower interest rate and/or lower discount points, and consents in writing to receipt of the lower investment grade loan.

For purposes of this section, "investment grade" refers to a system of categorizing residential mortgage loans in which the loans are: (i) commonly referred to as "prime" or "subprime"; (ii) commonly designated by an alphabetical character with "A" being the highest investment grade; and (iii) are distinguished by interest rate or discount points or both charged to the borrower, which vary according to the degree of perceived risk of default based on factors such as the borrower's credit, including credit score and credit patterns, income and employment history, debt ratio, loan-to-value ratio, and prior bankruptcy or foreclosure;

(19) make, publish, disseminate, circulate, place before the public, or cause to be made, directly or indirectly, any advertisement or marketing materials of any type, or any statement or representation relating to the business of residential mortgage loans that is false, deceptive, or misleading;

(20) advertise loan types or terms that are not available from or through the licensee or exempt person on the date advertised, or on the date specified in the advertisement. For purposes of this clause, advertisement includes, but is not limited to, a list of sample mortgage terms, including interest rates, discount points, and closing costs provided by licensees or exempt persons to a print or electronic medium that presents the information to the public;

(21) use or employ phrases, pictures, return addresses, geographic designations, or other means that create the impression, directly or indirectly, that a licensee or other person is a governmental agency, or is associated with, sponsored by, or in any manner connected to, related to, or endorsed by a governmental agency, if that is not the case; or

(22) violate section 82.49, relating to table funding;

(23) make, provide, or arrange for a residential mortgage loan without verifying the borrower's reasonable ability to pay the principal and interest on the loan, and pay real estate taxes and home insurance. For loans in which the interest rate may vary, the reasonable ability to pay must be determined based on the maximum monthly payment that could be due during the first five years of the loan term, which amount must be calculated with reference to the maximum interest rate allowable under the loan assuming no default by the borrower and assuming a fully indexed rate and a repayment schedule which achieves full amortization over the life of the loan. For all residential mortgage loans, the borrower's income and financial resources must be verified by tax returns, payroll receipts, bank records, or other similarly reliable documents. A statement by the borrower to the residential mortgage originator or exempt person of the borrower's income and resources is

not sufficient to establish the existence of the income or resources when verifying the reasonable ability to pay;

(24) whenever the residential mortgage originator informs a borrower, orally or in writing, of the anticipated or actual periodic payment amount for a first-lien residential mortgage loan, the residential mortgage originator must inform the borrower that an additional amount will be due for taxes and insurance and, if known, disclose to the borrower the amount of the anticipated or actual periodic escrow payments. A residential mortgage originator need not make this disclosure concerning a refinancing loan if the residential mortgage originator knows that the borrower's existing loan that is anticipated to be refinanced does not have an escrow account. Compliance with federal laws requiring disclosure of a periodic payment amount constitutes compliance with this paragraph but only for purposes of the particular disclosure required under federal law;

(25) make, provide, or arrange for a residential mortgage loan, other than a reverse mortgage pursuant to United States Code, title 15, chapter 41, if the borrower's compliance with any repayment option offered pursuant to the terms of the loan will result in negative amortization during any six-month period; or

(26) make, provide, or arrange for a residential mortgage loan all or a portion of the proceeds of which are used to fully or partially pay off a "special mortgage" unless the borrower has obtained a written certification from a counselor with a third-party nonprofit or governmental organization approved by the United States Department of Housing and Urban Development or the commissioner that the borrower has received counseling on the advisability of the loan transaction. The commissioner shall maintain a list of approved counseling programs. For purposes of this section, "special mortgage" means a residential mortgage loan originated, subsidized, or guaranteed by or through a state, tribal, or local government, or nonprofit organization, that bears one or more of the following nonstandard payment terms which substantially benefit the borrower: (i) payments vary with income; (ii) payments of principal or interest are not required or can be deferred under specified conditions; (iii) principal or interest is forgivable under specified conditions; or (iv) where no interest or an annual interest rate of two percent or less is charged in connection with the loan."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "requirements;" insert "prohibiting predatory lending practices;"

Amend the title numbers accordingly

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

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

S.F. No. 1533: A bill for an act relating to commerce; regulating certain transactions with homeowners whose homes are in foreclosure; amending Minnesota Statutes 2006, sections 325N.01; 325N.03; 325N.04; 325N.10, subdivisions 3, 4, by adding a subdivision; 325N.13; 325N.14; 325N.17; 325N.18, by adding a subdivision; Laws 2004, chapter 263, section 26.

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

Page 6, line 33, delete "foreclosed real property" and insert "residence in foreclosure"

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

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

S.F. No. 1333: A bill for an act relating to commerce; enacting a car buyers' bill of rights; requiring disclosures; capping dealer compensation for vehicle financing; regulating the sale of "certified" used motor vehicles; requiring a cancellation option on purchase of a used motor vehicle; amending Minnesota Statutes 2006, sections 53C.01, by adding subdivisions; 53C.08, subdivision 4, by adding a subdivision; 297B.01, subdivision 8; 325F.662, subdivision 10, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 53C.

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 2006, section 53C.01, is amended by adding a subdivision to read:

Subd. 6a. **Regulation Z.** "Regulation Z" means a rule, regulation, or interpretation promulgated by the Board of Governors of the Federal Reserve System under the federal Truth in Lending Act, as amended (United States Code, title 15, section 1601, et seq.), and an interpretation or approval issued by an official or employee of the Federal Reserve System duly authorized by the board under the Truth in Lending Act, as amended, to issue the interpretations or approvals.

Sec. 2. Minnesota Statutes 2006, section 53C.01, is amended by adding a subdivision to read:

Subd. 12a. **Service contract.** "Service contract" means a motor vehicle service contract as defined in section 65B.29.

Sec. 3. Minnesota Statutes 2006, section 53C.01, is amended by adding a subdivision to read:

Subd. 12b. **Surface protection product.** "Surface protection product" means the following products:

- (1) undercoating;
- (2) rustproofing;
- (3) chemical or film paint sealant or protectant; or
- (4) chemical sealant or stain inhibitor for carpet and fabric.

Sec. 4. Minnesota Statutes 2006, section 53C.01, is amended by adding a subdivision to read:

Subd. 12c. **Theft deterrent device.** "Theft deterrent device" means the following devices:

- (1) a vehicle alarm system;

- (2) a window etch product;
- (3) a body part marking product;
- (4) a steering lock;
- (5) a pedal or ignition lock; or
- (6) a fuel or ignition kill switch.

Sec. 5. Minnesota Statutes 2006, section 53C.08, is amended by adding a subdivision to read:

Subd. 1a. **Disclosures required.** Prior to the execution of a retail installment contract, the seller shall provide to a buyer, and obtain the buyer's signature on, a written disclosure that sets forth the following information:

(1) a description and the total price of all items sold in the following categories if the contract includes a charge for the item:

- (i) a service contract;
- (ii) an insurance product;
- (iii) a debt cancellation agreement;
- (iv) a theft deterrent device; or
- (v) a surface protection product;

(2) the amount that would be calculated under the contract as the regular installment payment if charges for the items referenced under clause (1) are not included in the contract;

(3) the amount that would be calculated under the contract as the regular installment payment if charges for the items referenced under clause (1) are included in the contract; and

(4) the disclosures required under this subdivision must be in at least ten-point type and must be contained in a single document that is separate from the retail installment contract and any other vehicle purchase documents.

Sec. 6. [53C.083] CONSUMER REPORT DISCLOSURE.

(a) When a consumer report from a consumer reporting agency has been obtained for use in connection with an application for credit initiated by a buyer for the purchase or lease of a motor vehicle, the retail seller shall provide, prior to the sale or lease of the motor vehicle, the following notice in at least ten-point boldface type on a document separate from the sale or lease contract, which must include the name, address, and telephone number of each credit reporting agency providing a consumer report that was obtained and used by the retail seller:

"NOTICE TO MOTOR VEHICLE CREDIT APPLICANT

The dealer used a consumer report from a consumer reporting agency in connection with your application to finance the acquisition of a motor vehicle. Consumer reports include data about your credit history and payment patterns. Consumer reports are important because they are used in determining whether to extend credit and may be used to determine the annual percentage rate

you may be offered.

If you have questions about your consumer report, please contact the consumer reporting agency at the address and telephone number provided. You are entitled under federal law to a free copy annually of your consumer report by calling 1-877-322-8228 or visiting annualcreditreport.com."

(b) This section does not require a dealer to provide more than one disclosure for each purchase or lease transaction. For purposes of this section, "consumer report" and "consumer reporting agency" have the meanings given in section 13C.001.

Sec. 7. Minnesota Statutes 2006, section 325F.662, is amended by adding a subdivision to read:

Subd. 8a. **Certified motor vehicle.** (a) It is unlawful for a dealer to advertise for sale or sell a used motor vehicle as "certified" or use any similar descriptive term in the advertisement or the sale of a used motor vehicle that implies the vehicle has been certified to meet the terms of a used motor vehicle certification program if any of the following apply:

(1) the dealer knows or should have known that the odometer on the vehicle does not indicate actual mileage, has been rolled back or otherwise altered to show fewer miles, or has been replaced with an odometer showing fewer miles than actually driven;

(2) the dealer knows or should have known that the vehicle was reacquired by the vehicle's manufacturer or a dealer pursuant to state or federal warranty laws;

(3) the dealer knows or should have known that the title to the vehicle has been inscribed with the notation "damaged," "flood," "junk," "lemon law buyback," "manufacturer repurchase," "nonrepairable," "rebuilt," "reconditioned," "salvage," or similar title designation required by this state or another state;

(4) the dealer knows or should have known that the vehicle has sustained damage in an impact, fire, or flood, that substantially impairs the use or safety of the vehicle;

(5) the dealer knows or should have known that the vehicle has sustained frame damage;

(6) prior to sale, the dealer fails to provide the buyer with a completed inspection report indicating all the components inspected;

(7) the dealer disclaims any warranties of merchantability on the vehicle; or

(8) the vehicle is sold "AS IS".

(b) This section does not abrogate or limit any disclosure obligation imposed by any other law.

Sec. 8. Minnesota Statutes 2006, section 325F.662, is amended by adding a subdivision to read:

Subd. 8b. **Contract cancellation option.** (a) A dealer shall not sell a used motor vehicle to a consumer without granting the consumer a contract cancellation option that allows the consumer to return the vehicle without cause and without cost, except for a restocking fee as permitted by this subdivision. This subdivision does not apply to a used motor vehicle having a purchase price of \$40,000 or more.

(b) The contract cancellation option must be contained in a document separate from the retail installment contract or other vehicle purchase agreement and must contain, at a minimum, the

following:

- (1) the name of the dealer and the consumer;
- (2) a description and the vehicle identification number of the vehicle purchased;
- (3) a statement specifying the time within which the consumer must exercise the right to cancel the purchase under the contract cancellation option and return the vehicle to the dealer. The dealer shall not specify a time that is earlier than the dealer's close of business on the second day following the day on which the vehicle was originally delivered to the consumer by the dealer;
- (4) a statement that clearly and conspicuously specifies the dollar amount of any restocking fee the buyer must pay to the dealer to exercise the right to cancel the purchase under the contract cancellation option. The restocking fee must not exceed \$125 if the vehicle's cash price is \$10,000 or less, \$250 if the vehicle's cash price is less than \$15,000 but greater than \$10,000, \$375 if the vehicle's cash price is less than \$20,000 but greater than or equal to \$15,000, and \$500 if the vehicle's cash price is \$20,000 or greater;
- (5) a statement specifying the maximum number of miles that the vehicle may be driven after its original delivery by the dealer to the consumer to remain eligible for cancellation under the contract cancellation option. A dealer shall not specify fewer than 250 miles in the contract cancellation option;
- (6) a statement that the contract cancellation option gives the consumer the right to cancel the purchase and obtain a full refund; and that the right to cancel will apply only if, within the time specified in the contract cancellation option, the following are personally delivered to the dealer by the consumer:
 - (i) a written notice exercising the right to cancel the purchase signed by the consumer;
 - (ii) any restocking fee specified in the contract cancellation option;
 - (iii) the original contract cancellation option document and vehicle purchase contract and related documents, if the dealer gave those original documents to the consumer;
 - (iv) all original vehicle titling and registration documents, if the dealer gave those original documents to the consumer;
 - (v) an amount in certified funds to reimburse the dealer for its payments on the buyer's behalf to discharge a lien on a vehicle left by the buyer as a downpayment or trade-in. If the dealer has sold or otherwise transferred title to the motor vehicle that was left as a downpayment or trade-in, the reimbursement amount owed to the dealer is only the amount that the dealer's payment to the lienholder exceeds the value of the vehicle as indicated on the sales contract or purchase order; and
 - (vi) the vehicle, free of all liens and encumbrances other than any lien or encumbrance created by or incident to the sales contract, any loan arranged by the dealer or any purchase money loan obtained by the consumer from a third party, and in the same condition as when it was delivered by the dealer to the consumer, reasonable wear and tear and any defect or mechanical problem that manifests or becomes evident after delivery that was not caused by the buyer excepted, and which must not have been driven beyond the mileage limit specified in the contract cancellation option. The agreement may also provide that the consumer will execute documents reasonably necessary

to effectuate the cancellation and refund and as reasonably required to comply with applicable law; and

(7) at the bottom of the contract cancellation option document, a statement that may be signed by the consumer to indicate the consumer's election to exercise the right to cancel the purchase under the terms of the contract cancellation option, and the last date and time by which the option to cancel may be exercised, followed by a line for the consumer's signature. A particular form of statement is not required, but the following statement is sufficient: "By signing below, I elect to exercise my right to cancel the purchase of the vehicle described in this agreement." The consumer's delivery of the contract cancellation option document to the dealer with the consumer's signature following this statement shall constitute sufficient written notice exercising the right to cancel the purchase. The dealer shall provide the consumer with the statement required by this paragraph in duplicate to enable the consumer to return the signed contract cancellation document and retain a copy of the contract cancellation document.

(c)(1) No later than the third day following the day on which the consumer exercises the right to cancel the purchase in compliance with the contract cancellation option, the dealer shall cancel the contract and provide the consumer with a full refund in person or by United States first class mail, postage prepaid; and

(2) the dealer shall return to the consumer, no later than three days after the consumer exercises the right to cancel the purchase, any motor vehicle the consumer left with the dealer as a downpayment or trade-in. If the dealer has sold or otherwise transferred title to the motor vehicle that was left as a downpayment or trade-in, the full refund described in clause (1) shall be the value of the motor vehicle left as a downpayment or trade-in, as stated in the sale contract or purchase order less any amount paid by the dealer to a lienholder on the buyer's behalf. The dealer shall provide the full refund in the form of cash, a negotiable instrument as defined in section 336.3-104, or draft conditioned on the verification of an instrument accepted by the dealer as part of the buyer's down payment.

(d) If the dealer received a portion of the purchase price by credit card, or other third-party payer on the consumer's account, the dealer must refund that portion of the purchase price to the credit card issuer or third-party payer for credit to the consumer's account.

(e) If the dealer received a portion of the purchase price by check or other negotiable instrument as defined in section 336.3-104, the dealer need not return the amount of the payment until after the check or negotiable instrument is finally paid as provided in section 336.4-213.

(f) A dealer whose cancellation offer exceeds the requirements contained in subdivision 8b, and whose cancellation offer in the contract of sale provides a purchase cancellation agreement disclosing the terms of that cancellation offer shall be deemed to have complied with this section.

(g) Notwithstanding paragraph (a), a dealer is not required to grant a contract cancellation option to an individual who exercised the individual's right to cancel the purchase of a vehicle from the dealer pursuant to a contract cancellation option during the immediately preceding 30 days or to an individual that has exercised a purchase option on a vehicle the individual has previously leased. A dealer is not required to give notice to a subsequent consumer of the return of a vehicle under this section. This subdivision does not abrogate or limit any disclosure obligation imposed by any other law.

(h) This subdivision does not affect or alter the legal rights, duties, obligations, or liabilities of the consumer, the dealer, or the dealer's agents or assigns, that would exist in the absence of a contract cancellation option. Notwithstanding the existence of a contract cancellation option and the fact that the dealer may retain title to the vehicle, the consumer is deemed the owner of the vehicle for purposes of sections 65B.41 to 65B.71, and 169.09, subdivision 5a, when the consumer takes delivery until the vehicle is returned pursuant to a contract cancellation option.

Sec. 9. Minnesota Statutes 2006, section 325F.662, subdivision 10, is amended to read:

Subd. 10. **Limitation on actions.** A private civil action brought by a consumer under this section with respect to a warranty claim must be commenced within one year of the expiration of the express warranty.

Sec. 10. **EFFECTIVE DATE.**

This act is effective January 1, 2008."

Amend the title as follows:

Page 1, line 3, delete everything before "regulating"

Amend the title numbers accordingly

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

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

S.F. No. 988: A bill for an act relating to mortgages; prohibiting certain predatory lending practices; prescribing criminal penalties; providing remedies; amending Minnesota Statutes 2006, sections 58.13, subdivision 1; 58.137, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 58; 82B.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2006, section 58.02, is amended by adding a subdivision to read:

Subd. 27. **Investment grade.** When used in reference to residential mortgage loans, "investment grade" refers to a system of categorizing residential mortgage loans in which the pricing or terms are distinguished by interest rate or discount points, or both, charged to the borrower, which vary according to the degree of perceived risk of default based on factors such as the borrower's credit, including credit score and credit patterns, income and employment history, debt ratio, loan-to-value ratio, and prior bankruptcy or foreclosure.

Sec. 2. Minnesota Statutes 2006, section 58.02, is amended by adding a subdivision to read:

Subd. 28. **Prime loan.** "Prime loan" means a residential mortgage loan that is of the highest investment grade and which is commonly designated by an alphabetical character of "A".

Sec. 3. Minnesota Statutes 2006, section 58.02, is amended by adding a subdivision to read:

Subd. 29. **Subprime loan.** "Subprime loan" means a residential mortgage loan that is of less than the highest investment grade, and which is commonly designated by an alphabetical character of "A-" to "D"."

Page 3, line 28, after the semicolon, insert "or"

Page 4, delete section 2 and insert:

"Sec. 5. Minnesota Statutes 2006, section 58.137, subdivision 2, is amended to read:

Subd. 2. **Prepayment penalties.** (a) A residential mortgage originator making a residential mortgage loan that is a prime loan to a borrower located in this state shall not charge, receive, or collect any prepayment penalty, fee, premium, or other charge:

(1) for any partial prepayment of the residential mortgage loan; or

(2) for any prepayment of the residential mortgage loan upon the sale of any residential real property, or the sale of any stock, interest, or lease relating to cooperative ownership of residential real property, securing the loan; or

(3) for any prepayment of the residential mortgage loan if the prepayment is made more than 42 months after the date of the note or other agreement for the residential mortgage loan; or

(4) for any prepayment of the residential mortgage loan if the aggregate amount of all prepayment penalties, fees, premiums, and other charges exceeds the lesser of (i) an amount equal to two percent of the unpaid principal balance of the residential mortgage loan at the time of prepayment, or (ii) an amount equal to 60 days' interest, at the interest rate in effect on the residential mortgage loan at the time of prepayment, on the unpaid principal balance of the residential mortgage loan at the time of prepayment.

(b) If a residential mortgage originator offers or makes residential mortgage loans to any borrowers located in this state with prepayment penalties, fees, premiums, or other charges exceeding the maximum amount under paragraph (a), clause (4), then the residential mortgage originator shall provide the following disclosure to each prospective borrower located in this state that requests a residential mortgage loan from the residential mortgage originator, whether or not the prospective borrower receives a residential mortgage loan:

THIS IS VERY IMPORTANT

THIS LENDER CHARGES YOU A SUBSTANTIAL PENALTY IF YOU PAY OFF OR REFINANCE YOUR LOAN BEFORE MATURITY. ASK THE LENDER HOW MUCH THE PENALTY WILL BE FOR YOUR LOAN.

The residential mortgage originator shall read the disclosure to the prospective borrower when the prospective borrower requests a residential mortgage loan, and again within three days before the borrower signs the note or other agreement for the residential mortgage loan. The residential mortgage originator also shall provide the disclosure to the prospective borrower in writing so that it is received by the prospective borrower within five days after the residential mortgage originator receives the prospective borrower's request for a residential mortgage loan, and again within three days before the prospective borrower signs the note or other agreement for the residential mortgage loan. The written disclosure must be stated in at least 16-point capitalized boldface type on a single

sheet of paper that contains only the disclosure, the date on which the disclosure form is sent or provided, the name, address, and telephone number of the residential mortgage originator, the name and address of the prospective borrower, and, at the option of the residential mortgage originator, the prospective borrower's dated and signed acknowledgment of receipt of the disclosure form. The provisions of the disclosure form, other than the disclosure in this subdivision, are not required to be in at least 16-point capitalized boldface type. The prospective borrower shall be permitted to keep a copy of each written disclosure form. When a prospective borrower asks a residential mortgage originator for information about a prepayment penalty, the residential mortgage originator shall give the prospective borrower the requested information, and shall tell the borrower the highest aggregate amount of the prepayment penalties, fees, premiums, and other charges that the residential mortgage originator would charge to the prospective borrower for prepayment of the residential mortgage loan one year after it is funded, based on a hypothetical unpaid principal balance of \$100,000 and also based on the highest interest rate that the residential mortgage originator would charge to the prospective borrower. A mortgage originator responding to requests for residential mortgage loans via the Internet may make the disclosure in a manner acceptable to the commissioner.

(c) A residential mortgage originator shall not enter into a subprime loan that contains a provision requiring or permitting the imposition of a penalty, fee, premium, or other charge in the event the residential mortgage loan is prepaid in whole or in part."

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

S.F. No. 809: A bill for an act relating to mortgages; prohibiting predatory lending practices; amending Minnesota Statutes 2006, sections 58.13, subdivision 1; 58.137, subdivision 1; 58.15; 58.16.

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

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2006, section 58.02, is amended by adding a subdivision to read:

Subd. 27. **Investment grade.** When used in reference to residential mortgage loans, "investment grade" refers to a system of categorizing residential mortgage loans in which the pricing or terms are distinguished by interest rate or discount points or both charged to the borrower, which vary according to the degree of perceived risk of default based on factors such as the borrower's credit, including credit score and credit patterns, income and employment history, debt ratio, loan-to-value ratio, and prior bankruptcy or foreclosure.

Sec. 2. Minnesota Statutes 2006, section 58.02, is amended by adding a subdivision to read:

Subd. 28. **Prime loan.** "Prime loan" means a residential mortgage loan that is of the highest investment grade and which is commonly designated by an alphabetical character of "A."

Sec. 3. Minnesota Statutes 2006, section 58.02, is amended by adding a subdivision to read:

Subd. 29. **Subprime loan.** "Subprime loan" means a residential mortgage loan that is of less than the highest investment grade, and which is commonly designated by an alphabetical character of "A-" to "D."

Sec. 4. Minnesota Statutes 2006, section 58.02, is amended by adding a subdivision to read:

Subd. 30. **Fully indexed rate.** "Fully indexed rate" equals the index rate prevailing at the time a residential mortgage loan is originated, plus the margin that will apply after the expiration of an introductory interest rate."

Page 1, line 7, before "No" insert "(a)"

Page 1, line 9, after the comma insert "except as otherwise provided in paragraph (b),"

Page 3, line 5, strike the period and insert a semicolon

Page 3, strike lines 6 to 13

Page 3, delete lines 31 to 33 and insert "real estate taxes, homeowner's insurance, and private mortgage insurance if it is required in connection with the loan. For loans in which the interest rate may vary, the reasonable ability to pay must be calculated based on a rate that is fully indexed according to the terms of the loan and a repayment schedule"

Page 4, line 8, after "not" insert "have a reasonable, tangible net" and after "benefit" insert "to"

Page 4, line 11, delete "and life"

Page 4, line 14, delete "and" and after "(iii)" insert "the new loan is a subprime loan; and (iv)"

Page 4, line 18, delete the third "the"

Page 4, delete lines 19 to 20

Page 4, line 21, delete everything before the semicolon and insert "a rate that is fully indexed according to the terms of the loan and a repayment schedule which achieves full amortization over the life of the loan"

Page 4, line 26, delete everything after "(25)" and insert "the first time a residential mortgage originator orally informs a borrower"

Page 4, line 27, delete "writing,"

Page 4, line 28, before the comma, insert "which does not include an amount for payment of property taxes and hazard insurance"

Page 4, line 30, delete "escrow" and after "payments" insert "for property taxes and hazard insurance. This same oral disclosure must be made each time the residential mortgage originator orally informs the borrower of a different anticipated or actual periodic payment amount change from the amount previously disclosed"

Page 4, line 33, delete everything after "account" and insert "; or"

Page 4, delete lines 34 to 35

Page 5, after line 4, insert:

"(b) Paragraph (a), clauses (22) through (26), do not apply to a state or federally chartered bank, savings bank, or credit union, or to a person making, providing, or arranging a residential mortgage loan originated or purchased by a state agency or a tribal or local unit of government. This paragraph supersedes any inconsistent provision of this chapter."

Page 5, lines 16 to 18, delete the new language

Page 5, line 19, delete everything before "by" and insert "; or (2)"

Page 5, line 20, delete ": (1)"

Page 5, lines 22 to 24, delete the new language and reinstate the stricken language

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 1806: A bill for an act relating to unemployment insurance; providing extra unemployment benefits for certain electricians.

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

Page 1, delete lines 8 and 22

Page 1, lines 9 and 23, delete "(2)" and insert "(1)"

Page 1, line 10, delete "(3)" and insert "(2)"

Page 1, line 12, delete "(4)" and insert "(3)"

Page 2, line 1, delete "(3)" and insert "(2)"

Page 2, line 3, delete "(4)" and insert "(3)"

Page 2, line 13, before "under" insert "as described"

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

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 443: A bill for an act relating to public safety; expanding an existing law enforcement tool regarding record keeping of purchases by scrap metal dealers; requiring registration; providing penalties; appropriating money; amending Minnesota Statutes 2006, section 325E.21.

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 2006, section 325E.21, is amended to read:

325E.21 DEALERS IN WIRE AND CABLE SCRAP METAL; RECORDS AND REPORTS, AND REGISTRATION.

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

(b) "Person" means an individual, partnership, limited partnership, limited liability company, corporation, or other entity.

(c) "Scrap metal" means:

(1) wire and cable commonly and customarily used by communication and electric utilities; and

(2) copper, aluminum, or any other metal purchased primarily for its reuse or recycling value as raw metal, including metal that is combined with other materials at the time of purchase.

(d) "Scrap metal dealer" or "dealer" means a person engaged in the business of buying and selling scrap metal, but does not include a person engaged exclusively in the business of buying or selling new or used motor vehicles or motor vehicle parts, paper or wood products, rags or furniture, or secondhand machinery.

(e) "Municipality" means any town, home rule charter or statutory city, or county that has one or more scrap metal dealers within its jurisdiction.

(f) "Law enforcement agency" means a duly authorized municipal, county, state, or federal law enforcement agency.

~~Subdivision 1.~~ Subd. 1a. **Purchase or acquisition record required.** (a) Every person, firm or corporation scrap metal dealer, including an agent, employee, or representative thereof of the dealer, engaging in the business of buying and selling wire and cable commonly and customarily used by communication and electric utilities shall keep a written record, in the English language, legibly written in ink or typewriting, at the time of each purchase or acquisition, of scrap metal. The record must include:

(1) an accurate account or description, including the weight if customarily purchased by weight, of such wire and cable commonly and customarily used by communication and electric utilities the scrap metal purchased or acquired;

(2) the date, time, and place of the receipt of the same;

(3) the name and address of the person selling or delivering the same and;

(4) the number of the check used to purchase the scrap metal;

(5) the number of the person's driver's license or such person, Minnesota identification card number, or other identification document number of an identification document issued for identification purposes by any state, federal, or foreign government if the document includes the applicant's photograph, full name, birth date, and signature; and

(6) the license plate number and description of the vehicle used by the person when delivering the scrap metal, and any identifying marks on the vehicle, such as a business name, decals, or markings, if applicable.

~~Such (b) The record, as well as such wire and cable commonly and customarily used by communication and electric utilities the scrap metal purchased or received, shall at all reasonable times be open to the inspection of any sheriff or deputy sheriff of the county, or of any police officer in any incorporated city or statutory city, in which such business may be carried on law enforcement agency.~~

~~Such (c) The person shall not be required to furnish or keep such record of any property purchased from merchants, manufacturers or wholesale dealers, having an established place of business, or of any goods purchased at open sale from any bankrupt stock, but a bill of sale or other evidence of open or legitimate purchase of such the property shall be obtained and kept by such the person which must be shown upon demand to the sheriff or deputy sheriff of the county, or to any police officer in any incorporated city or statutory city, in which such business may be carried on. The provisions of this subdivision and of subdivision 2 shall not apply to or include any person, firm or corporation engaged exclusively in the business of buying or selling motor vehicles, new or used, paper or wood products, rags or furniture, secondhand machinery any law enforcement agency.~~

(d) Except as otherwise provided in this section, a scrap metal dealer may not disclose personal information concerning a customer without the customer's consent unless the disclosure is made in response to a request from a law enforcement agency. For purposes of this paragraph, "personal information" is any individually identifiable information gathered in connection with a record under paragraph (a). Data collected by a law enforcement agency under this paragraph are private data on individuals to the extent that it would reveal the identity of persons who are customers of a scrap metal dealer, and public data to the extent that it describes property in a regulated transaction with a scrap metal dealer.

~~Subd. 2. **Sheriff's copy of record required.** It shall be the duty of every such person, firm or corporation defined in subdivision 1 hereof, to make out and to deliver or mail to the office of the sheriff of the county in which business is conducted, not later than the second business day of each week, a legible and correct copy of the record required in subdivision 1 of the entries during the preceding week. In the event such person, firm or corporation has not made any purchases or acquisitions required to be recorded under subdivision 1 hereof during the preceding week no report need be submitted to the sheriff under this subdivision.~~

~~Subd. 3. **Retention required.** Records required to be maintained by subdivision 1 hereof 1a shall be retained by the person making them for a period of three years.~~

Subd. 3. **Payment by check required.** A scrap metal dealer shall pay for all scrap metal purchases only by check. For purposes of this section, "check" means a check, draft, or other negotiable or nonnegotiable order of withdrawal which is drawn against funds held by a financial institution.

Subd. 4. **Registration required.** Every scrap metal dealer must register with, pay an annual fee of \$50 to, and actively participate in, the Minnesota Crime Alert Network under the Minnesota Bureau of Criminal Apprehension. The scrap metal dealer also must implement aggressive management practices to minimize the purchase of stolen materials. Scrap processors should

develop a training program for scale operators and receiving personnel on how to identify suspicious materials.

Subd. 5. **Criminal penalty.** A scrap metal dealer, or the agent, employee, or representative of the dealer, who, without complying with this section, buys or receives any scrap metal that the dealer knows or reasonably should know is ordinarily used by or ordinarily belongs to a railroad or other transportation, telephone, telegraph, gas, water or electric company, utility, or county, city, or other political subdivision of this state engaged in furnishing public utility service, is guilty of a gross misdemeanor.

Subd. 6. **Exemption.** A scrap metal dealer may purchase aluminum cans without complying with subdivisions 1a to 4.

Subd. 7. **Property held by law enforcement.** (a) Whenever a law enforcement official from any agency has reason to believe that property in the possession of a dealer is stolen or is evidence of a crime and notifies a dealer not to sell an item, the item must not be sold or removed from the premises. The investigative hold must be made within 72 hours and remains in effect for not more than 90 days from the date of initial notification, or until the investigative order is canceled or an order to confiscate is issued, whichever comes first.

(b) If an item is identified as stolen or evidence in a criminal case, the law enforcement official may:

(1) physically confiscate and remove it from the dealer, pursuant to a written order from the law enforcement official; or

(2) place the item on hold or extend the hold as provided in this section and leave it in the shop.

(c) When an item is confiscated, the person doing so shall provide identification upon request of the dealer, and shall provide the dealer the name and telephone number of the confiscating agency and investigator, and the case number related to the confiscation.

(d) A dealer may request confiscated property be returned in accordance with section 626.04.

(e) When an order to hold or confiscate is no longer necessary, the law enforcement official shall so notify the dealer.

EFFECTIVE DATE. This section is effective August 1, 2007.

Sec. 2. **[609.593] DAMAGE OR THEFT TO ENERGY TRANSMISSION OR TELECOMMUNICATIONS EQUIPMENT.**

Subdivision 1. **Crime.** Whoever intentionally and without consent from one authorized to give consent causes any damage or takes, removes, severs, or breaks:

(1) any line erected or maintained for the purpose of transmitting electricity for light, heat, or power, or any insulator or cross-arm, appurtenance or apparatus connected therewith, any wire, cable, or current thereof;

(2) any pipe or main or hazardous liquid pipeline erected, operated, or maintained for the purpose of transporting, conveying, or distributing gas or other hazardous liquids for light, heat, power, or any other purpose, or any part thereof, or any valve, meter, holder, compressor,

machinery, appurtenance, equipment, or apparatus connected with any such main or pipeline; or

(3) any machinery, equipment, and fixtures used in receiving, initiating, amplifying, processing, transmitting, retransmitting, recording, switching, or monitoring telecommunications services, such as computers, transformers, amplifiers, routers, repeaters, multiplexers, and other items performing comparable functions; and machinery, equipment, and fixtures used in the transportation of telecommunications services, radio transmitters and receivers, satellite equipment, microwave equipment, and other transporting media including wire, cable, fiber, poles, and conduit;

is guilty of a crime and may be sentenced as provided in subdivision 2.

Subd. 2. **Penalty.** Whoever violates subdivision 1 is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Sec. 3. **EFFECTIVE DATE; APPLICATION.**

Section 2 is effective August 1, 2007, and applies to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "regulating"

Page 1, line 3, delete "record keeping of purchases by" and delete "requiring registration" and insert "creating the crime of damage or theft to energy transmission or telecommunications equipment"

Page 1, line 4, delete "appropriating money;"

Amend the title numbers accordingly

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

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 356: A bill for an act relating to building codes; requiring window screens in certain residential dwellings to comply with safety standards; proposing coding for new law in Minnesota Statutes, chapter 16B.

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 2006, section 16B.61, is amended by adding a subdivision to read:

Subd. 3b. **Window fall prevention device code.** The commissioner of labor and industry shall adopt rules for window fall prevention devices as part of the state Building Code. Window fall prevention devices include, but are not limited to, safety screens, hardware, guards, and other devices that comply with the standards established by the commissioner of labor and industry. The rules shall require compliance with standards for window fall prevention devices developed by ASTM International, contained in the International Building Code as the model language with amendments deemed necessary to coordinate with the other adopted building codes in Minnesota. The rules shall

establish a scope that includes the applicable building occupancies, and the types, locations and sizes of windows that will require the installation of fall devices. The rules will be effective July 1, 2009. The commissioner shall report to the legislature on the status of the rulemaking on or before February 15, 2008.

Sec. 2. WINDOW SAFETY EDUCATION.

The commissioner of health shall create in the department's current educational safety program a component targeted at parents and caregivers of young children to provide awareness of the need to take precautions to prevent children from falling through open windows. The commissioner of health shall consult with representatives of the residential building industry, the window products industry, the child safety advocacy community, and the Department of Labor and Industry to create the window safety program component. The program shall include the gathering of window fall data resulting in severe injury in order to measure the effectiveness of the safety program. The commissioner of health may consult with other child safety advocacy groups, experts, and interested parties in the development and implementation of the window safety program. The commissioner of health shall prepare and submit a final report on the window safety program to the legislature on or before March 1, 2011. The commissioner shall prepare and submit a yearly progress report to the legislature on or before March 1 of each year beginning in 2008 until the submission of the final report. The final report shall include a summary of the safety program, the impact of the program on child window falls, and any recommendations for further study or action."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "creating a window safety program;"

Amend the title numbers accordingly

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 1873: A bill for an act relating to state governmental operations; clarifying that executive orders need not be reissued in a second or subsequent term; clarifying that commissioners must be submitted to the senate for confirmation in a second or subsequent term; amending Minnesota Statutes 2006, sections 4.035, subdivision 3; 15.06, subdivision 2.

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was re-referred

S.F. No. 981: A bill for an act relating to metropolitan government; modifying the Metropolitan Land Planning Act and related statutes; correcting erroneous, ambiguous, and obsolete references; making miscellaneous technical corrections to statutes; amending Minnesota Statutes 2006, sections 15.99, subdivision 2; 473.175; 473.851; 473.852, subdivision 1; 473.854; 473.856; 473.857, subdivision 2; 473.858; 473.859, subdivision 1; 473.866; 473.867, subdivisions 1, 2;

473.869; 473.871; repealing Minnesota Statutes 2006, sections 473.1455; 473.868.

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

Page 3, after line 17, insert:

"Sec. 3. Minnesota Statutes 2006, section 473.246, is amended to read:

473.246 COUNCIL'S SUBMISSIONS TO ~~LEGISLATIVE~~ ~~COMMISSION~~ LEGISLATURE.

The Metropolitan Council shall submit to the ~~Legislative Commission on Metropolitan Government~~ chairs of the legislative committees with jurisdiction over metropolitan affairs information on the council's tax rates and dollar amounts levied for the current year, proposed property tax rates and levies, operating and capital budgets, work program, capital improvement program, and any other information requested by the ~~commission, for review by the legislative commission, as provided in section 3.8841~~ relevant committees.

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

Page 6, line 17, delete "which shall not be less than 60 days" and insert "or may waive the review and comment period if the minor plan amendments involve lands that are not contiguous to other local governmental units"

Page 9, line 9, delete "15" and insert "16"

Page 9, line 12, delete "16" and insert "17"

Page 9, delete section 15 and insert:

"Sec. 16. **REPEALER.**

Minnesota Statutes 2006, sections 3.8841; 473.1455; 473.247; and 473.868, are repealed."

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 1162: A bill for an act relating to energy; requiring a process to develop policies to reduce greenhouse gas emissions; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 216C.

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

Delete everything after the enacting clause and insert:

"Section 1. **[216C.03] CARBON-NEUTRAL STATE GOVERNMENT PLAN.**

The commissioner of commerce, in coordination with the commissioners of the agencies listed

in section 15.01, the chancellor of the Minnesota State Colleges and Universities, and the president of the University of Minnesota, shall identify policy options, barriers, and economic benefits and costs of completely reducing or offsetting greenhouse gas emissions from state government operations, and shall issue an action plan by February 1, 2008. The plan must propose strategies to be implemented over multiyear time frames to overcome those barriers. Recommendations for actions, policy changes, or new initiatives under this section must be guided by a goal that the operations of state government, including its departments, agencies, the University of Minnesota, and Minnesota State Colleges and Universities, achieve carbon-neutral operations under the following timeline:

- (1) 50 percent reduction in 2007 greenhouse gas emissions by the end of 2012;
- (2) 70 percent reduction in 2007 greenhouse gas emissions by the end of 2015;
- (3) 90 percent reduction in 2007 greenhouse gas emissions by the end of 2020; and
- (4) 100 percent reduction in 2007 greenhouse gas emissions by the end of 2025."

Amend the title as follows:

Page 1, line 3, after "emissions" insert "from state government operations"

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was re-referred

S.F. No. 1242: A bill for an act relating to corrections; clarifying and updating law governing MINNCOR prison industries; adjusting the date for community corrections counties to submit expenditure and cost statements; authorizing access by the Department of Corrections to the Department of Employment and Economic Development database relating to employment status information; amending Minnesota Statutes 2006, sections 16A.72; 16B.181, subdivision 2; 16C.23, subdivision 2; 241.27, subdivisions 1, 2, 3, 4; 241.278; 268.19, subdivision 1; 401.15, subdivision 1; repealing Minnesota Statutes 2006, sections 241.021, subdivision 5; 241.85, subdivision 2.

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

Page 5, line 1, delete the new language

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 50: A bill for an act relating to lobbyists; prohibiting former legislators, constitutional officers, and agency heads from lobbying for legislative or administrative action for two years after leaving office; proposing coding for new law in Minnesota Statutes, chapter 10A.

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

Page 1, line 9, delete "two years" and insert "one year"

Page 1, after line 12, insert:

"**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to individuals who leave an office or position after that date."

Amend the title as follows:

Page 1, line 3, delete "two" and insert "one"

Page 1, line 4, delete "years" and insert "year"

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 1419: A bill for an act relating to Scott County; establishing and modifying hiring process and personnel provisions.

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 1436: A bill for an act relating to state government; defining political subdivision for the purposes of the chapter governing the state auditor; applying provisions for the state auditor to all political subdivisions; amending Minnesota Statutes 2006, sections 6.47; 6.51; 6.54; 6.55; 6.551; 6.57; 6.59; 6.60; 6.62, subdivision 2; 6.63; 6.64; 6.65; 6.66; 6.67; 6.68; 6.70; 6.71; 6.76; 103D.355; proposing coding for new law in Minnesota Statutes, chapter 6; repealing Minnesota Statutes 2006, section 6.56, subdivision 1.

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

Senator Chaudhary from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1402: A bill for an act relating to planning and zoning; requiring counties to consider natural heritage data in adopting or amending comprehensive plans; requiring comprehensive plans in greater Minnesota to limit development on agricultural, forest, wildlife, and open space land; requiring priority provisions in certain county and city comprehensive plans; requiring certain development to occur in designated priorities; providing a bill title; amending Minnesota Statutes 2006, sections 394.23; 394.232, subdivision 6; 394.24, by adding a subdivision; 394.25, subdivision 2; 462.355, subdivision 1; 462.357, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 394.

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

Page 1, line 20, after "by" insert "considering" and before the period, insert "under section 17.844"

Page 1, line 21, delete "IN GREATER MINNESOTA" and insert "; OPEN SPACE"

Page 1, line 22, delete everything after "plan"

Page 1, line 23, delete everything before "must"

Page 2, line 23, after "by" insert "considering" and before the period, insert "under section 17.844"

Page 4, line 15, after "by" insert "considering" and before the period, insert "under section 17.844"

Page 4, line 18, delete "in greater Minnesota" and insert "; Open Spaces"

Page 4, delete line 19

Page 4, line 20, delete everything before "must"

Amend the title as follows:

Page 1, line 4, delete "in greater Minnesota"

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was re-referred

S.F. No. 1137: A bill for an act relating to waters; modifying agency service requirements; modifying provisions for wetland conservation; requiring rulemaking; appropriating money; amending Minnesota Statutes 2006, sections 15.99, subdivision 3; 103B.101, by adding a subdivision; 103G.222, subdivisions 1, 3; 103G.2241, subdivisions 1, 2, 3, 6, 9, 11; 103G.2242, subdivisions 2, 2a, 9, 12, 15; 103G.2243, subdivision 2; repealing Minnesota Statutes 2006, section 103G.2241, subdivision 8.

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

Page 1, line 22, after "response" insert ", including an approval with conditions,"

Page 1, line 23, after the period, insert "Failure to satisfy the conditions, if any, may be a basis to revoke or rescind the approval by the agency and will not give rise to a claim that the 60-day time limit was not met without recommendation."

Page 2, delete lines 6 to 11

Page 2, lines 12, 18, and 22, reinstate the stricken language and delete the new language

Page 18, after line 30, insert:

"Sec. 17. **RULEMAKING.**

Within 90 days of the effective date of this section, the Board of Water and Soil Resources shall adopt rules that amend Minnesota Rules, chapter 8420, to incorporate statute changes and to address the related wetland exemption provisions in Minnesota Rules, parts 8420.0115 to 8420.0210, and

the wetland replacement and banking provisions in Minnesota Rules, parts 8420.0500 to 8420.0760. These rules are exempt from the rulemaking provisions of Minnesota Statutes, chapter 14, except that Minnesota Statutes, section 14.386, applies and the proposed rules must be submitted to the legislative committees with jurisdiction over environment and natural resources at least 30 days prior to being published in the State Register. The amended rules are effective for two years from the date of publication in the State Register unless they are superceded by permanent rules."

Page 19, line 27, delete "18" and insert "19"

Renumber the sections in sequence

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1336, 1051, 1119, 400, 967, 1333, 1806, 981, 50, 1419 and 1436 were read the second time.

MOTIONS AND RESOLUTIONS

Senator Prettner Solon moved that the name of Senator Olson, M. be added as a co-author to S.F. No. 15. The motion prevailed.

Senator Berglin moved that the name of Senator Erickson Ropes be added as a co-author to S.F. No. 1963. The motion prevailed.

Senator Jungbauer moved that the name of Senator Clark be added as a co-author to S.F. No. 2050. The motion prevailed.

Senator Pogemiller moved that the name of Senator Frederickson be added as a co-author to S.F. No. 2054. The motion prevailed.

Senator Sparks introduced –

Senate Resolution No. 58: A Senate resolution honoring the life and work of Richard Guevremont.

Referred to the Committee on Rules and Administration.

Senators Pogemiller and Senjem introduced –

Senate Resolution No. 59: A Senate resolution relating to major appropriation and tax bills; setting criteria for floor amendments; suspending Senate Rule 7.

Senator Pogemiller moved that Senate Resolution No. 59 be laid on the table. The motion prevailed.

Senator Erickson Ropes moved that S.F. No. 251, No. 5 on the Consent Calendar, be stricken

and re-referred to the Committee on Rules and Administration. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Marty and Rummel introduced—

S.F. No. 2055: A bill for an act relating to health; authorizing the Department of Health to review registrations and assess the public health risks of carcinogenic and endocrine-disrupting pesticides and high-potency nervous system toxins; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health, Housing and Family Security.

Senators Marty and Rummel introduced—

S.F. No. 2056: A bill for an act relating to health; requiring state standards on atrazine levels to meet the federal standards; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health, Housing and Family Security.

Senator Bakk introduced—

S.F. No. 2057: A bill for an act relating to airports; authorizing local units of government to create airport authorities; authorizing a property tax levy; defining terms; amending Minnesota Statutes 2006, section 360.031; proposing coding for new law in Minnesota Statutes, chapter 360.

Referred to the Committee on State and Local Government Operations and Oversight.

Senator Bakk introduced—

S.F. No. 2058: A bill for an act relating to retirement; requiring payment of disability benefits to certain persons.

Referred to the Committee on State and Local Government Operations and Oversight.

Senators Erickson Ropes; Olson, M.; Vickerman and Dille introduced—

S.F. No. 2059: A bill for an act relating to veterans; changing certain qualifications for service on the Minnesota Veterans Homes Board and service as the board's executive director; amending Minnesota Statutes 2006, sections 198.002, subdivision 2; 198.004, subdivision 1.

Referred to the Committee on Agriculture and Veterans.

Senator Tomassoni introduced—

S.F. No. 2060: A resolution memorializing the President and Congress to replace the Fast Track Trade Authority system.

Referred to the Committee on Business, Industry and Jobs.

Senator Tomassoni introduced—

S.F. No. 2061: A bill for an act relating to drivers' licenses; modifying driver's license provisions relating to alcohol-abstinence restrictions; amending Minnesota Statutes 2006, sections 171.09, subdivision 1; 171.12, subdivision 6; 171.30, subdivision 4.

Referred to the Committee on Transportation.

Senators Tomassoni and Bakk introduced—

S.F. No. 2062: A bill for an act relating to capital improvements; appropriating money for renewable biomass energy production by the Laurentian Energy Authority; authorizing the sale and issuance of state bonds.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senator Berglin introduced—

S.F. No. 2063: A bill for an act relating to health; requiring a health risk level standard for exposure to arsenic; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health, Housing and Family Security.

Senator Wergin introduced—

S.F. No. 2064: A bill for an act relating to education; establishing a task force to review special education funding.

Referred to the Committee on Education.

Senator Wergin introduced—

S.F. No. 2065: A bill for an act relating to public safety; providing that certain places of worship are not required to have automatic sprinklers; proposing coding for new law in Minnesota Statutes, chapter 299F.

Referred to the Committee on Judiciary.

Senators Erickson Ropes and Lynch introduced—

S.F. No. 2066: A bill for an act relating to health-related licensing boards; establishing licensure for professional clinical counselors; modifying the definitions of mental health professionals; amending Minnesota Statutes 2006, sections 62A.152, subdivisions 2, 3; 148B.50, subdivision 5;

148B.53, subdivision 1; 245.462, subdivision 18; 245.470, subdivision 1; 245.4871, subdivision 27; 245.488, subdivision 1; 256B.0623, subdivision 5; 256B.0624, subdivisions 5, 8; 256B.0943, subdivision 1; 256J.08, subdivision 73a; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health, Housing and Family Security.

Senators Erickson Ropes and Lynch introduced—

S.F. No. 2067: A bill for an act relating to health-related licensing boards; modifying fees for licensed professional counselors; establishing fees for licensed professional clinical counselors; amending Minnesota Statutes 2006, sections 148B.53, subdivision 3; 148C.12, by adding subdivisions.

Referred to the Committee on Finance.

Senators Erickson Ropes and Lynch introduced—

S.F. No. 2068: A bill for an act relating to health-related licensing; establishing licensure requirements for foreign trained professional counselors; adding professional counselors as a professional service; amending Minnesota Statutes 2006, section 319B.02, subdivision 19; proposing coding for new law in Minnesota Statutes, chapters 148; 148B.

Referred to the Committee on Health, Housing and Family Security.

Senator Kubly introduced—

S.F. No. 2069: A bill for an act relating to energy; allowing certain counties and Metropolitan Council to form a renewable energy agency with the powers of a municipal power agency; including new agency as arm of state for handling of claims; amending Minnesota Statutes 2006, section 3.732, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 453.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senator Limmer introduced—

S.F. No. 2070: A bill for an act relating to taxation; authorizing the disclosure of certain data to the state auditor for purposes of job opportunity building zone audits; requiring qualified businesses to file a report of job opportunity building zone tax benefits; amending Minnesota Statutes 2006, sections 268.19, subdivision 1; 270B.15; 289A.12, by adding a subdivision; 469.3201.

Referred to the Committee on Taxes.

Senators Frederickson, Saxhaug and Chaudhary introduced—

S.F. No. 2071: A bill for an act relating to game and fish; prohibiting night vision goggles while hunting; proposing coding for new law in Minnesota Statutes, chapter 97B.

Referred to the Committee on Environment and Natural Resources.

Senators Bonoff, Moua and Ortman introduced—

S.F. No. 2072: A bill for an act relating to taxation; amending the income and franchise tax apportionment formula; amending Minnesota Statutes 2006, section 290.191, subdivision 2.

Referred to the Committee on Taxes.

Senator Torres Ray introduced—

S.F. No. 2073: A bill for an act relating to taxation; property; providing that the property tax statement must contain additional information on targeting; amending Minnesota Statutes 2006, section 276.04, subdivision 2.

Referred to the Committee on Taxes.

Senators Rosen, Vickerman, Frederickson, Erickson Ropes and Dibble introduced—

S.F. No. 2074: A bill for an act relating to energy; promoting use of hydrogen as energy resource using an innovative commercial demonstration of integrated biorefinery system for production of liquid transportation biofuels, biobased chemicals, and substitutes for petroleum-based feedstocks and products that will cause a net reduction of emissions of greenhouse gases; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senator Erickson Ropes introduced—

S.F. No. 2075: A bill for an act relating to taxes; authorizing the city of Lanesboro to impose a local sales tax.

Referred to the Committee on Taxes.

Senator Bakk introduced—

S.F. No. 2076: A bill for an act relating to community corrections; appropriating money for a productive day pilot project operated by Arrowhead Regional Corrections Agency.

Referred to the Committee on Finance.

Senators Tomassoni and Murphy introduced—

S.F. No. 2077: A bill for an act relating to motor vehicles; authorizing special bronze star veteran's license plate; amending Minnesota Statutes 2006, section 168.123, subdivision 2.

Referred to the Committee on Transportation.

Senator Limmer introduced—

S.F. No. 2078: A bill for an act relating to highways; authorizing sale of trunk highway bonds to finance completion of highway 610; appropriating money.

Referred to the Committee on Finance.

Senator Fischbach, by request, introduced—

S.F. No. 2079: A bill for an act relating to courts; modifying the composition and powers of the Board of Judicial Standards; modifying court rule provisions; amending Minnesota Statutes 2006, sections 490A.01; 490A.02; repealing Minnesota Statutes 2006, sections 480.056; 480.059, subdivision 7; 480.0591, subdivision 6.

Referred to the Committee on Judiciary.

Senator Larson introduced—

S.F. No. 2080: A bill for an act relating to tax increment financing; providing a reimbursement mechanism for the city of Bloomington related to siting of the north-south airport runway.

Referred to the Committee on Taxes.

Senators Murphy and Dille introduced—

S.F. No. 2081: A bill for an act relating to energy; removing prohibition against issuing certificate of need for nuclear-powered electric generating plant; extending sunset date for Legislative Electric Energy Task Force and requiring it to contract for a study of economic and environmental effects of constructing a nuclear-powered electric generating plant; appropriating money; amending Minnesota Statutes 2006, sections 216B.243, subdivision 3b; 216C.051, subdivision 9.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senator Wergin introduced—

S.F. No. 2082: A bill for an act relating to taxation; providing that the portion of a city levy that is required to be shared with a township under an orderly annexation agreement is exempt from levy limits; amending Minnesota Statutes 2006, section 275.70, subdivision 5.

Referred to the Committee on Taxes.

Senator Skoe introduced—

S.F. No. 2083: A bill for an act relating to agriculture; modifying provisions of the waste pesticide collection program; increasing the minimum annual program expenditure amount; amending Minnesota Statutes 2006, sections 18B.065; 18B.26, subdivision 3.

Referred to the Committee on Agriculture and Veterans.

Senator Kubly introduced—

S.F. No. 2084: A bill for an act relating to energy; amending provisions regarding community-based energy development projects; regulating utility ownership and cost recovery for

renewable energy projects; requiring Public Utilities Commission to establish policy regarding curtailment payments; regulating green pricing programs; requiring studies of potential for dispersed generation projects; extending expiration of reliability administrator position and transferring the position from Public Utilities Commission to Department of Commerce; limiting the length of wind easements if a project is not constructed; requiring reliability administrator to study need for and authority of state electric transmission authority and of enhancing ease of interconnecting dispersed generation projects to the grid; specifying aggregation procedures for purposes of permitting wind projects; allowing counties to issue permits for large wind energy conversion systems; removing sunset for renewable energy option program for utility customers; amending Minnesota Statutes 2006, sections 216B.1612; 216B.1645, by adding subdivisions; 216B.169; 216B.2426; 216C.052; 500.30, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 216B; 216F; repealing Laws 2007, chapter 3, section 3.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senator Kubly introduced—

S.F. No. 2085: A bill for an act relating to the Minnesota River Valley; establishing a study group to promote the historic, scenic, and natural features of the Minnesota River Valley area; proposing coding for new law in Minnesota Statutes, chapter 138.

Referred to the Committee on State and Local Government Operations and Oversight.

Senator Koering introduced—

S.F. No. 2086: A bill for an act relating to retirement; permitting certain disabled members of the Public Employment Retirement Association police and fire plan to elect to change the laws under which benefits are determined.

Referred to the Committee on State and Local Government Operations and Oversight.

Senator Koering introduced—

S.F. No. 2087: A bill for an act relating to insurance; protecting certain long-term care insurance policies from extreme premium increases; amending Minnesota Statutes 2006, section 62S.265, subdivision 1.

Referred to the Committee on Commerce and Consumer Protection.

Senator Saxhaug introduced—

S.F. No. 2088: A bill for an act relating to education finance; increasing funding for isolated school districts with declining enrollment; amending Minnesota Statutes 2006, section 126C.10, subdivision 1, by adding a subdivision.

Referred to the Committee on Finance.

Senators Tomassoni and Sparks introduced–

S.F. No. 2089: A bill for an act relating to state government; appropriating money for jobs and economic development purposes; establishing and modifying certain programs; regulating certain activities and practices; providing for accounts, assessments, and fees; modifying provisions governing contractors; requiring studies; amending Minnesota Statutes 2006, sections 13.712, by adding a subdivision; 16B.61, subdivision 1a; 16B.65, subdivisions 1, 5a; 16B.70, subdivision 2; 80A.28, subdivision 1; 116J.551, subdivision 1; 116J.554, subdivision 2; 116J.555, subdivision 1; 116J.575, subdivisions 1, 1a; 116J.966, subdivision 1; 116L.17, subdivision 1; 116L.20, subdivision 1; 116M.18, subdivision 6a; 240.06, subdivision 5a, by adding a subdivision; 240.13, subdivision 6; 240.135; 240.30, subdivision 5; 268A.01, subdivision 13, by adding a subdivision; 268A.085, subdivision 1; 268A.15, by adding a subdivision; 298.22, subdivision 2; 298.227; 326.242, subdivision 8, by adding a subdivision; 326.2441; 326.47, subdivision 6; 326.975, subdivision 1; 326.992; 327.33, subdivisions 2, 6; 327B.04, subdivision 7; 462A.21, subdivision 8b; 462A.33, subdivision 3; 471.471, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 138; 177; 179; 182; 326; proposing coding for new law as Minnesota Statutes, chapters 59C; 326B; repealing Minnesota Statutes 2006, sections 16B.747, subdivision 4; 16C.18, subdivision 2; 183.375, subdivision 5; 183.545, subdivision 9; 326.241, subdivision 3; 326.44; 326.52; 326.64; 326.975.

Referred to the Committee on Finance.

Senators Gerlach, Olseen, Kubly, Pariseau and Jungbauer introduced–

S.F. No. 2090: A bill for an act relating to state government; appropriating money for the Department of Administration.

Referred to the Committee on Finance.

Senators Lynch, Scheid, Saxhaug, Sheran and Koering introduced–

S.F. No. 2091: A bill for an act relating to health care; establishing a prostate cancer screening program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health, Housing and Family Security.

Senator Clark introduced–

S.F. No. 2092: A bill for an act relating to economic development; appropriating money for a business incubator for startup science-based companies.

Referred to the Committee on Business, Industry and Jobs.

Senators Marty, Rummel and Sieben introduced–

S.F. No. 2093: A bill for an act relating to the environment; requiring an environmental impact statement for atrazine, chlorpyrifos, and acetochlor; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Senators Saltzman; Skogen; Olson, G.; Hann and Robling introduced—

S.F. No. 2094: A bill for an act relating to education; modifying staff development program; amending Minnesota Statutes 2006, sections 122A.60; 122A.61, subdivision 1.

Referred to the Committee on Education.

Senator Stumpf introduced—

S.F. No. 2095: A bill for an act relating to education; providing for early childhood and family, kindergarten through grade 12, and adult education including general education, education excellence, special programs, facilities and technology, nutrition and accounting, libraries, early childhood education, prevention, self-sufficiency and lifelong learning, state agencies, forecast adjustments, and technical and conforming amendments; providing for reports; providing for rulemaking; appropriating money; amending Minnesota Statutes 2006, sections 16A.152, subdivision 2; 119A.52; 120A.22, subdivision 7; 120B.024; 120B.12, subdivision 2; 120B.132; 121A.17, subdivision 5; 121A.19; 122A.16; 122A.415, by adding subdivisions; 122A.61, by adding a subdivision; 122A.628, subdivision 2; 123A.44; 123A.441; 123A.442; 123A.443; 123A.73, subdivision 8; 123B.143, subdivision 1; 123B.53, subdivision 1; 123B.54; 123B.57, subdivision 3; 123B.63, subdivision 3; 123B.71, subdivision 9; 123B.749; 123B.79, subdivision 6, by adding a subdivision; 123B.81, subdivisions 2, 4, 7; 123B.83, subdivision 2; 123B.92, subdivisions 1, 3; 124D.095, subdivision 3; 124D.10, subdivisions 3, 4, 23a, 24; 124D.11, subdivision 1; 124D.111, subdivision 1; 124D.128, subdivisions 1, 2, 3; 124D.13, subdivision 2, by adding a subdivision; 124D.135, subdivisions 1, 3, 5, 6; 124D.15, subdivision 3; 124D.175; 124D.34, subdivision 7; 124D.42, by adding a subdivision; 124D.4531, subdivisions 1, 3; 124D.454, subdivisions 2, 3; 124D.531, subdivision 4; 124D.55; 124D.65, subdivisions 6, 11; 124D.84, subdivision 1; 125A.11, subdivision 1; 125A.14; 125A.39; 125A.42; 125A.44; 125A.45; 125A.56; 125A.75, subdivisions 1, 4, by adding a subdivision; 125A.76, subdivisions 1, 2, 4, 5; 125A.79, subdivisions 1, 5, 6, 8; 125B.15; 126C.01, subdivision 9; 126C.05, subdivision 1; 126C.10, subdivisions 1, 2, 13a, 13b, 18, 24, 26, 27, 29, 30, 31, 32, 33, 34, 35, 36, by adding a subdivision; 126C.13, subdivision 4, by adding subdivisions; 126C.21, subdivisions 3, 5; 126C.44; 126C.45; 126C.48, subdivision 7; 127A.441; 127A.47, subdivisions 7, 8; 127A.49, subdivisions 2, 3; 128D.11, subdivision 3; 134.31, by adding a subdivision; 134.355, subdivision 9; 270B.14, subdivision 1, by adding a subdivision; 272.02, subdivision 64; 272.029, by adding a subdivision; 275.065, subdivision 1; 517.08, subdivision 1c; Laws 2006, chapter 263, article 3, section 15; Laws 2006, chapter 282, article 2, section 28, subdivision 4; article 3, section 4, subdivision 2; Laws 2005, First Special Session chapter 5, article 1, section 54, subdivisions 2, as amended, 4, 5, as amended, 6, as amended, 7, as amended, 8, as amended; article 2, sections 81, as amended; 84, subdivisions 2, as amended, 3, as amended, 4, as amended, 6, as amended, 10, as amended; article 3, section 18, subdivisions 2, 3, as amended, 4, as amended, 5, 6; article 4, section 25, subdivisions 2, as amended, 3, as amended; article 5, section 17, subdivision 3, as amended; article 7, section 20, subdivisions 2, as amended, 3, as amended, 4, as amended; article 8, section 8, subdivisions 2, as amended, 5, as amended; article 9, section 4, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 122A; 124D; 127A; 270C; repealing Minnesota Statutes 2006, sections 123A.22, subdivision 11; 123B.81, subdivision 8; 124D.06; 124D.454, subdivisions 4, 5, 6, 7; 124D.531, subdivision 5; 124D.62; 125A.10; 125A.75, subdivision 6; 125A.76, subdivision 3; 126C.10, subdivisions 13a, 13b, 25, 28, 29, 30, 32, 33, 34, 35, 36.

Referred to the Committee on Finance.

Senators Anderson, Frederickson, Saxhaug and Kubly introduced—

S.F. No. 2096: A bill for an act relating to state government; appropriating money for environmental, natural resources, and energy purposes; establishing and modifying certain programs; modifying rulemaking authority; providing for accounts, assessments, and fees; amending Minnesota Statutes 2006, sections 84.025, subdivision 9; 84.026, subdivision 1; 84.027, by adding a subdivision; 84.0855, subdivisions 1, 2; 84.780; 84.922, subdivisions 1a, 5; 84.927, subdivision 2; 84D.03, subdivision 1; 84D.12, subdivisions 1, 3; 84D.13, subdivision 7; 85.32, subdivision 1; 86B.415, subdivisions 1, 2, 3, 4, 5, 7; 86B.706, subdivision 2; 89A.11; 93.0015, subdivision 3; 97A.045, by adding a subdivision; 97A.055, subdivision 4; 97A.065, by adding a subdivision; 97A.405, subdivision 2; 97A.411, subdivision 1; 97A.451, subdivision 3a; 97A.465, by adding subdivisions; 97A.473, subdivisions 3, 5; 97A.475, subdivisions 3, 7, 11, 12, by adding a subdivision; 97B.601, subdivision 3; 97B.715, subdivision 1; 97B.801; 97C.081, subdivision 3; 97C.355, subdivision 2; 116C.779, subdivision 1; 216B.812, subdivisions 1, 2; 216C.051, subdivision 9; Laws 2003, chapter 128, article 1, section 169; proposing coding for new law in Minnesota Statutes, chapters 84; 84D; 89; 103F; 116J; 216B; 325E; repealing Minnesota Statutes 2006, section 93.2236.

Referred to the Committee on Finance.

Senator Berglin introduced—

S.F. No. 2097: A bill for an act relating to health; proposing an amendment to the Minnesota Constitution, article XIII, by adding a section, affirming that every resident of Minnesota has the right to affordable health care.

Referred to the Committee on Rules and Administration.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Pogemiller moved that Senate Resolution No. 59 be taken from the table. The motion prevailed.

Senate Resolution No. 59: A Senate resolution relating to major appropriation and tax bills; setting criteria for floor amendments; suspending Senate Rule 7.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The criteria in this resolution apply to the sessions of the 85th Legislature.

1. An amendment to a major appropriation or tax bill that is a Senate file is out of order if it will increase net appropriations from a fund for a fiscal biennium, compared to the bill as it was reported to the floor of the Senate, without a corresponding increase in net revenue.

2. An amendment to a major appropriation or tax bill that is a Senate file is out of order if it will reduce net revenue to a fund for a fiscal biennium, compared to the bill as it was reported to the floor of the Senate, without a corresponding reduction in net appropriations.

3. An amendment to a major appropriation or tax bill that is a Senate file is out of order if it will change appropriations or revenues to an agency that was not in the bill as it was reported to the floor of the Senate, or will create or increase the amount of a tax expenditure by reducing appropriations or revenues to an agency that was not in the bill as it was reported to the floor of the Senate.

4. Senate Rule 7 is suspended.

CALL OF THE SENATE

Senator Limmer imposed a call of the Senate for the balance of the proceedings on Senate Resolution No. 59. The Sergeant at Arms was instructed to bring in the absent members.

Senator Pogemiller moved that Senate Resolution No. 59 be laid on the table. The motion prevailed.

SPECIAL ORDERS

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

S.F. Nos. 1989 and 1925.

SPECIAL ORDER

S.F. No. 1989: A bill for an act relating to higher education; appropriating money for higher education and related purposes to the Minnesota Office of Higher Education, the Board of Trustees of the Minnesota State Colleges and Universities, the board of Regents of the University of Minnesota, and the Mayo Clinic, with certain conditions; requiring certain studies; making technical changes; eliminating certain report requirements; permitting certain interest rate savings and other agreements; requiring summary statistics in required reports; repealing certain data sharing and collecting requirements; modifying financial aid programs; establishing the Minnesota GI bill program; regulating private higher education institutions; providing penalties; amending Minnesota Statutes 2006, sections 13.322, subdivision 3; 135A.01; 135A.031, subdivisions 1, 7; 135A.034, subdivision 1; 135A.14, subdivision 1; 135A.52, subdivisions 1, 2; 136A.01, subdivision 2; 136A.031, subdivision 5; 136A.0411; 136A.08, subdivision 7; 136A.101, subdivisions 4, 5a; 136A.121, subdivisions 6, 7a, by adding a subdivision; 136A.125, subdivisions 2, 4; 136A.15, subdivisions 1, 6; 136A.16, subdivisions 1, 2, 5, 8, 9, 10, by adding a subdivision; 136A.17, subdivision 1; 136A.1701, subdivisions 1, 2, 5; 136A.233, subdivision 3; 136A.29, subdivision 9; 136A.62, subdivision 3; 136A.63; 136A.65, subdivision 1, by adding a subdivision; 136A.653; 136A.657, subdivisions 1, 2, 3, by adding a subdivision; 136A.66; 136A.67; 136A.68; 136A.69; 136A.71; 136A.861, subdivisions 1, 2, 3, 6; 136F.02, subdivisions 1, 2; 136F.03, subdivision 3; 136F.42, subdivision 1; 136F.58; 136F.70, by adding a subdivision; 136F.71, subdivision 2, by adding a subdivision; 136G.11, subdivision 5; 137.0245, subdivision 4; 137.0246, subdivision 2; 141.21, subdivisions 1a, 5; 141.25, subdivisions 1, 5, 7, 9, 10, 12; 141.255, subdivision 2; 141.265, subdivision 2; 141.271, subdivisions 10, 12; 141.28, subdivision 1; 141.32; 141.35; 197.775, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; 141; 197; repealing Minnesota Statutes 2006, sections 135A.031, subdivisions 2, 3, 5, 6; 135A.032;

135A.033; 135A.045; 135A.053; 136A.07; 136A.08, subdivision 8; 136A.1702; 136A.61; Laws 2001, First Special Session chapter 1, article 1, sections 3, subdivision 3; 4, subdivision 5.

Senator Pappas moved to amend S.F. No. 1989 as follows:

Page 3, line 7, delete "146,424,000" and insert "146,324,000"

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Senator Limmer imposed a call of the Senate for the balance of the proceedings on S.F. No. 1989. The Sergeant at Arms was instructed to bring in the absent members.

Senator Limmer moved to amend S.F. No. 1989 as follows:

Page 3, line 7, delete "145,104,000" and insert "140,104,000" and delete "146,424,000" and insert "141,324,000"

Page 3, line 18, delete "5,000,000" and insert "10,000,000" and delete "5,000,000" and insert "10,000,000"

Page 25, delete section 20

Page 42, delete lines 11 to 15

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 41, as follows:

Those who voted in the affirmative were:

Day	Gimse	Koch	Olson, G.	Senjem
Dille	Hann	Koering	Ortman	Skogen
Fischbach	Ingebrigtsen	Limmer	Pariseau	Sparks
Frederickson	Johnson	Michel	Robling	Vanderveer
Gerlach	Jungbauer	Neuville	Rosen	Wergin

Those who voted in the negative were:

Anderson	Dibble	Lourey	Pogemiller	Stumpf
Bakk	Doll	Lynch	Prettner Solon	Tomassoni
Berglin	Erickson Ropes	Marty	Rest	Torres Ray
Betzold	Foley	Metzen	Rummel	Vickerman
Bonoff	Higgins	Moua	Saltzman	Wiger
Carlson	Kubly	Murphy	Saxhaug	
Chaudhary	Langseth	Olseen	Sheran	
Clark	Larson	Olson, M.	Sieben	
Cohen	Latz	Pappas	Skoe	

The motion did not prevail. So the amendment was not adopted.

Senator Ingebrigtsen moved to amend S.F. No. 1989 as follows:

Page 20, delete section 7

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 43, as follows:

Those who voted in the affirmative were:

Bakk	Gerlach	Jungbauer	Ortman	Sparks
Day	Gimse	Koch	Pariseau	Vandevveer
Dille	Hann	Koering	Robling	Wergin
Fischbach	Ingebrigtsen	Limmer	Rosen	
Frederickson	Johnson	Olson, G.	Senjem	

Those who voted in the negative were:

Anderson	Doll	Lynch	Pappas	Skoe
Berglin	Erickson Ropes	Marty	Pogemiller	Skogen
Betzold	Foley	Metzen	Prettner Solon	Stumpf
Bonoff	Higgins	Michel	Rest	Tomassoni
Carlson	Kubly	Moua	Rummel	Torres Ray
Chaudhary	Langseth	Murphy	Saltzman	Vickerman
Clark	Larson	Neuville	Saxhaug	Wiger
Cohen	Latz	Olseen	Sheran	
Dibble	Lourey	Olson, M.	Sieben	

The motion did not prevail. So the amendment was not adopted.

Senator Limmer moved to amend S.F. No. 1989 as follows:

Page 17, after line 4, insert:

"Sec. 16. LIMITING TUITION INCREASES AT PUBLIC HIGHER EDUCATION INSTITUTIONS.

(a) The Board of Trustees of the Minnesota State Colleges and Universities may not increase tuition in the 2007-2008 and 2008-2009 academic years above the level for the previous academic year.

(b) The Board of Regents at the University of Minnesota is encouraged to have no tuition increases in the 2007-2008 and 2008-2009 academic years."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 37, as follows:

Those who voted in the affirmative were:

Day	Hann	Limmer	Pariseau	Sieben
Doll	Ingebrigtsen	Michel	Robling	Sparks
Erickson Ropes	Johnson	Neuville	Rosen	Tomassoni
Fischbach	Jungbauer	Olson, G.	Rummel	Vandevveer
Gerlach	Koch	Olson, M.	Senjem	
Gimse	Koering	Ortman	Sheran	

Those who voted in the negative were:

Anderson	Cohen	Larson	Pappas	Stumpf
Bakk	Dibble	Latz	Pogemiller	Torres Ray
Berglin	Dille	Lourey	Prettner Solon	Vickerman
Betzold	Foley	Lynch	Rest	Wergin
Bonoff	Frederickson	Marty	Saltzman	Wiger
Carlson	Higgins	Metzen	Saxhaug	
Chaudhary	Kubly	Moua	Skoe	
Clark	Langseth	Olseen	Skogen	

The motion did not prevail. So the amendment was not adopted.

Senator Rosen moved to amend S.F. No. 1989 as follows:

Page 17, after line 4, insert:

"Sec. 16. LIMITING TUITION INCREASES AT PUBLIC HIGHER EDUCATION INSTITUTIONS.

(a) The Board of Trustees of the Minnesota State Colleges and Universities may not increase tuition in the 2007-2008 and 2008-2009 academic years more than three percent above the level for the previous academic year.

(b) The Board of Regents at the University of Minnesota is encouraged to limit tuition increases in the 2007-2008 and 2008-2009 academic years to no more than three percent above the level for the previous academic year."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 34, as follows:

Those who voted in the affirmative were:

Bonoff	Gimse	Limmer	Pariseau	Sheran
Day	Hann	Metzen	Prettner Solon	Vandev eer
Dille	Ingebrigtsen	Michel	Rest	Wergin
Doll	Johnson	Neuville	Robling	
Erickson Ropes	Jungbauer	Olson, G.	Rosen	
Fischbach	Koch	Olson, M.	Rummel	
Gerlach	Koering	Ortman	Senjem	

Those who voted in the negative were:

Anderson	Cohen	Larson	Pappas	Sparks
Bakk	Dibble	Latz	Pogemiller	Stumpf
Berglin	Foley	Lourey	Saltzman	Tomassoni
Betzold	Frederickson	Lynch	Saxhaug	Torres Ray
Carlson	Higgins	Marty	Sieben	Vickerman
Chaudhary	Kubly	Moua	Skoe	Wiger
Clark	Langseth	Olseen	Skogen	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 1989 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Langseth	Olson, G.	Senjem
Bakk	Fischbach	Larson	Olson, M.	Sheran
Berglin	Foley	Latz	Ortman	Sieben
Betzold	Frederickson	Limmer	Pappas	Skoe
Bonoff	Gimse	Lourey	Pariseau	Skogen
Carlson	Hann	Lynch	Pogemiller	Sparks
Chaudhary	Higgins	Marty	Prettner Solon	Stumpf
Clark	Ingebrigtsen	Metzen	Rest	Tomassoni
Cohen	Johnson	Michel	Robling	Torres Ray
Day	Jungbauer	Moua	Rosen	Vickerman
Dibble	Koch	Murphy	Rummel	Wergin
Dille	Koering	Neuville	Saltzman	Wiger
Doll	Kubly	Olseen	Saxhaug	

Those who voted in the negative were:

Gerlach Vandever

So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1925: A bill for an act relating to state government; appropriating money for agricultural, veterans, and military affairs purposes; establishing and modifying certain programs; modifying certain accounts and fees; amending Minnesota Statutes 2006, sections 17.03, subdivision 3; 17.101, subdivision 2; 17.102, subdivisions 1, 3, 4, by adding subdivisions; 17.117, subdivisions 5a, 5b; 18B.33, subdivision 1; 18B.34, subdivision 1; 18B.345; 18C.305, by adding a subdivision; 18E.03, subdivision 4; 28A.082, subdivision 1; 41B.043, subdivisions 2, 3, 4; 41B.047; 41B.055; 41B.06; 41C.05, subdivision 2; 168.1255, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 35; 41A; 192; repealing Minnesota Statutes 2006, sections 17.109; 18B.315; 18C.425, subdivision 5; 41B.043, subdivision 1a.

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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Larson	Ortman	Skoe
Bakk	Foley	Latz	Pappas	Skogen
Berglin	Frederickson	Limmer	Pariseau	Sparks
Betzold	Gerlach	Lourey	Pogemiller	Stumpf
Bonoff	Gimse	Lynch	Prettner Solon	Tomassoni
Carlson	Hann	Marty	Rest	Torres Ray
Chaudhary	Higgins	Metzen	Robling	Vandever
Clark	Ingebrigtsen	Michel	Rosen	Vickerman
Cohen	Johnson	Moua	Rummel	Wergin
Day	Jungbauer	Murphy	Saltzman	Wiger
Dibble	Koch	Neuville	Saxhaug	
Dille	Koering	Olseen	Senjem	
Doll	Kubly	Olson, G.	Sheran	
Erickson Ropes	Langseth	Olson, M.	Sieben	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

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

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

S.F. No. 1986: A bill for an act relating to transportation appropriations; appropriating money for transportation, Metropolitan Council, and public safety activities; providing for fund transfers, general contingent accounts, and tort claims; providing for various fees and accounts; allocating county state-aid highway funds; allocating motor vehicle sales tax and motor vehicle lease sales tax; adjusting fuel tax; adjusting vehicle registration tax; imposing half-cent sales tax for transportation in metropolitan area; enabling local jurisdictions to levy half-cent sales tax for transportation; authorizing counties to levy wheelage tax; authorizing issuance of trunk highway bonds; providing for highway construction training and contracting related to disadvantaged business enterprise program; modifying light-rail transit governance; authorizing metropolitan council bonding; expanding transit taxing district; redistributing five percent of highway user tax distribution fund; adjusting share of highway funds for off-road use; requiring system to allow credit card payments of driver and vehicle service fees; removing 1999 restriction on construction of certain light rail transit facilities, and a 2001 restriction on the transit tax levy authority of the Metropolitan Council; requiring reports; making technical and clarifying changes; amending Minnesota Statutes 2006, sections 16A.88; 53C.01, subdivision 2; 161.04, by adding a subdivision; 161.081; 162.07, subdivision 1, by adding subdivisions; 163.051; 168.011, subdivision 6; 168.013, subdivisions 1, 1a; 168.017, subdivision 3; 168.12, subdivision 5; 168.1255, by adding a subdivision; 168A.29, subdivision 1; 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivisions 3a, 11; 171.20, subdivision 4; 171.29, subdivision 2; 174.03, subdivision 9, by adding subdivisions; 296A.07, subdivision 3; 296A.08, subdivision 2; 296A.18; 297A.64, subdivision 2; 297A.70, subdivision 2; 297A.71, by adding a subdivision; 297A.815, subdivision 1, by adding subdivisions; 297A.94; 297B.01, subdivision 8; 297B.09, subdivision 1; 299D.09; 473.166; 473.39, by adding a subdivision; 473.399; 473.3993, subdivision 3; 473.3994; 473.3997; 473.4051; 473.407, subdivision 1; 473.446, subdivisions 2, 8; 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 168; 174; 296A; 297A; 398A; 473; repealing Minnesota Statutes 2006, sections 174.32; 473.123, subdivision 3d; 473.4461; Laws 1999, chapter 230, section 44.

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

Page 2, delete article 1 and insert:

"ARTICLE 1**TRANSPORTATION APPROPRIATIONS**

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	\$ <u>104,614,000</u>	\$ <u>104,538,000</u>	<u>209,152,000</u>
<u>Airports</u>	<u>25,568,000</u>	<u>25,683,000</u>	<u>51,251,000</u>
<u>C.S.A.H.</u>	<u>535,713,000</u>	<u>579,743,000</u>	<u>1,115,456,000</u>
<u>M.S.A.S.</u>	<u>143,849,000</u>	<u>150,822,000</u>	<u>294,671,000</u>
<u>Special Revenue</u>	<u>47,950,000</u>	<u>49,038,000</u>	<u>96,988,000</u>
<u>Highway User</u>	<u>8,938,000</u>	<u>9,238,000</u>	<u>18,176,000</u>
<u>Trunk Highway</u>	<u>1,323,645,000</u>	<u>1,399,833,000</u>	<u>2,723,478,000</u>
<u>Total</u>	\$ <u>2,190,277,000</u>	\$ <u>2,318,895,000</u>	<u>4,509,172,000</u>

Sec. 2. TRANSPORTATION APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Appropriations for the fiscal year ending June 30, 2007, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2008 2009

Sec. 3. TRANSPORTATION

Subdivision 1. **Total Appropriation** \$ **1,966,495,000** \$ **2,089,316,000**

The appropriations in this section are from the trunk highway fund, except when another fund is named.

	<u>Appropriations by Fund</u>	
	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>19,486,000</u>	<u>19,251,000</u>
<u>Airports</u>	<u>25,518,000</u>	<u>25,633,000</u>

<u>C.S.A.H.</u>	<u>535,713,000</u>	<u>579,743,000</u>
<u>M.S.A.S.</u>	<u>143,849,000</u>	<u>150,822,000</u>
<u>Trunk Highway</u>	<u>1,241,929,000</u>	<u>1,313,867,000</u>

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

Subd. 2. Multimodal Systems

(a) Aeronautics

(1) Airport Development and Assistance

20,298,000

20,298,000

Of this amount, \$6,000,000 the first year and \$6,000,000 the second year are onetime appropriations and do not add to the airport development and assistance base appropriation.

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

Of this appropriation \$200,000 in the first year is to the Legislative Coordinating Commission for the administrative expenses of the Airport Funding Advisory Task Force and for other costs relating to the preparation of the report required by the task force, including the costs of hiring a consultant, if needed. Any remaining amount of this appropriation shall revert to the state airports fund.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after appropriation.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(2) Aviation Support and Services

Appropriations by Fund

<u>Airports</u>	<u>5,195,000</u>	<u>5,310,000</u>
<u>Trunk Highway</u>	<u>854,000</u>	<u>869,000</u>

\$65,000 the first year and \$65,000 the second year are for the Civil Air Patrol.

(b) Transit

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>18,813,000</u>	<u>18,817,000</u>
<u>Trunk Highway</u>	<u>742,000</u>	<u>765,000</u>

(c) Freight

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>358,000</u>	<u>369,000</u>
<u>Trunk Highway</u>	<u>5,042,000</u>	<u>5,190,000</u>

(d) Rail

250,000

-0-

\$250,000 the first year is appropriated from the general fund to the commissioner of transportation for a grant to the Northstar Corridor Development Authority to fund advanced preliminary engineering, updated environmental documentation, property appraisals, and negotiations with the railroad to extend commuter rail service on the Burlington Northern Santa Fe rail line between Big Lake and Rice. This is a onetime appropriation and is available until spent and does not lapse.

Subd. 3. State Roads

(a) Infrastructure Investment and Planning

(1) Infrastructure Investment Support

172,283,000

177,024,000

\$266,000 the first year and \$266,000 the second year are available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$75,000 the first year and \$75,000 the second year are for a transportation research

contingent account to finance research projects that are reimbursable from the federal government or from other sources. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$600,000 the first year and \$600,000 the second year are available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available (1) to regional development commissions, (2) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission, and (3) in regions where no regional development commission or joint powers board is functioning, to the department's district office for that region.

Up to \$1,000,000 the first year is for technical support of trunk highway congestion reduction under the United States Department of Transportation Urban Partnership program. Of this amount, \$200,000 is for a grant to Hubert H. Humphrey Institute of Public Affairs for its participation in this program.

\$5,000,000 the first year is for a pilot project to demonstrate technologies that will allow for the future replacement of the gas tax with a fuel-neutral mileage charge.

(2) State Road Construction

723,259,000

745,913,000

It is estimated that these appropriations will be funded as follows:

<u>Federal Highway Aid</u>	<u>193,463,000</u>	<u>350,442,000</u>
<u>Highway User Taxes</u>	<u>529,796,000</u>	<u>395,471,000</u>

The commissioner of transportation shall notify the chair of the Transportation Budget Division of the senate and the chair of the

Transportation Finance Committee of the house of representatives of any significant events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts and consultant usage to support these activities. This includes the cost of actual payment to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

Of these appropriations:

(a) \$2,000,000 the first year is to construct and install concrete barriers and cable median barriers on trunk highways, with priority given to trunk highways where crossover crashes have occurred, resulting in fatalities.

(b) \$70,000 the first year is for the state's share in reconstructing an intersection of Trunk Highway 60 and Cherry Street in Mazeppa.

The commissioner may not plan, design, or construct a J-turn turnabout on Trunk Highway 169, within the city of Belle Plaine, or within one-half mile of the Belle Plaine city limits.

The commissioner may transfer up to \$15,000,000 each year to the transportation revolving loan fund.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

(3) Highway Debt Service

61,237,000

92,206,000

\$57,448,000 the first year and \$82,183,000 the second year are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance

shall notify the Committee on Finance of the senate and the Committee on Ways and Means of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation. Any excess appropriation cancels to the trunk highway fund.

<u>(b) Infrastructure Operations and Maintenance</u>	<u>217,370,000</u>	<u>229,644,000</u>
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(c) Electronic Communications

Appropriations by Fund

<u>General</u>	<u>9,000</u>	<u>9,000</u>
<u>Trunk Highway</u>	<u>4,916,000</u>	<u>5,060,000</u>

The general fund appropriation is to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

Subd. 4. Local Roads

<u>(a) County State Aids</u>	<u>535,713,000</u>	<u>579,743,000</u>
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This appropriation is from the county state-aid highway fund and is available until spent.

<u>(b) Municipal State Aids</u>	<u>143,849,000</u>	<u>150,822,000</u>
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This appropriation is from the municipal state-aid street fund and is available until spent.

If an appropriation for either county state aids or municipal state aids does not exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the chair of the Transportation Finance Committee of the house of representatives and the chair of the Transportation Budget Division of the senate of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

If the appropriation for either county state aids or municipal state aids does exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance shall notify the chair of the Transportation Finance Committee of the house of representatives and the chair of the Transportation Budget Division of the senate of the amount by which the appropriation exceeds the balance and shall then reduce that amount from the appropriation.

Subd. 5. General Support and Services

(a) Department Support

	<u>Appropriations by Fund</u>	
<u>Airports</u>	<u>25,000</u>	<u>25,000</u>
<u>Trunk Highway</u>	<u>39,622,000</u>	<u>40,521,000</u>

(b) Buildings

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>56,000</u>	<u>56,000</u>
<u>Trunk Highway</u>	<u>16,604,000</u>	<u>16,675,000</u>

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 6. Transfers

(a) With the approval of the commissioner of finance, the commissioner of transportation may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriation for state road construction. No transfer may be made from the appropriations for debt service to any other appropriation. Transfers under this paragraph may not be made between funds. Transfers between programs must be reported immediately to the chair of the Transportation Budget

Division of the senate and the chair of the Transportation Finance Committee of the house of representatives.

(b) The commissioner of finance shall transfer from the flexible account in the county state-aid highway fund \$5,950,000 the first year and \$2,820,000 the second year to the municipal turnback account in the municipal state-aid street fund and \$12,940,000 the first year and \$15,330,000 the second year to the trunk highway fund; and the remainder in each year to the county turnback account in the county state-aid highway fund.

Subd. 7. Use of State Road Construction Appropriations

Any money appropriated to the commissioner of transportation for state road construction for any fiscal year before fiscal year 2008 is available to the commissioner during fiscal years 2008 and 2009 to the extent that the commissioner spends the money on the state road construction project for which the money was originally encumbered during the fiscal year for which it was appropriated. The commissioner of transportation shall report to the commissioner of finance by August 1, 2007, and August 1, 2008, on a form the commissioner of finance provides, on expenditures made during the previous fiscal year that are authorized by this subdivision.

Subd. 8. Contingent Appropriation

The commissioner of transportation, with the approval of the governor and the written approval of at least five members of a group consisting of the members of the Legislative Advisory Commission under Minnesota Statutes, section 3.30, and the ranking minority members of the house of representatives and senate committees with jurisdiction over transportation finance, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation (1) for trunk highway design,

construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund or to take advantage of federal advanced construction funding, (2) for trunk highway maintenance in order to meet an emergency, or (3) to pay tort or environmental claims. Nothing in this subdivision authorizes the commissioner to increase the use of federal advanced construction funding beyond amounts specifically authorized. Any transfer as a result of the use of federal advanced construction funding must include an analysis of the effects on the long-term trunk highway fund balance. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 4. METROPOLITAN COUNCIL

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>78,753,000</u>	<u>\$</u>	<u>78,753,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Bus Transit</u>		<u>73,453,000</u>		<u>73,453,000</u>
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This appropriation is for bus system operations.

<u>Subd. 3. Rail Operations</u>		<u>5,300,000</u>		<u>5,300,000</u>
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This appropriation is for operations of the Hiawatha light rail transit line.

Sec. 5. PUBLIC SAFETY

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>144,054,000</u>	<u>\$</u>	<u>149,851,000</u>
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Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>6,375,000</u>	<u>6,534,000</u>
<u>Trunk Highway</u>	<u>80,916,000</u>	<u>85,166,000</u>
<u>Highway User</u>	<u>8,813,000</u>	<u>9,113,000</u>
<u>Special Revenue</u>	<u>47,950,000</u>	<u>49,038,000</u>

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

Subd. 2. Administration and Related Services

(a) Office of Communications

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>39,000</u>	<u>40,000</u>
<u>Trunk Highway</u>	<u>363,000</u>	<u>377,000</u>

(b) Public Safety Support

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>3,245,000</u>	<u>3,336,000</u>
<u>Trunk Highway</u>	<u>3,331,000</u>	<u>3,420,000</u>
<u>Highway User</u>	<u>1,366,000</u>	<u>1,366,000</u>

\$110,000 the first year and \$28,000 the second year are appropriated from the general fund to cover the cost of a security coordinator for the 2008 Republican National Convention. These amounts are onetime appropriations and do not add to the public safety support base appropriation.

\$380,000 the first year and \$380,000 the second year are for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$1,199,000 the first year and \$1,367,000 the second year are to be deposited in the public safety officer's benefit account. This money is available for reimbursements under Minnesota Statutes, section 299A.465.

\$508,000 the first year and \$508,000 the second year are for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

\$792,000 the first year and \$792,000 the

second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on December 31, 2007, and December 31, 2008, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

\$610,000 the first year and \$610,000 the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the trunk highway fund on December 31, 2007, and December 31, 2008, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user tax distribution fund purposes in the administration and related services program.

\$716,000 the first year and \$716,000 the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the general fund on December 31, 2007, and December 31, 2008, respectively, in order to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for operation of the criminal justice data network related to driver and motor vehicle licensing.

(c) Technical Support Services

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>91,000</u>	<u>91,000</u>
<u>Trunk Highway</u>	<u>2,344,000</u>	<u>2,344,000</u>
<u>Highway User</u>	<u>19,000</u>	<u>19,000</u>

Subd. 3. State Patrol

(a) Patrolling Highways

Appropriations by Fund

<u>General</u>	<u>37,000</u>	<u>37,000</u>
<u>Trunk Highway</u>	<u>67,497,000</u>	<u>71,393,000</u>
<u>Highway User</u>	<u>92,000</u>	<u>92,000</u>

\$2,060,000 the first year and \$3,653,000 the second year are for the cost of adding 40 State Patrol troopers.

\$1,335,000 the first year and \$1,335,000 the second year are to cover fuel costs.

(b) Commercial Vehicle Enforcement 6,945,000 7,196,000

This appropriation is from the trunk highway fund.

(c) Capitol Security 2,963,000 3,030,000

The commissioner may not (1) spend any money from the trunk highway fund for capitol security or (2) permanently transfer any state trooper from the patrolling highways activity to capitol security.

The commissioner may not transfer any money (1) appropriated for Department of Public Safety administration, the patrolling of highways, commercial vehicle enforcement, or driver and vehicle services to capitol security or (2) from capitol security.

Subd. 4. Driver and Vehicle Services

(a) Vehicle Services

Appropriations by Fund

<u>Highway User</u>	<u>7,336,000</u>	<u>7,636,000</u>
<u>Special Revenue</u>	<u>18,696,000</u>	<u>18,973,000</u>

The base appropriation from the highway user tax distribution fund is \$7,936,000 for fiscal year 2010 and \$8,236,000 for fiscal year 2011.

The special revenue fund appropriation is from the vehicle services operating account.

(b) Driver Services

	<u>Appropriations by Fund</u>	
<u>Special Revenue</u>	<u>27,939,000</u>	<u>28,711,000</u>
<u>Trunk Highway</u>	<u>1,000</u>	<u>1,000</u>

The special revenue fund appropriation is from the driver services operating account.

<u>Subd. 5. Traffic Safety</u>	<u>435,000</u>	<u>435,000</u>
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This appropriation is from the trunk highway fund.

The commissioner of public safety shall spend 50 percent of the money available to the state under Public Law 105-206, section 164, and the remaining 50 percent must be transferred to the commissioner of transportation for hazard elimination activities under United States Code, title 23, section 152.

<u>Subd. 6. Pipeline Safety</u>	<u>1,315,000</u>	<u>1,354,000</u>
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This appropriation is from the pipeline safety account in the special revenue fund.

<u>Sec. 6. GENERAL CONTINGENT ACCOUNTS</u>	<u>\$ 375,000</u>	<u>\$ 375,000</u>
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	<u>Appropriations by Fund</u>	
<u>Trunk Highway</u>	<u>200,000</u>	<u>200,000</u>
<u>Highway User</u>	<u>125,000</u>	<u>125,000</u>
<u>Airports</u>	<u>50,000</u>	<u>50,000</u>

The appropriations in this section may only be spent with the approval of the governor and the written approval of at least five members of a group consisting of the members of the Legislative Advisory Commission under Minnesota Statutes, section 3.30, and the ranking minority members of the house of representatives and senate committees with jurisdiction over transportation finance.

If an appropriation in this section for either year is insufficient, the appropriation for the

other year is available for it.

Sec. 7. <u>TORT CLAIMS</u>	<u>\$</u>	<u>600,000</u>	<u>\$</u>	<u>600,000</u>
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To be spent by the commissioner of finance.

This appropriation is from the trunk highway fund.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 8. **COMPENSATION ADJUSTMENTS**

The appropriations in this article, and any statutory appropriations from which state employee compensation is paid from any fund, include an amount sufficient to fund compensation increases of at least 3.25 percent of the 2007 compensation base for the first year, compounded at the rate of 3.25 percent for the second year. This amount must be used for that purpose and no other.

Sec. 9. **LAFAYETTE BRIDGE.**

The commissioner of transportation shall ensure that any reconstruction or improvement of the Lafayette Bridge segment of U.S. Highway 52 is compatible with the possibility of future implementation of transit, including light rail transit, on the bridge.

Sec. 10. **HIGHWAY CONSTRUCTION IN ROCHESTER.**

The commissioner of transportation shall proceed without delay to issue to the city of Rochester the necessary permits that allow the city to complete the construction of a new folded diamond interchange in the Northeast and Northwest quadrants at marked Trunk Highway 52 and 65th Street NW in the city of Rochester. The commissioner shall review the environmental documentation prepared by the city in a timely manner and shall issue the necessary construction permits without delay upon the issuance of a finding of no significant impact. The cost of the interchange design, right-of-way acquisition, and construction shall be the responsibility of the city of Rochester.

Sec. 11. **FEDERAL FUNDS SPENDING AUTHORITY.**

The commissioner of transportation may spend up to \$5,000,000 from July 1, 2008, through June 30, 2013, in federal transit funds for capital assistance to public transit systems under Minnesota Statutes, section 174.24. This amount is in addition to any appropriations made by law for this purpose.

Sec. 12. **COUNTY ROAD 3 OVERPASS TASK FORCE.**

Subdivision 1. **Task force established.** The County Road 3 Overpass Task Force is established to

plan the design, construction, and funding for a Scott County Road 3 overpass over Trunk Highway 169.

Subd. 2. **Task force membership.** The task force is comprised of the following members:

- (1) the commissioner of transportation or a designee;
- (2) the mayor of Belle Plaine or a designee;
- (3) a Scott County commissioner; and
- (4) owners of property in the vicinity of the intersection, who may be assessed for the cost of the overpass, and who shall be appointed by the Scott County commissioner.

Subd. 3. **Task force determinations.** The task force shall determine:

- (1) the preferred type of overpass or interchange needed at the Trunk Highway 169 intersection with County Road 3;
- (2) the schedule for beginning construction of the overpass or interchange; and
- (3) an appropriate cost-sharing agreement involving the state, Scott County, the city of Belle Plaine, and private developers.

The task force shall submit its determinations to the appropriate lead agency, which shall prepare construction plans consistent with task force determinations.

Subd. 4. **Traffic control.** The commissioner of transportation shall maintain traffic control signals at the intersection of Trunk Highway 169 and Scott County Road 3, within the city of Belle Plaine, to allow for the movement of cross-traffic, until construction is commenced for a Scott County Road 3 overpass bridge over Trunk Highway 169."

Page 28, line 14, after the period, insert "A county may not impose a tax under this subdivision if a city located within the county has imposed a tax under subdivision 10."

Page 28, after line 14, insert:

"Subd. 10. **Tax in cities outside the metropolitan area.** Notwithstanding sections 297A.99, subdivisions 1, 2, 3, 5, and 13; 477A.016; or any other law, the city council of any home rule charter or statutory city, or the city councils of two or more cities acting under a joint powers agreement may impose a transportation sales tax at a rate of one-half of one percent on retail sales and uses taxable under chapter 297A occurring within the jurisdiction of the taxing authority subject to approval by the voters of the county or counties in which the city or cities are located at a general election. The proceeds of the tax must be dedicated exclusively to transportation projects. A city may not impose a tax under this subdivision if the county in which it is located has imposed a tax under subdivision 9."

Page 28, line 15, delete "Subd. 10." and insert "Subd. 11."

Page 31, delete section 3

Page 32, line 34, delete the first "and" and insert a comma, and after "rail" insert ", and passenger rail"

Page 33, line 2, delete the first "and" and insert a semicolon

Page 33, line 3, delete the comma and insert "; and, an intercity passenger rail system" and after "exempt" insert "regardless of whether purchased by the owner, contractor, subcontractor, or builder"

Page 33, delete line 4 and insert "railroad cars, engines, rolling stock, station materials, and related equipment. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded to the political subdivision, regional rail authority, or state agency that is responsible for construction, operation, and related costs."

Page 33, delete section 5

Page 34, delete section 6

Page 36, line 24, delete everything after "as" and insert "follows:"

Page 36, after line 24, insert:

"(1) From July 1, 2007, through June 30, 2008, 31.75 percent must be deposited in the highway user tax distribution fund, and 32 percent must be deposited in the transit assistance fund and allocated 24 percent to the metropolitan area transit account, and eight percent to the greater Minnesota transit account. The remaining money must be deposited in the general fund.

(2) From July 1, 2008, through June 30, 2009, 36.75 percent must be deposited in the highway user tax distribution fund, and 37 percent must be deposited in the transit assistance fund and allocated 27.75 percent to the metropolitan area transit account, and 9.25 percent to the greater Minnesota transit account. The remaining money must be deposited in the general fund.

(3) From July 1, 2009, through June 30, 2010, 41.75 percent must be deposited in the highway user tax distribution fund, and 42 percent must be deposited in the transit assistance fund and allocated 31.5 percent to the metropolitan area transit account, and 10.5 percent to the greater Minnesota transit account. The remaining money must be deposited in the general fund.

(4) From July 1, 2010, through June 30, 2011, 46.75 percent must be deposited in the highway user tax distribution fund, and 47 percent must be deposited in the transit assistance fund and allocated 35.25 percent to the metropolitan area transit account, and 11.75 percent to the greater Minnesota transit account. The remaining money must be deposited in the general fund.

(5) On and after July 1, 2011, 50 percent must be deposited in the highway user tax distribution fund, and 50 percent must be deposited in the transit assistance fund and allocated 37.5 percent to the metropolitan area transit account, and 12.5 percent to the greater Minnesota transit account."

Page 38, after line 33, insert:

"Sec. 10. Minnesota Statutes 2006, section 473.388, subdivision 4, is amended to read:

Subd. 4. **Financial assistance.** (a) The council must grant the requested financial assistance if it determines that the proposed service is intended to replace the service to the applying city or town or combination thereof by the council and that the proposed service will meet the needs of the applicant at least as efficiently and effectively as the existing service.

(b) The amount of assistance which the council must provide to a system under this section may not be less than the sum of the amounts determined for each municipality comprising the system as follows:

(1) the transit operating assistance grants received under this subdivision by the municipality in calendar year 2001 or the tax revenues for transit services levied by the municipality for taxes payable in 2001, including that portion of the levy derived from the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of the municipality's aid under section 273.1398, subdivision 2, attributable to the transit levy; times

(2) the ratio of (i) ~~the appropriation from the transit fund to the council for nondebt transit operations~~ an amount equal to 3.623 percent of the state revenues generated from the taxes imposed under section 297A.815 and chapter 297B for the current fiscal year to (ii) ~~the total levy certified by the council under section 473.446 and the opt-out transit operating assistance grants received under this subdivision in calendar year 2001 or the tax revenues for transit services levied by all replacement service municipalities under this section for taxes payable in 2001, including that portion of the levy derived from the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of homestead and agricultural credit aid under section 273.1398, subdivision 2, attributable to nondebt transit levies, times~~

(3) the ratio of (i) the municipality's total taxable market value for taxes payable in ~~the most recent year for which data is available~~ 2007 divided by the municipality's total taxable market value for taxes payable in 2001, to (ii) the total taxable market value of all property ~~in the metropolitan area located in replacement service municipalities for taxes payable in the most recent year for which data is available~~ 2007 divided by the total taxable market value of all property ~~in the metropolitan area located in replacement service municipalities for taxes payable in 2001.~~

(c) The council shall pay the amount to be provided to the recipient from the funds the council ~~would otherwise use to fund its transit operations~~ receives in the metropolitan area transit account under section 16A.88."

Page 39, delete section 12

Page 48, after line 33, insert:

"Sec. 5. PRIORITY FOR PROJECTS WITH FEDERAL MATCH.

In each year of this funding authorization, the commissioner must give priority to trunk highway projects with a federal match, and must maximize the availability and use of federal funds."

Page 54, line 4, after "utilize" insert "the maximum feasible amount of"

Page 54, line 22, delete "penalty" and insert "sanction"

Page 54, lines 30 and 33, delete "aspirational" and insert "overall"

Page 55, line 5, delete "penalties" and insert "sanctions"

Page 55, after line 8, insert:

"Sec. 8. Minnesota Statutes 2006, section 174.24, subdivision 2a, is amended to read:

Subd. 2a. **Eligible activities.** Activities eligible for assistance under the program include but are not limited to:

- (1) planning and engineering design for transit services and facilities;
- (2) capital assistance to purchase or refurbish transit vehicles and other capital expenditures necessary to provide a transit service;
- (3) operating assistance as provided under subdivision 3b; ~~and~~
- (4) partnership creation to coordinate and supplement services of county, local, and private transit providers;
- (5) design and operation of regional call centers; and
- (6) other assistance for public transit services that furthers the purposes of section 174.21.

Sec. 9. Minnesota Statutes 2006, section 174.255, is amended by adding a subdivision to read:

Subd. 1a. **Service standard.** The commissioner shall require any paratransit project that serves disabled individuals and receives assistance under section 174.24 to allow passengers to schedule trips up to four days in advance.

EFFECTIVE DATE. This section is effective January 1, 2010.

Sec. 10. Minnesota Statutes 2006, section 174.29, is amended by adding a subdivision to read:

Subd. 4. **Supplementary paratransit.** The commissioner shall facilitate the creation of partnerships among paratransit providers, including, but not limited to, medical assistance transportation providers, to supplement and coordinate with available county and local transit service.

Sec. 11. Minnesota Statutes 2006, section 174.29, is amended by adding a subdivision to read:

Subd. 5. **Intercounty service.** The commissioner shall require providers of service to enter into regional intercounty service agreements with adjacent counties. The commissioner, in cooperation with state agencies that assist, provide, reimburse, or regulate special transportation services, shall establish a reimbursement mechanism to facilitate reimbursement for intercounty trips.

EFFECTIVE DATE. This section is effective January 1, 2010.

Sec. 12. Minnesota Statutes 2006, section 174.29, is amended by adding a subdivision to read:

Subd. 6. **One-stop call centers.** The commissioner shall promote, support, and facilitate the establishment and operation of one-stop regional call centers that assist callers in arranging the most efficient and cost-effective available rides while meeting passengers' needs for special equipment.

EFFECTIVE DATE. This section is effective January 1, 2010."

Page 58, after line 14, insert:

"Sec. 17. Minnesota Statutes 2006, section 473.386, subdivision 3, is amended to read:

Subd. 3. **Duties of council.** In implementing the special transportation service, the council shall:

(a) encourage participation in the service by public, private, and private nonprofit providers of special transportation currently receiving capital or operating assistance from a public agency;

(b) contract with public, private, and private nonprofit providers that have demonstrated their ability to effectively provide service at a reasonable cost;

(c) encourage individuals using special transportation to use the type of service most appropriate to their particular needs;

(d) ensure that all persons providing special transportation service receive equitable treatment in the allocation of the ridership;

(e) require special transit service providers to allow passengers to schedule trips up to four days in advance and encourage shared rides to the greatest extent practicable;

(f) encourage public agencies that provide transportation to eligible individuals as a component of human services and educational programs to coordinate with this service and to allow reimbursement for transportation provided through the service at rates that reflect the public cost of providing that transportation;

(g) establish criteria to be used in determining individual eligibility for special transportation services;

(h) consult with the Transportation Accessibility Advisory Committee in a timely manner before changes are made in the provision of special transportation services, including, but not limited to, changes in policies affecting the matters subject to hearing under subdivision 2;

(i) provide for effective administration and enforcement of council policies and standards;

(j) annually evaluate providers of special transportation service to ensure compliance with the standards established for the program; and

(k) ensure that, taken as a whole including contracts with public, private, and private nonprofit providers, the geographic coverage area of the special transportation service is continuous within the boundaries of the transit taxing district, as defined as of March 1, 2006, in section 473.446, subdivision 2.

EFFECTIVE DATE. This section is effective January 1, 2010."

Page 68, after line 12, insert:

"Sec. 30. **REPORTS ON SPECIAL TRANSPORTATION SERVICES.**

The commissioner of transportation with respect to special transportation services outside the metropolitan area, and the Metropolitan Council, with respect to special transportation services within the metropolitan area, shall each:

(1) assess transit needs of people with disabilities;

(2) establish a five-year phased plan to meet the identified needs to the maximum feasible extent;

(3) incorporate a minimum of service for 14 hours per day into the five-year plan;

(4) identify both capital and operating needs for each year of the phased plan, as well as ongoing

needs of the fully implemented program; and

(5) identify all funding sources and proposals for utilizing federal funds.

The commissioner of transportation and the Metropolitan Council shall each report findings and recommendations under this section to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation finance and policy no later than December 15, 2008."

Page 68, line 14, delete "11 to 21" and insert "15 to 27"

Page 68, line 25, delete "shall establish" and insert "may study"

Page 68, line 29, delete everything after the period

Page 68, delete line 30

Page 69, delete lines 1 to 16

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after the semicolon, insert "coordinating special transportation services statewide and establishing service standards;"

Page 1, line 14, after "requiring" insert "study of"

Amend the title numbers accordingly

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

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

S.F. No. 1992: A bill for an act relating to public safety; appropriating money for public safety and corrections initiatives; creating grant programs; amending Minnesota Statutes 2006, sections 363A.06, subdivision 1; 403.11, subdivision 1; 403.31, subdivision 1; 609.3457, subdivision 4; 609.52, subdivision 3; 609.535, subdivision 2a; 609.595, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapters 241; 626; repealing Minnesota Statutes 2006, section 403.31, subdivision 6.

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

Page 1, line 15, delete "546,845,000" and insert "546,816,000" and delete "561,892,000" and insert "561,921,000"

Page 1, line 19, delete "12,254,000" and insert "12,288,000" and delete "15,363,000" and insert "15,474,000" and delete "27,617,000" and insert "27,762,000"

Page 1, line 22, delete "611,893,000" and insert "615,228,000" and delete "812,292,000" and insert "814,232,000" and delete "1,424,185,000" and insert "1,429,460,000"

Page 2, line 16, delete "147,322,000" and insert "147,356,000" and delete "333,332,000" and insert "333,443,000"

Page 2, line 20, delete "6,791,000" and insert "6,825,000" and delete "9,857,000" and insert "9,968,000"

Page 3, line 31, delete "6,196,000" and insert "6,230,000" and delete "9,243,000" and insert "9,354,000"

Page 5, line 13, delete everything after the period

Page 5, delete line 14

Page 10, line 25, delete "prepare the learning"

Page 10, line 26, delete "objectives described in" and insert "comply with"

Page 11, line 4, delete "457,501,000" and insert "457,472,000" and delete "471,651,000" and insert "471,680,000"

Page 11, line 7, delete "456,611,000" and insert "456,582,000" and delete "470,761,000" and insert "470,790,000"

Page 11, line 12, delete "321,798,000" and insert "321,881,000" and delete "334,410,000" and insert "334,406,000"

Page 11, line 14, delete "321,218,000" and insert "321,301,000" and delete "333,830,000" and insert "333,826,000"

Page 11, line 34, delete "118,263,000" and insert "118,046,000" and delete "119,619,000" and insert "119,287,000"

Page 12, line 2, delete "118,163,000" and insert "117,946,000" and delete "119,519,000" and insert "119,187,000"

Page 15, line 9, delete "17,440,000" and insert "17,545,000" and delete "17,622,000" and insert "17,987,000"

Page 15, line 11, delete "17,230,000" and insert "17,335,000" and delete "17,412,000" and insert "17,777,000"

Page 15, line 17, delete "12" and insert "13"

Page 16, after line 28, insert:

"Sec. 2. Minnesota Statutes 2006, section 297I.06, subdivision 3, is amended to read:

Subd. 3. **Fire safety account, annual transfers, allocation.** A special account, to be known as the fire safety account, is created in the state treasury. The account consists of the proceeds under subdivisions 1 and 2. \$468,000 in fiscal year 2008 and \$2,268,000 in each year thereafter is transferred from the fire safety account in the special revenue fund to the general fund to offset the loss of revenue caused by the repeal of the one-half of one percent tax on fire insurance premiums. ~~The general fund base appropriation for the fire marshal program is reduced by \$2,832,000 in fiscal year 2008 and each year thereafter. The base funding for the fire marshal program from the fire safety account in the special revenue fund shall be \$2,832,000 in fiscal year 2008 and each year thereafter.~~

EFFECTIVE DATE. This section is effective July 1, 2007."

Page 24, delete section 10 and insert:

"Sec. 11. **[626.8444] DOMESTIC ABUSE IN-SERVICE TRAINING; MINIMUM REQUIREMENTS.**

(a) The board shall analyze the issuance and enforcement of domestic abuse no contact orders between July 1, 2006, and June 30, 2007. Taking into account this analysis, the board shall determine the items that, at a minimum, must be addressed in in-service training courses that instruct peace officers in issues relating to domestic abuse. At a minimum, the courses must provide instruction in the laws relating to domestic abuse no contact orders and address how best to coordinate law enforcement resources relating to them.

(b) Beginning on January 1, 2008, the board may not approve an in-service training course relating to domestic abuse that does not comply with this section.

EFFECTIVE DATE. This section is effective July 1, 2007."

Renumber the sections in sequence

Amend the title numbers accordingly

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1986 and 1992 were read the second time.

MEMBERS EXCUSED

Senator Scheid was excused from the Session of today.

ADJOURNMENT

Senator Pogemiller moved that the Senate do now adjourn until 12:00 noon, Friday, March 23, 2007. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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