

EIGHTY-EIGHTH DAY

St. Paul, Minnesota, Monday, March 10, 2008

The Senate met at 11:00 a.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, Rev. Tony Wroblewski.

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

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1219, 2599, 2636, 3157, 2896 and 3000.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted March 6, 2008

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 1219: A bill for an act relating to transportation; removing sunset date for weight exemptions for certain milk trucks; amending Minnesota Statutes 2006, section 169.87, subdivision 4.

Senator Pogemiller moved that H.F. No. 1219 be laid on the table. The motion prevailed.

H.F. No. 2599: A bill for an act relating to local government; increasing amount that counties may appropriate for Memorial Day observances; amending Minnesota Statutes 2006, sections 375.34; 375.35.

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

H.F. No. 2636: A bill for an act relating to local government; providing for town parks; authorizing certain expenditures by towns; amending Minnesota Statutes 2006, section 365.10, subdivisions 8, 12.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2807, now on General Orders.

H.F. No. 3157: A bill for an act relating to Big Stone County; authorizing the county board to assign certain duties to the county treasurer.

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

H.F. No. 2896: A bill for an act relating to public buildings; removing a requirement that a city hold a referendum before building, equipping, or maintaining a memorial for war veterans; amending Minnesota Statutes 2006, section 416.01.

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

H.F. No. 3000: A bill for an act relating to public safety; making technical correction to provision relating to financing the statewide public safety radio system; amending Minnesota Statutes 2006, section 373.47, subdivision 1.

Referred to the Committee on Finance.

REPORTS OF COMMITTEES

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

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

S.F. No. 3425: A bill for an act relating to game and fish; modifying report requirements for game and fish fund; modifying disposition of pheasant habitat improvement account; modifying wild turkey management account; modifying hunting and fishing licensing and taking provisions;

authorizing rulemaking; amending Minnesota Statutes 2006, sections 97A.015, by adding a subdivision; 97A.055, subdivision 4b; 97A.075, subdivisions 4, 5; 97A.311, subdivision 5; 97A.431, subdivision 2; 97A.433, subdivision 2; 97A.434, subdivision 2; 97A.475, subdivision 5; 97A.485, subdivision 6; 97B.015, subdivision 5; 97B.071; 97B.106, subdivision 1; 97B.211, subdivision 1; 97B.301, subdivision 6; 97B.721; 97C.355, subdivisions 4, 7a; 97C.401, subdivision 2; Minnesota Statutes 2007 Supplement, sections 97A.055, subdivision 4; 97A.405, subdivision 2; 97A.441, subdivision 7; 97A.475, subdivisions 2, 3, 11, 12; 97B.328; 97C.355, subdivisions 2, 8; proposing coding for new law in Minnesota Statutes, chapter 97B; repealing Minnesota Statutes 2006, section 97A.411, subdivision 2; Minnesota Rules, parts 6232.0200, subpart 4; 6232.0300, subpart 4.

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

Page 1, after line 17, insert:

"Section 1. Minnesota Statutes 2006, section 97A.015, subdivision 32a, is amended to read:

Subd. 32a. ~~Muzzle-loader~~ **Muzzleloader season.** "~~Muzzle-loader~~ Muzzleloader season" means the ~~firearms~~ deer season ~~option~~ open only for legal ~~muzzle-loading~~ muzzleloading firearms, as prescribed by the commissioner.

Sec. 2. Minnesota Statutes 2006, section 97A.015, subdivision 41a, is amended to read:

Subd. 41a. **Regular firearms season.** "Regular firearms season" means any of the ~~firearms deer season options~~ seasons prescribed by the commissioner that begin in November, exclusive of the ~~muzzle-loader~~ muzzleloader season."

Page 1, line 20, after "structure" insert ", other than a self-propelled motor vehicle, that is"

Page 1, after line 21, insert:

"Sec. 4. Minnesota Statutes 2006, section 97A.045, subdivision 7, is amended to read:

Subd. 7. **Duty to encourage stamp design and purchases.** (a) The commissioner shall encourage the purchase of:

(1) Minnesota migratory waterfowl stamps by nonhunters interested in migratory waterfowl preservation and habitat development;

(2) pheasant stamps by persons interested in pheasant habitat improvement;

(3) trout and salmon stamps by persons interested in trout and salmon stream and lake improvement; and

(4) turkey stamps ~~by persons interested in wild turkey management and habitat improvement.~~

(b) The commissioner shall make rules governing contests for selecting a design for each stamp, including those stamps not required to be in possession while taking game or fish. The commissioner shall ensure that stamp design and characteristics are consistent with the design and characteristics that are sought by pictorial stamp collectors."

Page 6, after line 12, insert:

"Sec. 11. Minnesota Statutes 2007 Supplement, section 97A.405, subdivision 4, is amended to read:

Subd. 4. **Replacement licenses.** (a) The commissioner may permit licensed deer hunters to change ~~zone,~~ license, or season options. The commissioner may issue a replacement license if the applicant submits the original deer license and unused tags that are being replaced and the applicant pays any increase in cost between the original and the replacement license. A refund of the difference in fees may be issued when a person changes from a regular deer license to a youth deer license. ~~When a person submits both an archery and a firearms license for replacement, the commissioner may apply the value of both licenses towards the replacement license fee.~~

(b) A replacement license may be issued only if the applicant has not used any tag from the original license or licenses and meets the conditions of paragraph (c). The original license or licenses and all unused tags for the licenses being replaced must be submitted to the issuing agent at the time the replacement license is issued.

(c) A replacement license may be issued under the following conditions, or as otherwise prescribed by rule of the commissioner:

- (1) when the season for the license being surrendered has not yet opened; or
- (2) ~~when the person is upgrading from a regular firearms or archery deer license to an all season deer license;~~
- (3) ~~when the person is upgrading from a regular firearms license to a multizone deer license; or~~
- (4) when the person is changing from a regular ~~firearms~~ deer license to a youth deer license.

(d) Notwithstanding section 97A.411, subdivision 3, a replacement license is valid immediately upon issuance if the license being surrendered is valid at that time."

Page 7, line 5, after "tenant" insert ", or a nonresident who is an owner,"

Pages 7 to 8, delete sections 12 and 13 and insert:

"Sec. 16. Minnesota Statutes 2007 Supplement, section 97A.451, subdivision 3, is amended to read:

Subd. 3. **Residents under age 16; small game.** (a) A resident under age 16 may not obtain a small game license but may take small game by firearms or bow and arrow without a license if the resident is:

- (1) age 14 or 15 and possesses a firearms safety certificate;
- (2) age 13, possesses a firearms safety certificate, and is accompanied by a parent or guardian;
- (3) age 13, 14, or 15, possesses an apprentice hunter validation, and is accompanied by a parent or guardian who possesses a small game license that was not obtained using an apprentice hunter validation; or
- (4) age 12 or under and is accompanied by a parent or guardian.

(b) A resident under age 16 may take small game by trapping without a small game license,

but a resident 13 years of age or older must have a trapping license. A resident under age 13 may trap without a trapping license, but may not register fisher, otter, bobcat, or pine marten unless the resident is at least age five. Any fisher, otter, bobcat, or pine marten taken by a resident under age five must be included in the limit of the accompanying parent or guardian.

(c) A resident under age 12 may apply for a turkey license and may take a turkey without a firearms safety certificate if the resident is accompanied by an adult parent or guardian who has a firearms safety certificate.

(d) A resident under age 12 may apply for a prairie chicken license and may take a prairie chicken without a firearms safety certificate if the resident is accompanied by an adult parent or guardian who has a firearms safety certificate.

Sec. 17. Minnesota Statutes 2007 Supplement, section 97A.475, subdivision 2, is amended to read:

Subd. 2. **Resident hunting.** Fees for the following licenses, to be issued to residents only, are:

- (1) for persons age 18 or over and under age 65 to take small game, \$12.50;
- (2) for persons ages 16 and 17 and age 65 or over, \$6 to take small game;
- (3) to take turkey, ~~\$18~~ \$23;
- (4) for persons age 18 or over to take deer with firearms during the regular firearms season, \$26;
- (5) for persons age 18 or over to take deer by archery, \$26;
- (6) for persons age 18 or over to take deer by muzzleloader during the muzzleloader season, \$26;
- (7) to take moose, for a party of not more than six persons, \$310;
- ~~(7)~~ (8) to take bear, \$38;
- ~~(8)~~ (9) to take elk, for a party of not more than two persons, \$250;
- ~~(9) multizone license to take antlered deer in more than one zone~~, \$52;
- (10) to take Canada geese during a special season, \$4;
- ~~(11) all season license to take three deer throughout the state in any open deer season, except as restricted under section 97B.305~~, \$78;
- ~~(12)~~ to take prairie chickens, \$20;
- ~~(13)~~ (12) for persons ~~at least age 12 and~~ under age 18 to take deer with firearms during the regular firearms season ~~in any open zone or time period~~, \$13; and
- ~~(14)~~ (13) for persons ~~at least age 12 and~~ under age 18 to take deer by archery, \$13; and
- (14) for persons under age 18 to take deer during the muzzleloader season, \$13.

EFFECTIVE DATE. The amendment to clause (3) is effective March 1, 2009.

Sec. 18. Minnesota Statutes 2007 Supplement, section 97A.475, subdivision 3, is amended to

read:

Subd. 3. **Nonresident hunting.** (a) Fees for the following licenses, to be issued to nonresidents, are:

- (1) for persons age 18 ~~and older~~ or over to take small game, \$73;
- (2) for persons age 18 ~~and older~~ or over to take deer with firearms during the regular firearms season, \$135;
- (3) for persons age 18 ~~and older~~ or over to take deer by archery, \$135;
- (4) for persons age 18 or over to take deer by muzzleloader during the muzzleloader season, \$135;
- (5) to take bear, \$195;
- ~~(5)~~ (6) to take turkey, ~~\$73~~ \$78;
- ~~(6)~~ (7) to take raccoon or bobcat, \$155;
- ~~(7) multizone license to take antlered deer in more than one zone, \$270;~~
- (8) to take Canada geese during a special season, \$4;
- (9) for persons ~~at least age 12 and~~ under age 18 to take deer with firearms during the regular firearms season in any open zone season option or time period, \$13; ~~and~~
- (10) for persons ~~at least age 12 and~~ under age 18 to take deer by archery, \$13; and
- (11) for persons under age 18 to take deer during the muzzleloader season, \$13.

(b) A \$5 surcharge shall be added to nonresident hunting licenses issued under paragraph (a), clauses (1) to (7). An additional commission may not be assessed on this surcharge.

EFFECTIVE DATE. The amendment to the turkey license fee under paragraph (a), clause (6), is effective March 1, 2009."

Page 10, after line 18, insert:

"Sec. 23. Minnesota Statutes 2006, section 97A.535, subdivision 1, is amended to read:

Subdivision 1. **Tags required.** (a) A person may not possess or transport deer, bear, elk, or moose taken in the state unless a tag is attached to the carcass in a manner prescribed by the commissioner. The commissioner must prescribe the type of tag that has the license number of the owner, the year of its issue, and other information prescribed by the commissioner.

(b) The tag ~~and the license~~ must be validated at the site of the kill as prescribed by the commissioner.

(c) Except as otherwise provided in this section, the tag must be attached to the deer, bear, elk, or moose at the site of the kill before the animal is removed from the site of the kill.

(d) The tag must remain attached to the animal until the animal is processed for storage.

(e) A person may move a lawfully taken deer, bear, elk, or moose from the site of the kill without attaching the validated tag to the animal only while in the act of manually or mechanically dragging, carrying, or carting the animal across the ground and while possessing the validated tag on their person. A motor vehicle may be used to drag the animal across the ground. At all other times, the validated tag must be attached to the deer, bear, elk, or moose:

(1) as otherwise provided in this section; and

(2) prior to the animal being placed onto and transported on a motor vehicle, being hung from a tree or other structure or device, or being brought into a camp or yard or other place of habitation."

Page 10, after line 30, insert:

"Sec. 25. Minnesota Statutes 2007 Supplement, section 97B.031, subdivision 1, is amended to read:

Subdivision 1. **Firearms and ammunition that may be used to take big game.** ~~(a)~~ A person may take big game with a firearm only if:

(1) the rifle, shotgun, and handgun used is a caliber of at least ~~.23~~ .22 inches and with centerfire ignition;

(2) the firearm is loaded only with single projectile ammunition;

(3) a projectile used is a caliber of at least ~~.23~~ .22 inches and has a soft point or is an expanding bullet type;

~~(4) the ammunition has a case length of at least 1.285 inches;~~

~~(5) the muzzle loader muzzleloader used is incapable of being loaded at the breech;~~

~~(6)~~ (5) the smooth-bore muzzle loader muzzleloader used is a caliber of at least .45 inches; and

~~(7)~~ (6) the rifled muzzle loader muzzleloader used is a caliber of at least .40 inches.

~~(b) Notwithstanding paragraph (a), clause (4), a person may take big game with a ten-millimeter cartridge that is at least 0.95 inches in length, a .45 Winchester Magnum cartridge, a .50 A. E. (Action Express) handgun cartridge, or a 56-46 Spencer, 56-50 Spencer, or 56-56 Spencer cartridge."~~

Page 11, after line 31, insert:

"Sec. 29. Minnesota Statutes 2006, section 97B.301, subdivision 1, is amended to read:

Subdivision 1. **Licenses required.** A person may not take deer without a license. A person must have a firearms deer license to take deer with firearms during the regular firearms season, a muzzleloader license to take deer with a muzzleloader during the muzzleloader season, and an archery deer license to take deer by archery except as provided in this section.

Sec. 30. Minnesota Statutes 2006, section 97B.301, subdivision 2, is amended to read:

Subd. 2. **Limit of one deer.** ~~Except as provided in subdivisions 3 and 4,~~ A person may obtain one regular firearms season deer license, one muzzleloader season deer license, and one archery season deer license in the same license year, but may ~~take only~~ not tag more than one deer except as provided in subdivisions 3 and 4.

Sec. 31. Minnesota Statutes 2006, section 97B.301, subdivision 4, is amended to read:

Subd. 4. **Taking more than one deer.** (a) The commissioner may, by rule, allow a person to take more than one deer. The commissioner shall prescribe the conditions for taking the additional deer including:

- (1) taking by firearm, muzzleloader, or archery;
- (2) obtaining additional licenses; ~~and~~
- (3) payment of a fee not more than the fee for a firearms deer license; and
- (4) the total number of deer that an individual may take.

~~(b) In Kittson, Lake of the Woods, Marshall, Pennington, and Roseau Counties, a person may obtain one firearms deer license and one archery deer license in the same license year, and may take one deer under each license. The commissioner may limit the use of this provision in certain years to protect the deer population in the area."~~

Page 15, delete line 1 and insert "Minnesota Statutes 2006, sections 97A.411, subdivision 2; Minnesota Statutes 2007 Supplement, section 97B.301, subdivision 7; and Minnesota Rules,"

Reorder 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 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. 2706: A bill for an act relating to energy; providing for development and application of building energy usage performance standards; amending Minnesota Statutes 2006, section 16B.325; Minnesota Statutes 2007 Supplement, section 216B.241, subdivision 1e, by adding a subdivision.

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

Page 4, line 9, after "(f)" insert "Beginning January 15, 2010, and every third year following," and delete "every three years"

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. 2767: A bill for an act relating to the legislature; changing certain requirements for local impact notes; amending Minnesota Statutes 2006, section 3.987, subdivision 1.

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

Page 1, line 9, before the period, insert "with jurisdiction over the proposed legislation"

Page 2, lines 4 and 5, delete the new language

And when so amended the bill do pass and be re-referred to the Committee on Taxes. 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. 1918: A bill for an act relating to telecommunications; creating the Ultra High-Speed Broadband Task Force.

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

Page 1, line 11, after the comma, insert "one member representing regional public libraries,"

Page 1, delete lines 15 to 16 and insert:

"(3) three members appointed by the governor representing telephone companies, one of whom shall represent telephone companies with 50,000 or fewer subscribers located outside the metropolitan area;"

Page 1, line 20, delete "Internet" and insert "wireless"

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 re-referred

S.F. No. 2749: A bill for an act relating to energy; creating wind energy conversion system aggregation program; creating an account; authorizing rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216F.

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 referred

S.F. No. 2605: A bill for an act relating to the Metropolitan Council; providing for staggered terms of Metropolitan Council members; amending Minnesota Statutes 2006, section 473.123, subdivision 2a.

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

Page 1, line 14, delete "and" and insert a period

Page 1, line 16, before the period, insert "in odd-numbered decades. In even-numbered decades, the members from even-numbered districts serve initial terms of two years and the members from odd-numbered districts serve initial terms of four years. A member may only be removed for cause"

Page 2, delete lines 1 and 2 and insert:

"Section 1 is effective on January 1, 2009. The terms of council members from odd-numbered districts serving on the effective date of section 1 end on January 5, 2009. The governor must make new appointments to the odd-numbered districts as provided by Minnesota Statutes, section 473.123, subdivision 3, for four-year terms ending on the first Monday in January, 2013. Section 1 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

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 re-referred

S.F. No. 2811: A bill for an act relating to education; managing school trust fund lands; improving the returns for school trust fund lands; redefining the mission of the Permanent School Fund Advisory Committee; providing a report; amending Minnesota Statutes 2006, sections 84.027, by adding a subdivision; 127A.30.

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

Page 2, line 2, strike everything after "persons"

Page 2, line 3, strike the old language and insert a colon

Page 2, line 4, delete the first "the" and after "education" insert "policy and"

Page 2, line 7, after "education" insert "or the commissioner's designee" and after "district" insert "or the superintendent's designee"

Page 2, line 8, after "district" insert "or the superintendent's designee"

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. 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. 2756: A bill for an act relating to agriculture; authorizing farm use of certain anhydrous ammonia tanks; providing for refilling; authorizing rules to provide safety and environmental safeguards; proposing coding for new law in Minnesota Statutes, chapter 18C.

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

Page 1, line 7, after "shall" insert "adopt rules to"

Page 1, line 8, delete "of up to" and insert "greater than 3,000 gallons but no greater than"

Page 1, line 10, delete everything after "commissioner" and insert "shall adopt rules to implement this section. The rules must impose appropriate safety restrictions and environmental safeguards on the use of anhydrous ammonia. At a minimum, the rules must address water availability; attendance during the anhydrous ammonia transfer operation; emergency shutoff and pull-away safeguards; location of the anhydrous ammonia transfer operation; setback distances from residences, buildings, and roads; and permit requirements."

Page 1, delete line 11

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

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

S.F. No. 3194: A bill for an act relating to education; directing the Minnesota Department of Education to collaboratively establish, maintain, and revise statewide technology standards and guidelines for school districts to use in improving the academic achievement of all students; proposing coding for new law in Minnesota Statutes, chapter 125B.

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

Page 2, delete lines 5 to 7

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 Wiger from the Committee on Education, to which was referred

S.F. No. 2940: A bill for an act relating to education; clarifying, amending, and repealing certain education provisions; analyzing state and district reporting systems; amending Minnesota Statutes 2006, sections 205A.03, subdivision 1; 205A.06, subdivision 1a; Minnesota Statutes 2007 Supplement, section 123B.143, subdivision 1; repealing Minnesota Statutes 2006, section 120A.40.

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

Page 1, delete section 1

Page 3, line 12, delete "2008" and insert "2009"

Page 3, delete section 5

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete the first comma and insert "and" and delete ", and repealing"

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 Wiger from the Committee on Education, to which was referred

S.F. No. 3029: A bill for an act relating to education; establishing a five-year pilot program allowing alternative learning centers and charter schools to identify systemic improvement measures to best serve eligible students; appropriating money.

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

Page 2, line 14, delete "four" and insert "three"

Page 2, line 17, delete "two" and insert "one"

Page 2, line 20, delete "two" and insert "one"

Page 2, line 22, delete ", one of which shall represent Hamline University"

Page 2, line 24, delete "and one member of the"

Page 2, line 25, delete "Minnesota House of Representatives selected by the house minority leader"

Page 2, line 26, delete "and one state senator selected by the senate"

Page 2, line 27, delete "minority leader"

Page 3, line 4, after "expert" insert "in systemic improvement"

Page 3, line 9, delete "substance of the applications" and insert "data results"

Page 3, line 12, delete "substance of"

Page 3, line 13, delete "the applications" and insert "data results"

Page 3, line 17, after "must" insert "annually"

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 Wiger from the Committee on Education, to which was referred

S.F. No. 2815: A bill for an act relating to education finance; increasing the basic formula allowance; eliminating proration of special education revenue; increasing funding for special education services; modifying the referendum ballot language in cases of renewal of referendum authority; appropriating money; amending Minnesota Statutes 2006, sections 126C.17, subdivision 9; 126C.20; Minnesota Statutes 2007 Supplement, sections 125A.76, subdivision 4; 125A.79, subdivision 6; 126C.10, subdivision 2; Laws 2007, chapter 146, article 3, section 24, subdivisions 2, 5.

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

Pages 1 and 2, delete sections 1 to 3

Pages 4 and 5, delete sections 5 to 7

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the first semicolon

Page 1, delete line 3

Page 1, line 4, delete "services;"

Page 1, line 5, delete "appropriating money;"

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 Wiger from the Committee on Education, to which was referred

S.F. No. 2420: A bill for an act relating to education; providing for an earth and space, life, and physical sciences assessment in grades 10 through 12; amending Minnesota Statutes 2007 Supplement, section 120B.30, subdivision 1a.

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

Page 1, line 20, after the period, insert "Each assessment given in the high school grade span will be administered at the end of the course for which science standards instruction is completed in each content area of biology, earth and space, and physical science."

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. 3258: A bill for an act relating to optometrist; changing practice and licensing provisions; amending Minnesota Statutes 2006, sections 148.56; 148.57; 148.571; 148.573, subdivision 1; 148.575; repealing Minnesota Statutes 2006, section 148.573, subdivisions 2, 3; Minnesota Rules, part 6500.2100.

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

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

S.F. No. 2968: A bill for an act relating to health occupations; establishing a regulation system for technicians performing body art procedures and for body art establishments; adopting penalty fees; proposing coding for new law as Minnesota Statutes, chapter 146B.

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

Page 7, line 30, delete "consecutive"

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. 3394: A bill for an act relating to physical therapists; creating an exemption from the examination requirement for licensure.

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

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

S.F. No. 3005: A bill for an act relating to public health; requiring information on meningococcal disease and human papillomavirus disease to be provided through the schools; amending Minnesota Statutes 2006, section 121A.15, by adding a subdivision.

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

Page 1, line 9, delete "Beginning with sixth grade" and insert "At the beginning of the sixth grade school year"

Page 1, line 12, delete "at the beginning of each school year"

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

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

S.F. No. 2825: A bill for an act relating to health; amending the Patient's Bill of Rights to include continuous doula support and information about evidence-based nonpharmacological pain relief; amending Minnesota Statutes 2007 Supplement, section 144.651, subdivision 9.

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

Page 2, delete lines 1 to 4 and insert:

"(c) Every patient receiving maternity care has the right to continuous support from a doula of her choice, in addition to her family, during her stay at the facility, so long as the doula performs doula services within an accepted scope of practice and standard of care.

"(d) Prior to admission, the primary caregiver must fully inform maternity patients to the best of the caregiver's knowledge of evidence-based nonpharmacological methods for pain relief, including doula care."

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. 3417: A bill for an act relating to occupations and professions; adding an exception to the complementary and alternative health care client bill of rights for in-patient hospital setting and hospice care; amending Minnesota Statutes 2007 Supplement, section 146A.11, subdivision 1.

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

Page 3, delete lines 13 to 15 and insert:

"(b) This section does not apply to an unlicensed complementary and alternative health care practitioner who is employed by or is a volunteer in a hospital or hospice who provides services to a client in a hospital or under an appropriate hospice plan of care. Patients receiving complementary

and alternative health care services in an inpatient hospital or under an appropriate hospice plan of care shall have and be made aware of the right to file a complaint with the hospital or hospice provider through which the practitioner is employed or registered as a volunteer."

Amend the title as follows:

Page 1, line 3, delete "in-patient" and insert "inpatient"

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. 1520: A bill for an act relating to health; providing for licensing of naturopathic doctors; providing criminal penalties; amending Minnesota Statutes 2006, sections 116J.70, subdivision 2a; 144.293, subdivision 1; 145.61, subdivision 2; 146.23, subdivision 7; 148B.60, subdivision 3; 151.01, subdivision 23; 214.23, subdivision 1; 604A.01, subdivision 2; 604A.015; proposing coding for new law as Minnesota Statutes, chapter 147E.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL

Section 1. [147E.01] DEFINITIONS.

Subdivision 1. Applicability. The definitions in this section apply to this chapter.

Subd. 2. Advisory council. "Advisory council" means the Registered Naturopathic Doctor Advisory Council established under section 147E.35.

Subd. 3. Approved naturopathic medical program. "Approved naturopathic medical program" means a naturopathic medical education program in the United States or Canada that meets the requirements for accreditation by the Council on Naturopathic Medical Education (CNME) or an equivalent federally recognized accrediting body for the naturopathic medical profession recognized by the board. This program must offer graduate-level full-time didactic and supervised clinical training leading to the degree of Doctor of Naturopathy or Doctor of Naturopathic Medicine. The program must be an institution, or part of an institution, of higher education that at the time the student completes the program is:

(1) either accredited or is a candidate for accreditation by a regional institution accrediting agency recognized by the United States Secretary of Education; or

(2) a degree granting college or university that prior to the existence of CNME offered a full-time structured curriculum in basic sciences and supervised patient care comprising a doctoral naturopathic medical education that is at least 132 weeks in duration, must be completed in at least 35 months, and is reputable and in good standing in the judgment of the board.

Subd. 4. Board. "Board" means the Board of Medical Practice or its designee.

Subd. 5. **Contact hour.** "Contact hour" means an instructional session of 50 consecutive minutes, excluding coffee breaks, registration, meals without a speaker, and social activities.

Subd. 6. **Homeopathic preparations.** "Homeopathic preparations" means medicines prepared according to the Homeopathic Pharmacopoeia of the United States.

Subd. 7. **Registered naturopathic doctor.** "Registered naturopathic doctor" means a person authorized and registered to practice naturopathic medicine under this chapter.

Subd. 8. **Minor office procedures.** "Minor office procedures" means the use of operative, electrical, or other methods for the repair and care incidental to superficial lacerations and abrasions, superficial lesions, and the removal of foreign bodies located in the superficial tissues and the use of antiseptics and local topical anesthetics in connection with such methods, except that it shall not include general or spinal anesthetics, major surgery, surgery of the body cavities, or specialized surgeries such as plastic surgery, surgery involving the eye, or surgery when tendons are involved.

Subd. 9. **Naturopathic licensing examination.** "Naturopathic licensing examination" means the Naturopathic Physicians Licensing Examination or its successor administered by the North American Board of Naturopathic Examiners or its successor as recognized by the board.

Subd. 10. **Naturopathic medicine.** "Naturopathic medicine" means a system of primary health care practiced by registered naturopathic doctors for the prevention, assessment, and treatment of human health conditions, injuries, and diseases that uses:

(1) services and treatments as described in section 147E.05; and

(2) natural health procedures and treatments that do not require licensure as defined in chapter 146A.

Subd. 11. **Naturopathic physical medicine.** "Naturopathic physical medicine" includes, but is not limited to, the therapeutic use of the physical agents of air, water, heat, cold, sound, light, and electromagnetic nonionizing radiation and the physical modalities of electrotherapy, diathermy, ultraviolet light, hydrotherapy, massage, stretching, colon hydrotherapy, frequency specific microcurrent, electrical muscle stimulation, transcutaneous electrical nerve stimulation, and therapeutic exercise.

Sec. 2. [147E.05] SCOPE OF PRACTICE.

Subdivision 1. **Practice parameters.** (a) The practice of naturopathic medicine by a registered naturopathic doctor includes, but is not limited to, the following services:

(1) ordering, administering, prescribing, or dispensing for preventive and therapeutic purposes: food, extracts of food, nutraceuticals, vitamins, minerals, amino acids, enzymes, botanicals and their extracts, botanical medicines, herbal remedies, homeopathic medicines, all dietary supplements and nonprescription drugs as defined by the federal Food, Drug, and Cosmetic Act, glandulars, protomorphogens, lifestyle counseling, hypnotherapy, biofeedback, dietary therapy, electrotherapy, galvanic therapy, naturopathic physical medicine, oxygen, therapeutic devices, barrier devices for contraception, and minor office procedures, including obtaining specimens to assess and treat disease;

(2) performing or ordering physical and orificial examinations, clinical laboratory tests and

examinations, and physiological function tests;

(3) referring a patient for diagnostic imaging studies including x-ray, CT scan, MRI, ultrasound, mammogram, bone densitometry, and referring the studies to an appropriately licensed health care professional to conduct the study and interpret the results;

(4) prescribing nonprescription medications and therapeutic devices or ordering noninvasive diagnostic procedures commonly used by physicians in general practice;

(5) utilizing routes of administration that include oral, nasal, auricular, ocular, rectal, and vaginal; and

(6) prescribing or performing naturopathic physical medicine.

(b) A registered naturopathic doctor may admit patients to a hospital if the naturopathic doctor meets the hospital's governing body requirements regarding credentialing and privileging process.

Subd. 2. **Prohibitions on practice.** (a) The practice of naturopathic medicine does not include:

(1) administering therapeutic ionizing radiation or radioactive substances;

(2) administering general or spinal anesthesia;

(3) prescribing, dispensing, or administering all legend drugs including chemotherapeutic substances;

(4) performing major surgery, plastic surgery, or specialized surgeries; or

(5) performing or inducing abortions.

(b) A naturopathic doctor registered under this chapter shall not perform surgical procedures using a laser device or perform surgical procedures beyond superficial tissue. A naturopathic doctor shall not practice or claim to practice as a medical doctor, osteopath, dentist, podiatrist, optometrist, psychologist, advanced practice professional nurse, physician assistant, chiropractor, physical therapist, acupuncturist, or any other health care professional, unless the naturopathic physician also holds a license or registration for another health care practice profession.

Sec. 3. **[147E.06] PROFESSIONAL CONDUCT.**

Subdivision 1. **Informed consent.** The registered naturopathic doctor shall obtain informed consent from the patient prior to initiating treatment and after advising the patient of the naturopathic doctor's qualifications including education, registration information, and outline of the scope of practice of registered naturopathic doctors in Minnesota. This information must be supplied to the patient in writing before or at the time of the initial visit. The registrant shall present treatment facts and options accurately to the patient or to the individual responsible for the patient's care and make treatment recommendations according to standards of good naturopathic medical practice.

Subd. 2. **Patient records.** (a) A registered naturopathic doctor shall maintain a record for seven years for each patient treated, including:

(1) a copy of the informed consent;

(2) evidence of a patient interview concerning the patient's medical history and current physical

condition;

(3) evidence of an examination and assessment;

(4) record of the treatment; and

(5) evidence of evaluation and instructions given to the patient, including acknowledgment by the patient in writing that, if deemed necessary by the registered naturopathic doctor, the patient has been advised to consult with another health care provider.

(b) A registered naturopathic doctor shall maintain the records of minor patients for seven years or until the minor's 19th birthday, whichever is longer.

Subd. 3. **Data practices.** Data maintained on a naturopathic patient by a registered naturopathic doctor is subject to section 144.293.

Subd. 4. **State and municipal public health regulations.** A registered naturopathic doctor shall comply with all applicable state and municipal requirements regarding public health.

Sec. 4. **[147E.10] REGISTRATION.**

Subdivision 1. **Registration required.** After July 1, 2008, persons who practice naturopathic medicine, or represent themselves as practicing naturopathic medicine by use of a term in subdivision 2, shall conspicuously display the registration in the place of practice.

Subd. 2. **Designation.** No individual may use the title "registered naturopathic doctor," "naturopathic doctor," "doctor of naturopathic medicine," or use, in connection with the individual's name, the letters "N.D.," "R.N.D.," or "N.M.D.," or any other titles, words, letters, abbreviations, or insignia indicating or implying that the individual is eligible for registration by the state as a registered naturopath or a registered naturopathic doctor unless the individual has been registered as a registered naturopathic doctor according to this chapter.

Subd. 3. **Other health care practitioners.** Nothing in this chapter may be construed to prohibit or to restrict:

(1) the practice of a profession by individuals who are licensed, certified, or registered under other laws of this state and are performing services within their authorized scope of practice or unlicensed complementary and alternative health care under chapter 146A;

(2) the practice of naturopathic medicine by an individual licensed, registered, or certified in another state and employed by the government of the United States while the individual is engaged in the performance of duties prescribed by the laws and regulations of the United States;

(3) the practice by a naturopathic doctor duly licensed, registered, or certified in another state, territory, or the District of Columbia when incidentally called into this state for consultation with a Minnesota licensed physician or Minnesota registered naturopathic doctor;

(4) the practice of naturopathic medicine by students enrolled in an approved naturopathic medical college if the performance of services is according to a course of instruction or assignments from, and under the supervision of an instructor who is a licensed physician, osteopath, chiropractor, or registered naturopathic doctor;

(5) an individual rendering aid in an emergency, when no fee or other consideration for the service is charged, received, expected, or contemplated;

(6) an individual administering a remedy to a family member;

(7) a person engaged in the sale of vitamins, health foods, dietary supplements, and other products of nature, the sale of which is not otherwise prohibited under state or federal law except that this clause does not:

(i) allow that person to diagnose any human disease, ailment, injury, infirmity, deformity, or other condition; or

(ii) prohibit providing truthful and nonmisleading information regarding anything in this chapter;

(8) a person engaged in good faith in the practice of religious tenets of any religious belief, without the use of prescription drugs;

(9) a person acting in good faith for religious reasons as a matter of conscience or as a personal belief when obtaining or providing information regarding health care and the use of any product under clause (7); and

(10) persons not registered by this chapter from the use of individual modalities which comprise the practice of naturopathic medicine, such as the use of nutritional supplements, herbs, foods, homeopathic preparations, and physical forces such as heat, cold, water, touch, and light.

Subd. 4. **Penalty.** A person violating subdivision 2 is guilty of a gross misdemeanor.

Sec. 5. **[147E.15] REGISTRATION REQUIREMENTS.**

Subdivision 1. **General requirements for registration.** To be eligible for registration, an applicant must:

(1) submit a completed application on forms provided by the board along with all fees required under section 147E.40 that includes:

(i) the applicant's name, Social Security number, home address and telephone number, and business address and telephone number;

(ii) the name and location of the naturopathic medical program the applicant completed;

(iii) a list of degrees received from other educational institutions;

(iv) a description of the applicant's professional training beyond the first degree received;

(v) a list of registrations, certifications, and licenses held in other jurisdictions;

(vi) a description of any other jurisdiction's refusal to credential the applicant;

(vii) a description of all professional disciplinary actions initiated against the applicant in any jurisdiction; and

(viii) any history of drug or alcohol abuse, and any misdemeanor or felony conviction;

(2) submit a copy of a diploma from an approved naturopathic medical education program;

(3) have successfully passed the Naturopathic Physicians Licensing Examination, a competency-based national naturopathic licensing examination administered by the North American Board of Naturopathic Examiners or successor agency as recognized by the board; passing scores are determined by the Naturopathic Physicians Licensing Examination;

(4) submit additional information as requested by the board, including providing any additional information necessary to ensure that the applicant is able to practice with reasonable skill and safety to the public;

(5) sign a statement that the information in the application is true and correct to the best of the applicant's knowledge and belief; and

(6) sign a waiver authorizing the board to obtain access to the applicant's records in this or any other state in which the applicant has completed an approved naturopathic medical program or engaged in the practice of naturopathic medicine.

Subd. 2. **Registration by endorsement; reciprocity.** (a) To be eligible for registration by endorsement or reciprocity, the applicant must hold a current naturopathic license, registration, or certification in another state, Canadian province, the District of Columbia, or territory of the United States, whose standards for licensure, registration, or certification are at least equivalent to those of Minnesota, and must:

(1) submit the application materials and fees as required by subdivision 1, clauses (1), (2), and (4) to (6);

(2) have successfully passed either:

(i) the Naturopathic Physicians Licensing Examination; or

(ii) if prior to 1986, the state or provincial naturopathic board licensing examination required by that regulating state or province;

(3) provide a verified copy from the appropriate government body of a current license, registration, or certification for the practice of naturopathic medicine in another jurisdiction that has initial licensing, registration, or certification requirements equivalent to or higher than the requirements in subdivision 1; and

(4) provide letters of verification from the appropriate government body in each jurisdiction in which the applicant holds a license, registration, or certification. Each letter must state the applicant's name, date of birth, license, registration, or certification number, date of issuance, a statement regarding disciplinary actions, if any, taken against the applicant, and the terms under which the license, registration, or certification was issued.

(b) An applicant applying for license, registration, or certification by endorsement must be licensed, registered, or certified in another state or Canadian province prior to January 1, 2005, and have completed a 60-hour course and examination in pharmacotherapeutics.

Subd. 3. **Temporary registration.** The board may issue a temporary registration to practice as a registered naturopathic doctor to an applicant who is licensed, registered, or certified in another state or Canadian province and is eligible for registration under this section, if the application for registration is complete, all applicable requirements in this section have been met, and a

nonrefundable fee has been paid. The temporary registration remains valid only until the meeting of the board at which time a decision is made on the registered naturopathic doctor's application for registration.

Subd. 4. **Registration expiration.** Registrations issued under this chapter expire annually.

Subd. 5. **Renewal.** (a) To be eligible for registration renewal a registrant must:

(1) annually, or as determined by the board, complete a renewal application on a form provided by the board;

(2) submit the renewal fee;

(3) provide evidence of a total of 25 hours of continuing education approved by the board as described in section 147E.25; and

(4) submit any additional information requested by the board to clarify information presented in the renewal application. The information must be submitted within 30 days after the board's request, or the renewal request is nullified.

Subd. 6. **Change of address.** A registrant who changes addresses must inform the board within 30 days, in writing, of the change of address. All notices or other correspondence mailed to or served on a registrant by the board are considered as having been received by the registrant.

Subd. 7. **Registration renewal notice.** At least 45 days before the registration renewal date, the board shall send out a renewal notice to the last known address of the registrant on file. The notice must include a renewal application and a notice of fees required for renewal or instructions for online renewal. It must also inform the registrant that registration will expire without further action by the board if an application for registration renewal is not received before the deadline for renewal. The registrant's failure to receive this notice does not relieve the registrant of the obligation to meet the deadline and other requirements for registration renewal. Failure to receive this notice is not grounds for challenging expiration of registration status.

Subd. 8. **Renewal deadline.** The renewal application and fee must be postmarked on or before December 31 of the year of renewal. If the postmark is illegible, the application is considered timely if received by the third working day after the deadline.

Subd. 9. **Inactive status and return to active status.** (a) A registrant may be placed in inactive status upon application to the board by the registrant and upon payment of an inactive status fee.

(b) Registrants seeking restoration to active from inactive status must pay the current renewal fees and all unpaid back inactive fees. They must meet the criteria for renewal specified in subdivision 5, including continuing education hours.

(c) Registrants whose inactive status period has been five years or longer must additionally have a period of no less than eight weeks of advisory council-approved supervision by another registered naturopathic doctor.

Subd. 10. **Registration following lapse of registration status for two years or less.** For any individual whose registration status has lapsed for two years or less, to regain registration status, the individual must:

- (1) apply for registration renewal according to subdivision 5;
- (2) document compliance with the continuing education requirements of section 147E.25 since the registrant's initial registration or last renewal; and
- (3) submit the fees required under section 147E.40 for the period not registered, including the fee for late renewal.

Subd. 11. **Cancellation due to nonrenewal.** The board shall not renew, reissue, reinstate, or restore a registration that has lapsed and has not been renewed within two annual registration renewal cycles starting January 2007. A registrant whose registration is canceled for nonrenewal must obtain a new registration by applying for registration and fulfilling all requirements then in existence for initial registration as a registered naturopathic doctor.

Subd. 12. **Cancellation of registration in good standing.** (a) A registrant holding an active registration as a registered naturopathic doctor in the state may, upon approval of the board, be granted registration cancellation if the board is not investigating the person as a result of a complaint or information received or if the board has not begun disciplinary proceedings against the registrant. Such action by the board must be reported as a cancellation of registration in good standing.

(b) A registrant who receives board approval for registration cancellation is not entitled to a refund of any registration fees paid for the registration year in which cancellation of the registration occurred.

(c) To obtain registration after cancellation, a registrant must obtain a new registration by applying for registration and fulfilling the requirements then in existence for obtaining initial registration as a registered naturopathic doctor.

Subd. 13. **Emeritus status of registration.** A registrant may change the status of the registration to "emeritus" by filing the appropriate forms and paying the onetime fee of \$50 to the board. This status allows the registrant to retain the title of registered naturopathic doctor but restricts the registrant from actively seeing patients.

Sec. 6. [147E.20] BOARD ACTION ON APPLICATIONS FOR REGISTRATION.

- (a) The board shall act on each application for registration according to paragraphs (b) to (d).
- (b) The board shall determine if the applicant meets the requirements for registration under section 147E.15. The board or advisory council may investigate information provided by an applicant to determine whether the information is accurate and complete.
- (c) The board shall notify each applicant in writing of action taken on the application, the grounds for denying registration if registration is denied, and the applicant's right to review under paragraph (d).
- (d) Applicants denied registration may make a written request to the board, within 30 days of the board's notice, to appear before the advisory council or the board and for the advisory council to review the board's decision to deny the applicant's registration. After reviewing the denial, the advisory council shall make a recommendation to the board as to whether the denial shall be affirmed. Each applicant is allowed only one request for review each yearly registration period.

Sec. 7. [147E.25] CONTINUING EDUCATION REQUIREMENT.

Subdivision 1. **Number of required contact hours.** (a) A registrant applying for registration renewal must complete a minimum of 25 contact hours of board-approved continuing education in the year preceding registration renewal, with the exception of the registrant's first incomplete year, and attest to completion of continuing education requirements by reporting to the board.

(b) Of the 25 contact hours of continuing education required in paragraph (a), at least five hours of continuing education must be in pharmacotherapeutics.

Subd. 2. **Approved programs.** The board shall approve continuing education programs that have been approved for continuing education credit by the American Association of Naturopathic Physicians or any of its constituent state associations, the American Chiropractic Association or any of its constituent state associations, the American Osteopathic Association Bureau of Professional Education, the American Pharmacists Association or any of its constituent state associations, or an organization approved by the Accreditation Council for Continuing Medical Education.

Subd. 3. **Approval of continuing education programs.** The board shall also approve continuing education programs that do not meet the requirements of subdivision 2 but meet the following criteria:

(1) the program content directly relates to the practice of naturopathic medicine;

(2) each member of the program faculty is knowledgeable in the subject matter as demonstrated by a degree from an accredited education program, verifiable experience in the field of naturopathic medicine, special training in the subject matter, or experience teaching in the subject area;

(3) the program lasts at least 50 minutes per contact hour;

(4) there are specific, measurable, written objectives, consistent with the program, describing the expected outcomes for the participants; and

(5) the program sponsor has a mechanism to verify participation and maintains attendance records for three years.

Subd. 4. **Accumulation of contact hours.** A registrant may not apply contact hours acquired in one one-year reporting period to a future continuing education reporting period.

Subd. 5. **Verification of continuing education credits.** The board shall periodically select a random sample of registrants and require those registrants to supply the board with evidence of having completed the continuing education to which they attested. Documentation may come directly from the registrants from state or national organizations that maintain continuing education records.

Subd. 6. **Continuing education topics.** Continuing education program topics may include, but are not limited to, naturopathic medical theory and techniques including diagnostic techniques, nutrition, botanical medicine, homeopathic medicine, physical medicine, lifestyle modification counseling, anatomy, physiology, biochemistry, pharmacology, pharmacognosy, microbiology, medical ethics, psychology, history of medicine, and medical terminology or coding.

Subd. 7. **Restriction on continuing education topics.** (a) A registrant may apply no more than five hours of practice management to a one-year reporting period.

(b) A registrant may apply no more than 15 hours to any single subject area.

Subd. 8. **Continuing education exemptions.** The board may exempt any person holding a registration under this chapter from the requirements of subdivision 1 upon application showing evidence satisfactory to the board of inability to comply with the requirements because of physical or mental condition or because of other unusual or extenuating circumstances. However, no person may be exempted from the requirements of subdivision 1 more than once in any five-year period.

Sec. 8. **[147E.30] DISCIPLINE; REPORTING.**

For purposes of this chapter, registered naturopathic doctors and applicants are subject to sections 147.091 to 147.162.

Sec. 9. **[147E.35] REGISTERED NATUROPATHIC DOCTOR ADVISORY COUNCIL.**

Subdivision 1. **Membership.** The board shall appoint a seven-member Registered Naturopathic Doctor Advisory Council appointed by the governor consisting of one public member as defined in section 214.02, five registered naturopathic doctors who are residents of the state, and one licensed physician or osteopath with expertise in natural medicine.

Subd. 2. **Organization.** The advisory council shall be organized and administered under section 15.059. The council shall not expire.

Subd. 3. **Duties.** The advisory council shall:

- (1) advise the board regarding standards for registered naturopathic doctors;
- (2) provide for distribution of information regarding registered naturopathic doctors standards;
- (3) advise the board on enforcement of sections 147.091 to 147.162;
- (4) review applications and recommend granting or denying registration or registration renewal;
- (5) advise the board on issues related to receiving and investigating complaints, conducting hearings, and imposing disciplinary action in relation to complaints against registered naturopathic doctors;
- (6) advise the board regarding approval of continuing education programs using the criteria in section 147E.25, subdivision 3; and
- (7) perform other duties authorized for advisory councils by chapter 214, as directed by the board.

Sec. 10. **[147E.40] FEES.**

Subdivision 1. **Fees.** Fees are as follows:

- (1) registration application fee, \$200;
- (2) renewal fee, \$150;
- (3) late fee, \$75;
- (4) inactive status fee, \$50; and
- (5) temporary permit fee, \$25.

Subd. 2. **Proration of fees.** The board may prorate the initial annual registration fee. All registrants are required to pay the full fee upon registration renewal.

Subd. 3. **Penalty fee for late renewals.** An application for registration renewal submitted after the deadline must be accompanied by a late fee in addition to the required fees.

Subd. 4. **Nonrefundable fees.** All of the fees in subdivision 1 are nonrefundable.

Sec. 11. **EFFECTIVE DATE.**

This article is effective July 1, 2008.

ARTICLE 2

CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 2006, section 116J.70, subdivision 2a, is amended to read:

Subd. 2a. **License; exceptions.** "Business license" or "license" does not include the following:

(1) any occupational license or registration issued by a licensing board listed in section 214.01 or any occupational registration issued by the commissioner of health pursuant to section 214.13;

(2) any license issued by a county, home rule charter city, statutory city, township, or other political subdivision;

(3) any license required to practice the following occupation regulated by the following sections:

(i) abstracters regulated pursuant to chapter 386;

(ii) accountants regulated pursuant to chapter 326A;

(iii) adjusters regulated pursuant to chapter 72B;

(iv) architects regulated pursuant to chapter 326;

(v) assessors regulated pursuant to chapter 270;

(vi) athletic trainers regulated pursuant to chapter 148;

(vii) attorneys regulated pursuant to chapter 481;

(viii) auctioneers regulated pursuant to chapter 330;

(ix) barbers and cosmetologists regulated pursuant to chapter 154;

(x) boiler operators regulated pursuant to chapter 183;

(xi) chiropractors regulated pursuant to chapter 148;

(xii) collection agencies regulated pursuant to chapter 332;

(xiii) dentists, registered dental assistants, and dental hygienists regulated pursuant to chapter 150A;

(xiv) detectives regulated pursuant to chapter 326;

- (xv) electricians regulated pursuant to chapter 326;
- (xvi) mortuary science practitioners regulated pursuant to chapter 149A;
- (xvii) engineers regulated pursuant to chapter 326;
- (xviii) insurance brokers and salespersons regulated pursuant to chapter 60A;
- (xix) certified interior designers regulated pursuant to chapter 326;
- (xx) midwives regulated pursuant to chapter 147D;
- (xxi) naturopathic doctors registered pursuant to chapter 147E;
- (xxii) nursing home administrators regulated pursuant to chapter 144A;
- ~~(xxii)~~ (xxiii) optometrists regulated pursuant to chapter 148;
- ~~(xxiii)~~ (xxiv) osteopathic physicians regulated pursuant to chapter 147;
- ~~(xxiv)~~ (xxv) pharmacists regulated pursuant to chapter 151;
- ~~(xxv)~~ (xxvi) physical therapists regulated pursuant to chapter 148;
- ~~(xxvi)~~ (xxvii) physician assistants regulated pursuant to chapter 147A;
- ~~(xxvii)~~ (xxviii) physicians and surgeons regulated pursuant to chapter 147;
- ~~(xxviii)~~ (xxix) plumbers regulated pursuant to chapter 326;
- ~~(xxix)~~ (xxx) podiatrists regulated pursuant to chapter 153;
- ~~(xxx)~~ (xxxi) practical nurses regulated pursuant to chapter 148;
- ~~(xxxi)~~ (xxxii) professional fund-raisers regulated pursuant to chapter 309;
- ~~(xxxii)~~ (xxxiii) psychologists regulated pursuant to chapter 148;
- ~~(xxxiii)~~ (xxxiv) real estate brokers, salespersons, and others regulated pursuant to chapters 82 and 83;
- ~~(xxxiv)~~ (xxxv) registered nurses regulated pursuant to chapter 148;
- ~~(xxxv)~~ (xxxvi) securities brokers, dealers, agents, and investment advisers regulated pursuant to chapter 80A;
- ~~(xxxvi)~~ (xxxvii) steamfitters regulated pursuant to chapter 326;
- ~~(xxxvii)~~ (xxxviii) teachers and supervisory and support personnel regulated pursuant to chapter 125;
- ~~(xxxviii)~~ (xxxix) veterinarians regulated pursuant to chapter 156;
- ~~(xxxix)~~ (xl) water conditioning contractors and installers regulated pursuant to chapter 326;
- ~~(xl)~~ (xli) water well contractors regulated pursuant to chapter 103I;

- ~~(xli)~~ (xlii) water and waste treatment operators regulated pursuant to chapter 115;
- ~~(xlii)~~ (xliii) motor carriers regulated pursuant to chapter 221;
- ~~(xliii)~~ (xliv) professional firms regulated under chapter 319B;
- ~~(xliv)~~ (xlv) real estate appraisers regulated pursuant to chapter 82B;
- ~~(xlv)~~ (xlvi) residential building contractors, residential remodelers, residential roofers, manufactured home installers, and specialty contractors regulated pursuant to chapter 326; or
- ~~(xlvi)~~ (xlvii) licensed professional counselors regulated pursuant to chapter 148B;
- (4) any driver's license required pursuant to chapter 171;
- (5) any aircraft license required pursuant to chapter 360;
- (6) any watercraft license required pursuant to chapter 86B;
- (7) any license, permit, registration, certification, or other approval pertaining to a regulatory or management program related to the protection, conservation, or use of or interference with the resources of land, air, or water, which is required to be obtained from a state agency or instrumentality; and
- (8) any pollution control rule or standard established by the Pollution Control Agency or any health rule or standard established by the commissioner of health or any licensing rule or standard established by the commissioner of human services.

Sec. 2. Minnesota Statutes 2006, section 145.61, subdivision 2, is amended to read:

Subd. 2. **Professional.** "Professional" means a person licensed or registered to practice a healing art under chapter 147, 147E, or 148, to practice dentistry under chapter 150A, to practice as a pharmacist under chapter 151, or to practice podiatry under chapter 153.

Sec. 3. Minnesota Statutes 2006, section 146.23, subdivision 7, is amended to read:

Subd. 7. **Exemption.** The provisions of subdivision 2 do not apply to physicians and doctors of osteopathy licensed under chapter 147 or naturopathic doctors registered under chapter 147E.

Sec. 4. Minnesota Statutes 2006, section 148B.60, subdivision 3, is amended to read:

Subd. 3. **Unlicensed mental health practitioner or practitioner.** "Unlicensed mental health practitioner" or "practitioner" means a person who provides or purports to provide, for remuneration, mental health services as defined in subdivision 4. It does not include persons licensed by the Board of Medical Practice under chapter 147 or 147E or registered by the Board of Medical Practice under chapter 147A; the Board of Nursing under sections 148.171 to 148.285; the Board of Psychology under sections 148.88 to 148.98; the Board of Social Work under chapter 148D; the Board of Marriage and Family Therapy under sections 148B.29 to 148B.39; the Board of Behavioral Health and Therapy under sections 148B.50 to 148B.593 and chapter 148C; or another licensing board if the person is practicing within the scope of the license; members of the clergy who are providing pastoral services in the context of performing and fulfilling the salaried duties and obligations required of a member of the clergy by a religious congregation; American Indian medicine men and women; licensed attorneys; probation officers; school counselors employed

by a school district while acting within the scope of employment as school counselors; licensed occupational therapists; or licensed occupational therapy assistants. For the purposes of complaint investigation or disciplinary action relating to an individual practitioner, the term includes:

(1) persons employed by a program licensed by the commissioner of human services who are acting as mental health practitioners within the scope of their employment;

(2) persons employed by a program licensed by the commissioner of human services who are providing chemical dependency counseling services; persons who are providing chemical dependency counseling services in private practice; and

(3) clergy who are providing mental health services that are equivalent to those defined in subdivision 4.

Sec. 5. Minnesota Statutes 2006, section 214.23, subdivision 1, is amended to read:

Subdivision 1. **Commissioner of health.** The board shall enter into a contract with the commissioner to perform the functions in subdivisions 2 and 3. The contract shall provide that:

(1) unless requested to do otherwise by a regulated person, a board shall refer all regulated persons infected with HIV, HBV, or HCV to the commissioner;

(2) the commissioner may choose to refer any regulated person who is infected with HIV, HBV, or HCV as well as all information related thereto to the person's board at any time for any reason, including but not limited to: the degree of cooperation and compliance by the regulated person; the inability to secure information or the medical records of the regulated person; or when the facts may present other possible violations of the regulated persons practices act. Upon request of the regulated person who is infected with HIV, HBV, or HCV the commissioner shall refer the regulated person and all information related thereto to the person's board. Once the commissioner has referred a regulated person to a board, the board may not thereafter submit it to the commissioner to establish a monitoring plan unless the commissioner of health consents in writing;

(3) a board shall not take action on grounds relating solely to the HIV, HBV, or HCV status of a regulated person until after referral by the commissioner; and

(4) notwithstanding sections 13.39 and 13.41 and chapters 147, 147A, 147E, 148, 150A, 153, and 214, a board shall forward to the commissioner any information on a regulated person who is infected with HIV, HBV, or HCV that the Department of Health requests.

Sec. 6. Minnesota Statutes 2006, section 604A.01, subdivision 2, is amended to read:

Subd. 2. **General immunity from liability.** (a) A person who, without compensation or the expectation of compensation, renders emergency care, advice, or assistance at the scene of an emergency or during transit to a location where professional medical care can be rendered, is not liable for any civil damages as a result of acts or omissions by that person in rendering the emergency care, advice, or assistance, unless the person acts in a willful and wanton or reckless manner in providing the care, advice, or assistance. This subdivision does not apply to a person rendering emergency care, advice, or assistance during the course of regular employment, and receiving compensation or expecting to receive compensation for rendering the care, advice, or assistance.

(b) For the purposes of this section, the scene of an emergency is an area outside the confines of a hospital or other institution that has hospital facilities, or an office of a person licensed to practice one or more of the healing arts under chapter 147, 147A, 147E, 148, 150A, or 153. The scene of an emergency includes areas threatened by or exposed to spillage, seepage, fire, explosion, or other release of hazardous materials, and includes ski areas and trails.

(c) For the purposes of this section, "person" includes a public or private nonprofit volunteer firefighter, volunteer police officer, volunteer ambulance attendant, volunteer first provider of emergency medical services, volunteer ski patroller, and any partnership, corporation, association, or other entity.

(d) For the purposes of this section, "compensation" does not include payments, reimbursement for expenses, or pension benefits paid to members of volunteer organizations.

(e) For purposes of this section, "emergency care" includes providing emergency medical care by using or providing an automatic external defibrillator, unless the person on whom the device is to be used objects; or unless the person is rendering this care during the course of regular employment, the person is receiving or expects to receive compensation for rendering this care, and the usual and regular duties of the person include the provision of emergency medical care. "Automatic external defibrillator" means a medical device heart monitor and defibrillator that:

(1) has received approval of its premarket notification, filed pursuant to United States Code, title 21, section 360(k), from the United States Food and Drug Administration;

(2) is capable of recognizing the presence or absence of ventricular fibrillation or rapid ventricular tachycardia, and is capable of determining, without intervention by an operator, whether defibrillation should be performed; and

(3) upon determining that defibrillation should be performed, automatically charges and requests delivery of an electrical impulse to an individual's heart.

Sec. 7. Minnesota Statutes 2006, section 604A.015, is amended to read:

604A.015 SCHOOL BUS DRIVER IMMUNITY FROM LIABILITY.

A school bus driver who, while on duty, provides emergency care, advice, or assistance at the scene of an emergency or during transit to a location where professional medical care can be rendered, is not liable in ordinary negligence, for any civil damages as a result of acts or omissions to the person to whom assistance is rendered by the school bus driver in rendering the emergency care, advice, or assistance. For the purposes of this section, the scene of an emergency is an area outside the confines of a hospital or other institution that has hospital facilities, or an office of a person licensed to practice one or more of the healing arts under chapter 147, 147E, 148, 150A, or 153.

Sec. 8. EFFECTIVE DATE.

This article is effective July 1, 2008."

Delete the title and insert:

"A bill for an act relating to occupations and professions; providing for registration of naturopathic doctors; amending Minnesota Statutes 2006, sections 116J.70, subdivision 2a; 145.61,

subdivision 2; 146.23, subdivision 7; 148B.60, subdivision 3; 214.23, subdivision 1; 604A.01, subdivision 2; 604A.015; proposing coding for new law as Minnesota Statutes, chapter 147E."

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

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

S.F. No. 1018: A bill for an act relating to health occupations; adding a definition for licensed health care professional; modifying licensing provisions for physical therapists; amending Minnesota Statutes 2006, sections 148.65, by adding a subdivision; 148.75; 148.76, subdivision 2; repealing Minnesota Rules, parts 5601.0100, subparts 5, 6, 7, 8; 5601.1200; 5601.1800; 5601.1900; 5601.2000.

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 148.65, is amended by adding a subdivision to read:

Subd. 9. **Licensed health care professional or licensed health care provider.** "Licensed health care professional" or "licensed health care provider" means a person licensed in good standing in Minnesota to practice medicine, osteopathy, chiropractic, podiatry, dentistry, or advanced practice nursing.

Sec. 2. Minnesota Statutes 2007 supplement, section 148.75, is amended to read:

148.75 DISCIPLINARY ACTION.

(a) The board may impose disciplinary action specified in paragraph (b) against an applicant or licensee whom the board, by a preponderance of the evidence, determines:

(1) has violated a statute, rule, order, or agreement for corrective action that the board issued or is otherwise authorized or empowered to enforce;

(2) is unable to practice physical therapy with reasonable skill and safety by reason of any mental or physical illness or condition, including deterioration through the aging process or loss of motor skills, or use of alcohol, drugs, narcotics, chemicals, or any other type of material;

(3) has been convicted of or has pled guilty or nolo contendere to a felony or other crime, an element of which is dishonesty or fraud, or has been shown to have engaged in acts or practices tending to show that the applicant or licensee is incompetent or has engaged in conduct reflecting adversely on the applicant's or licensee's ability or fitness to engage in the practice of physical therapy;

(4) has been convicted of violating any state or federal narcotic law;

(5) has obtained or attempted to obtain a license or approval of continuing education activities, or passed an examination, by fraud or deception;

(6) has engaged in unprofessional conduct or any other conduct which has the potential for causing harm to the public, including any departure from or failure to conform to the minimum standards of acceptable and prevailing practice without actual injury having to be established;

(7) has engaged in gross negligence in the practice of physical therapy as a physical therapist;

(8) has treated human ailments by physical therapy after an initial ~~30-day~~ 90-day period of patient admittance to treatment has lapsed, except by the order or referral of a person licensed in this state in the practice of medicine as defined in section 147.081, the practice of chiropractic as defined in section 148.01, the practice of podiatry as defined in section 153.01, or the practice of dentistry as defined in section 150A.05, or the practice of advance practice nursing as defined in section 148.171, subdivision 3, when orders or referrals are made in and whose license is in collaboration with a physician, chiropractor, podiatrist, or dentist, and whose license is in good standing; or when a previous diagnosis exists indicating an ongoing condition warranting physical therapy treatment, subject to periodic review defined by board of physical therapy rule. The 90-day limitation of treatment by a physical therapist without an order or referral does not apply to prevention, wellness, education, or exercise;

~~(9) has treated human ailments, without referral, by physical therapy treatment without first having practiced one year under a physician's orders as verified by the board's records for a physical therapist licensed less than one year, has treated human ailments, without referral, by physical therapy treatment without first having practiced one year in collaboration with a physical therapist with more than one year of experience or under a physician's orders or referrals as verified by the board's records;~~

(10) has failed to consult with the patient's licensed health care provider, or licensed health care professional, who prescribed the physical therapy treatment if the treatment is altered by the physical therapist from the original written order. The provision does not include written orders to "evaluate and treat";

(11) has inappropriately delegated to a physical therapist assistant or inappropriately assigned tasks to an aide, or inadequately supervised a student physical therapist, physical therapist assistant, student physical therapist assistant, or a physical therapy aide;

(12) has practiced as a physical therapist performing medical diagnosis, the practice of medicine as defined in section 147.081, or the practice of chiropractic as defined in section 148.01;

(13) has failed to comply with a reasonable request to obtain appropriate clearance for mental or physical conditions that would interfere with the ability to practice physical therapy, and that may be potentially harmful to patients;

(14) has divided fees with, or paying or promising to pay a commission or part of the fee to, any person who contacts the physical therapist for consultation or sends patients to the physical therapist for treatment;

(15) has engaged in an incentive payment arrangement, other than that prohibited by clause (14), that tends to promote physical therapy overuse, that allows the referring person or person who controls the availability of physical therapy services to a client to profit unreasonably as a result of patient treatment;

(16) has failed to refer to a licensed health care professional a patient whose medical condition

~~at the time of evaluation~~ has been determined by the physical therapist to be beyond the scope of practice of a physical therapist;

(17) has failed to report to the board other licensees who violate this section;

(18) has engaged in the practice of physical therapy under lapsed or nonrenewed credentials;

(19) has had a license, certificate, charter, registration, privilege to take an examination, or other similar authority denied, revoked, suspended, canceled, limited, reprimanded, or otherwise disciplined, or not renewed for cause in any jurisdiction; or has surrendered or voluntarily terminated a license or certificate during a board investigation of a complaint, as part of a disciplinary order, or while under a disciplinary order;

(20) has been subject to a corrective action or similar action in another jurisdiction or by another regulatory authority; or

(21) has failed to cooperate with an investigation of the board, including responding fully and promptly to any question raised by or on behalf of the board relating to the subject of the investigation, executing all releases requested by the board, providing copies of patient records, as reasonably requested by the board to assist it in its investigation, and appearing at conferences or hearings scheduled by the board or its staff.

(b) If grounds for disciplinary action exist under paragraph (a), the board may take one or more of the following actions:

(1) deny the application for licensure;

(2) deny the renewal of the license;

(3) revoke the license;

(4) suspend the license;

(5) impose limitations or conditions on the licensee's practice of physical therapy, including the: (i) limitation of scope of practice to designated field specialties; (ii) imposition of retraining or rehabilitation requirements; (iii) requirement of practice under supervision; or (iv) conditioning of continued practice on demonstration of knowledge or skills by appropriate examination, monitoring, or other review of skill and competence;

(6) impose a civil penalty not to exceed \$10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive the physical therapist of any economic advantage gained by reason of the violation charged, to discourage similar violations, or to reimburse the board for the cost of the investigation and proceeding including, but not limited to, fees paid for services provided by the Office of Administrative Hearings, legal and investigative services provided by the Office of the Attorney General, court reporters, witnesses, reproduction of records, board members' per diem compensation, board staff time, and travel costs and expenses incurred by board staff and board members;

(7) order the licensee to provide unremunerated service;

(8) censure or reprimand the licensee; or

(9) any other action as allowed by law and justified by the facts of the case.

(c) A license to practice as a physical therapist or physical therapist assistant is automatically suspended if (1) a guardian of the licensee is appointed by order of a court pursuant to sections 524.5-101 to 524.5-502, for reasons other than the minority of the licensee; or (2) the licensee is committed by order of a court pursuant to chapter 253B. The license remains suspended until the licensee is restored to capacity by a court and, upon petition by the licensee, the suspension is terminated by the Board of Physical Therapy after a hearing.

Sec. 3. Minnesota Statutes 2006, section 148.76, subdivision 2, is amended to read:

Subd. 2. **Prohibitions.** (a) No physical therapist may:

(1) treat human ailments by physical therapy after an initial ~~30-day~~ 90-day period of patient admittance to treatment has lapsed, except by the order or referral of a person licensed in this state to practice medicine as defined in section 147.081, the practice of chiropractic as defined in section 148.01, the practice of podiatry as defined in section 153.01, the practice of dentistry as defined in section 150A.05, or the practice of advanced practice nursing as defined in section 62A.15, subdivision 3a, when orders or referrals are made in collaboration with a physician, chiropractor, podiatrist, or dentist, and whose license is in good standing; or when a previous diagnosis exists indicating an ongoing condition warranting physical therapy treatment, subject to periodic review defined by Board of Physical Therapy rule. The 90-day limitation of treatment by a physical therapist without an order or referral does not apply to prevention, wellness, education, or exercise;

~~(2) treat human ailments by physical therapy treatment without first having practiced one year under a physician's orders as verified by the board's records;~~

~~(3) (2) use any chiropractic manipulative technique whose end is the chiropractic adjustment of an abnormal articulation of the body; and~~

~~(4) (3) treat human ailments other than by physical therapy unless duly licensed or registered to do so under the laws of this state.~~

(b) No physical therapist licensed less than one year may treat human ailments, without referral, by physical therapy treatment without first having practiced one year in collaboration with a physical therapist with more than one year of experience or under a physician's orders or referrals as verified by the board's records.

Sec. 4. **BOARD OF PHYSICAL THERAPY REPORT.**

By January 15, 2010, the Board of Physical Therapy must report to the legislature any disciplinary actions taken against physical therapists whose conduct resulted in physical harm to a patient, only if that conduct was a result of the statutory changes made in the 2008 legislative session to Minnesota Statutes, sections 148.75 and 148.76, subdivision 2.

Sec. 5. **REPEALER.**

Minnesota Rules, parts 5601.0100, subparts 5, 6, 7, and 8; 5601.1200; 5601.1800; and 5601.1900, are repealed."

Delete the title and insert:

"A bill for an act relating to health occupations; changing provisions for physical therapy licensure; amending Minnesota Statutes 2006, sections 148.65, by adding a subdivision; 148.76, subdivision 2; Minnesota Statutes 2007 Supplement, section 148.75; repealing Minnesota Rules, parts 5601.0100, subparts 5, 6, 7, 8; 5601.1200; 5601.1800; 5601.1900."

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

Senator Vickerman from the Committee on Agriculture and Veterans, to which was referred

S.F. No. 3282: A bill for an act relating to veterans; transferring functions of the Veterans Homes Board of Directors to commissioner of veterans affairs; amending Minnesota Statutes 2006, sections 196.021; 196.03; 198.32, subdivision 1; repealing Minnesota Statutes 2006, sections 198.001, subdivisions 6, 9; 198.002, subdivisions 1, 3, 6; 198.003, subdivisions 5, 6; 198.004, subdivision 2; Minnesota Statutes 2007 Supplement, sections 198.002, subdivision 2; 198.004, subdivision 1; Minnesota Rules, part 9050.0040, subpart 15.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Report adopted.

Senator Vickerman from the Committee on Agriculture and Veterans, to which was referred

S.F. No. 3050: A bill for an act relating to agriculture; modifying the expiration date for the Minnesota Agriculture Education Leadership Council; amending Minnesota Statutes 2006, section 41D.01, subdivision 4.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Report adopted.

Senator Vickerman from the Committee on Agriculture and Veterans, to which was referred

S.F. No. 3281: A bill for an act relating to state government; creating the Veterans Health Care Advisory Council; proposing coding for new law in Minnesota Statutes, chapter 196.

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

Page 1, line 19, after "officio" insert ", non-voting"

Page 2, line 23, delete everything after the first period

Page 2, after line 23, insert:

"Subd. 5. **Expiration.** Notwithstanding section 15.059, subdivision 5, the council is permanent and does not expire."

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 Vickerman from the Committee on Agriculture and Veterans, to which was referred

S.F. No. 2876: A bill for an act relating to animals; changing provisions regulating dangerous dogs; imposing penalties; amending Minnesota Statutes 2006, sections 347.50, by adding a subdivision; 347.51, subdivisions 2a, 3, 4, 7, 9; 347.52; 347.53; 347.54, subdivisions 1, 3; 347.55; 347.56; proposing coding for new law in Minnesota Statutes, chapter 347.

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 347.50, is amended by adding a subdivision to read:

Subd. 8. **Provocation.** "Provocation" means an act that an adult could reasonably expect may cause a dog to attack or bite.

Sec. 2. Minnesota Statutes 2006, section 347.51, subdivision 2, is amended to read:

Subd. 2. **Registration.** An animal control authority shall issue a certificate of registration to the owner of a dangerous dog if the owner presents sufficient evidence that:

(1) a proper enclosure exists for the dangerous dog and a posting on the premises with a clearly visible warning sign, including a warning symbol to inform children, that there is a dangerous dog on the property;

(2) a surety bond issued by a surety company authorized to conduct business in this state in a form acceptable to the animal control authority in the sum of at least ~~\$50,000~~ \$300,000, payable to any person injured by the dangerous dog, or a policy of liability insurance issued by an insurance company authorized to conduct business in this state in the amount of at least ~~\$50,000~~ \$300,000, insuring the owner for any personal injuries inflicted by the dangerous dog;

(3) the owner has paid an annual fee of not more than \$500, in addition to any regular dog licensing fees, to obtain a certificate of registration for a dangerous dog under this section; and

(4) the owner has had microchip identification implanted in the dangerous dog as required under section 347.515.

Sec. 3. Minnesota Statutes 2006, section 347.51, subdivision 2a, is amended to read:

Subd. 2a. **Warning symbol.** ~~If a county~~ an animal control authority issues a certificate of registration to the owner of a dangerous dog pursuant to subdivision 2, ~~the county animal control authority~~ the animal control authority must provide, for posting on the owner's property, a copy of a warning symbol to inform children that there is a dangerous dog on the property. ~~The design of the warning symbol must be the uniform and specified symbol provided by the commissioner of public safety, after consultation with animal control professionals.~~ The design of the warning symbol must be the uniform and specified symbol provided by the commissioner of public safety, after consultation with animal control professionals. ~~The commissioner shall provide the number of copies of the warning symbol requested by each county~~ The animal control authority shall provide the number of copies of the warning symbol requested by the animal control authority and shall charge the county animal control authority the actual cost of the warning symbols received. ~~The county animal control authority may charge the registrant a reasonable fee to cover its administrative costs and the cost of the warning symbol.~~

Sec. 4. Minnesota Statutes 2006, section 347.51, subdivision 3, is amended to read:

Subd. 3. **Fee.** The ~~county~~ animal control authority may charge the owner an annual fee, in addition to any regular dog licensing fees, to obtain a certificate of registration for a dangerous dog under this section.

Sec. 5. Minnesota Statutes 2006, section 347.51, subdivision 4, is amended to read:

Subd. 4. **Law enforcement; exemption.** The provisions of this section do not apply to dangerous dogs being used by law enforcement officials for police work.

Sec. 6. Minnesota Statutes 2006, section 347.51, subdivision 7, is amended to read:

Subd. 7. **Tag.** A dangerous dog registered under this section must have a standardized, easily identifiable tag identifying the dog as dangerous and containing the uniform dangerous dog symbol, affixed to the dog's collar at all times. ~~The commissioner of public safety, after consultation with animal control professionals, shall provide by rule for the design of the tag.~~

Sec. 7. Minnesota Statutes 2006, section 347.51, subdivision 9, is amended to read:

Subd. 9. **Contracted services.** ~~A county~~ An animal control authority may contract with another political subdivision or other person to provide the services required under sections 347.50 to ~~347.54~~ 347.565. Notwithstanding any contract entered into under this subdivision, all fees collected under sections 347.50 to 347.54 shall be paid to the ~~county~~ animal control authority and all certificates of registration must be issued in the name of the ~~county~~ animal control authority.

Sec. 8. Minnesota Statutes 2006, section 347.52, is amended to read:

347.52 DANGEROUS DOGS; REQUIREMENTS.

(a) An owner of a dangerous dog shall keep the dog, while on the owner's property, in a proper enclosure. If the dog is outside the proper enclosure, the dog must be muzzled and restrained by a substantial chain or leash and under the physical restraint of a responsible person. The muzzle must be made in a manner that will prevent the dog from biting any person or animal but that will not cause injury to the dog or interfere with its vision or respiration.

(b) An owner of a dangerous dog must renew the registration of the dog annually until the dog is deceased. If the dog is removed from the jurisdiction, it must be registered as a dangerous dog in its new jurisdiction.

(c) An owner of a dangerous dog must notify the animal control authority in writing of the death of the dog or its transfer to a new ~~jurisdiction~~ location where the dog will reside within 30 days of the death or transfer, and must, if requested by the animal control authority, execute an affidavit under oath setting forth either the circumstances of the dog's death and disposition or the complete name, address, and telephone number of the person to whom the dog has been transferred or the address where the dog has been relocated.

(d) An animal control authority ~~may~~ shall require a dangerous dog to be sterilized at the owner's expense. If the owner does not have the animal sterilized within 30 days, the animal control authority ~~may~~ shall ~~seize the dog and have the animal~~ it sterilized at the owner's expense.

(e) A person who owns a dangerous dog and who rents property from another where the dog

will reside must disclose to the property owner prior to entering the lease agreement and at the time of any lease renewal that the person owns a dangerous dog that will reside at the property.

(f) A person who ~~sells~~ transfers ownership of a dangerous dog must notify the ~~purchaser~~ new owner that the animal control authority has identified the dog as dangerous. The ~~seller~~ current owner must also notify the animal control authority in writing of the ~~sale~~ transfer of ownership and provide the animal control authority with the new owner's name, address, and telephone number.

Sec. 9. Minnesota Statutes 2006, section 347.53, is amended to read:

347.53 POTENTIALLY DANGEROUS AND DANGEROUS DOGS.

Any statutory or home rule charter city, or any county, may regulate potentially dangerous and dangerous dogs. Except as provided in section 347.51, subdivision 8, nothing in sections 347.50 to ~~347.54~~ 347.565 limits any restrictions that the local jurisdictions may place on owners of potentially dangerous or dangerous dogs.

Sec. 10. Minnesota Statutes 2006, section 347.54, subdivision 1, is amended to read:

Subdivision 1. **Seizure.** (a) The animal control authority having jurisdiction shall immediately seize any dangerous dog if:

(1) after 14 days after the owner has notice that the dog is dangerous, the dog is not validly registered under section 347.51;

(2) after 14 days after the owner has notice that the dog is dangerous, the owner does not secure the proper liability insurance or surety coverage as required under section 347.51, subdivision 2;

(3) the dog is not maintained in the proper enclosure; ~~or~~

(4) the dog is outside the proper enclosure and not under physical restraint of a responsible person as required under section 347.52; or

(5) the dog is not sterilized within 30 days, pursuant to section 347.52, paragraph (d).

(b) If an owner of a dog is convicted of a crime for which the dog was originally seized, the court may order that the dog be confiscated and destroyed in a proper and humane manner, and that the owner pay the costs incurred in confiscating, confining, and destroying the dog.

Sec. 11. Minnesota Statutes 2006, section 347.54, subdivision 3, is amended to read:

Subd. 3. **Subsequent offenses; seizure.** If a person has been convicted of a misdemeanor for violating a provision of section 347.51, 347.515, or 347.52, and the person is charged with a subsequent violation relating to the same dog, the dog must be seized by the animal control authority having jurisdiction. If the owner is convicted of the crime for which the dog was seized, the court shall order that the dog be destroyed in a proper and humane manner and the owner pay the cost of confining and destroying the animal. ~~If the person is not convicted of the crime for which the dog was seized, the owner may reclaim the dog upon payment to the animal control authority of a fee for the care and boarding of the dog. If the owner is found not guilty and the dog is not reclaimed by the owner within seven days after the owner has been notified that the dog may be reclaimed, the dog may be disposed of as provided under section 35.71, subdivision 3, and the owner is liable to the animal control authority for the costs incurred in confining, impounding, and~~

~~disposing of the dog.~~

Sec. 12. [347.541] DISPOSITION OF SEIZED ANIMALS.

Subdivision 1. **Hearing.** The owner of any dog declared dangerous has the right to a hearing by an impartial hearing officer.

Subd. 2. **Security.** A person claiming an interest in a seized dog may prevent disposition of the dog by posting security in an amount sufficient to provide for the dog's actual cost of care and keeping. The security must be posted within 14 days of the seizure inclusive of the date of the seizure.

Subd. 3. **Notice.** The authority declaring the dog dangerous shall give notice of this section by delivering or mailing it to the owner of the dog, or by posting a copy of it at the place where the dog is kept, or by delivering it to a person residing on the property, and telephoning, if possible. The notice must include:

(1) a description of the seized dog; the authority for and purpose of the dangerous dog declaration and seizure; the time, place, and circumstances under which the dog was declared dangerous; and the telephone number and contact person where the dog is kept;

(2) a statement that the owner of the dog may request a hearing concerning the dangerous dog declaration and, if applicable, prior potentially dangerous dog declarations for the dog, and that failure to do so within 14 days of the date of the notice will terminate the owner's right to a hearing under this section;

(3) a statement that if an appeal request is made within 14 days of the notice, the owner must immediately comply with the requirements of section 347.52, paragraphs (a) and (c), and until such time as the hearing officer issues an opinion;

(4) a statement that if the hearing officer affirms the dangerous dog declaration, the owner will have 14 days from receipt of that decision to comply with all other requirements of sections 347.51, 347.515, and 347.52;

(5) a form that can be used by the owner of the dog that was seized for requesting a hearing under this subdivision; and

(6) a statement that all actual costs of the care, keeping, and disposition of the dog are the responsibility of the person claiming an interest in the dog, except to the extent that a court or hearing officer finds that the seizure or impoundment was not substantially justified by law.

Subd. 4. **Right to hearing.** Any hearing must be held within 30 days of the request to determine the validity of the dangerous dog declaration. The hearing officer must be an impartial employee of the local government or an impartial person retained by the local government to conduct the hearing. In the event that the dangerous dog declaration is upheld by the hearing officer, actual expenses of the hearing up to a maximum of \$1,000 will be the responsibility of the dog's owner. The hearing officer shall issue a decision on the matter within ten days after the hearing. The decision must be delivered to the dog's owner by hand delivery or registered mail as soon as practical and a copy must be provided to the animal control authority.

Sec. 13. [347.542] RESTRICTIONS.

Subdivision 1. **Dog ownership prohibited.** Except as provided in subdivision 3, no person may own a dog if the person has:

- (1) been convicted of a third or subsequent violation of section 347.51, 347.515, or 347.52;
- (2) been convicted of a violation under section 609.205, clause (4);
- (3) been convicted of a gross misdemeanor under section 609.226, subdivision 1;
- (4) been convicted of a violation under section 609.226, subdivision 2; or
- (5) had a dog ordered destroyed under section 347.56 and been convicted of one or more violations of section 347.51, 346.515, 347.52, or 609.226, subdivision 2.

Subd. 2. **Household members.** No member of a household may own a dog where a person resides who is prohibited from dog ownership under subdivision 1.

Subd. 3. **Dog ownership prohibition review.** Beginning three years after a conviction under subdivision 1 prohibits a person from owning a dog, and annually thereafter, the person may request that the animal control authority review the prohibition. The animal control authority may consider such facts as the seriousness of the violation or violations that led to the prohibition, any criminal convictions, or other facts that the animal control authority deems appropriate. The animal control authority may rescind the prohibition entirely or rescind it with limitations. The animal control authority also may establish conditions a person must meet before the prohibition is rescinded, including, but not limited to, successfully completing dog training or dog handling courses. If the animal control authority rescinds a person's prohibition and the person subsequently fails to comply with any limitations imposed by the animal control authority or the person is convicted of any animal violation involving unprovoked bites or dog attacks, the animal control authority may permanently prohibit the person from owning a dog in this state.

Sec. 14. Minnesota Statutes 2006, section 347.55, is amended to read:

347.55 PENALTY.

(a) ~~Any~~ A person who violates ~~any~~ a provision of section 347.51, 347.515, or 347.52 is guilty of a misdemeanor.

(b) It is a misdemeanor to remove a microchip from a dangerous or potentially dangerous dog, to fail to renew the registration of a dangerous dog, to fail to account for a dangerous dog's death or ~~removal from the jurisdiction~~ change of location, to sign a false affidavit with respect to a dangerous dog's death or ~~removal from the jurisdiction~~ change of location where the dog will reside, or to fail to disclose ownership of a dangerous dog to a property owner from whom the person rents property.

(c) A person who is convicted of a second or subsequent violation of paragraph (a) or (b) is guilty of a gross misdemeanor.

(d) An owner who violates section 347.542, subdivision 1, is guilty of a gross misdemeanor.

(e) Any household member who knowingly violates section 347.542, subdivision 2, is guilty of a gross misdemeanor.

Sec. 15. Minnesota Statutes 2006, section 347.56, is amended to read:

347.56 DESTRUCTION OF DOG IN CERTAIN CIRCUMSTANCES.

Subdivision 1. **Circumstances.** Notwithstanding sections 347.51 to 347.55, a dog that inflicted substantial or great bodily harm on a human being on public or private property without provocation may be destroyed in a proper and humane manner by the animal control authority. The animal control authority may not destroy the dog until the dog owner has had the opportunity for a hearing before an impartial decision maker. may be destroyed in a proper and humane manner by the animal control authority if the dog:

(1) inflicted substantial or great bodily harm on a human on public or private property without provocation;

(2) inflicted multiple bites on a human on public or private property without provocation;

(3) bit multiple human victims on public or private property in the same attack without provocation; or

(4) bit a human on public or private property without provocation in an attack where more than one dog participated in the attack.

Subd. 2. **Hearing.** The animal control authority may not destroy the dog until the dog owner has had the opportunity for a hearing before an impartial decision maker. The definitions in section 347.50 and the exemptions under section 347.51, subdivision 5, apply to this section.

Sec. 16. [347.565] APPLICABILITY.

Sections 347.50 to 347.56 must be enforced by animal control authorities or law enforcement agencies, whether or not these sections have been adopted into local ordinance."

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 Vickerman from the Committee on Agriculture and Veterans, to which was referred

S.F. No. 3262: A bill for an act relating to agriculture; adding a member to the NextGen Energy Board; removing a sunset date; modifying an appropriation; amending Minnesota Statutes 2007 Supplement, section 41A.105; Laws 2007, chapter 45, article 1, section 3, subdivision 4.

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

Page 2, line 19, reinstate "Subd. 5. Expiration." and after the fourth stricken period, insert "Notwithstanding section 15.059, subdivision 5, the board is permanent and does not expire."

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 Vickerman from the Committee on Agriculture and Veterans, to which was referred

S.F. No. 3003: A bill for an act relating to agriculture; requiring wholesalers of lawn fertilizer containing phosphorous to provide retail signage; amending Minnesota Statutes 2006, section 18C.60, by adding a subdivision; repealing Minnesota Statutes 2006, section 18C.60, subdivision 4.

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 18C.60, is amended by adding a subdivision to read:

Subd. 5. **Retail signage.** (a) A wholesaler of lawn fertilizer containing phosphorus must provide to each retail establishment offering its product for sale a conspicuous sign stating the legal limitations on the fertilizer's use. "Conspicuous" means lettering in black Arial typeface at least three-eighths of an inch in height against a bright contrasting background. The sign must state:

"For the protection of water quality, Minnesota law prohibits application of lawn fertilizer containing phosphorus except when:

- (1) establishing a new lawn with seed or sod;
- (2) a soil test or plant tissue test shows a need for phosphorus;
- (3) applied on a golf course by a trained person; or
- (4) applied on farms growing sod for sale."

(b) A retailer offering lawn fertilizer containing phosphorus must post a sign with the fertilizer display.

(c) A wholesaler must provide instructions for posting the sign as described in this subdivision and contact information for the Department of Agriculture where more information can be obtained.

(d) A retailer may substitute signs provided by a wholesaler with an alternative sign that meets requirements of paragraph (a).

Sec. 2. **REPEALER.**

Minnesota Statutes 2006, section 18C.60, subdivision 4, is repealed."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2706, 1918, 2605, 2756, 3258, 3394, 2825, 3417 and 1018 were read the second time.

MOTIONS AND RESOLUTIONS

Senator Larson moved that his name be stricken as chief author, shown as a co-author, and the name of Senator Betzold be added as chief author to S.F. No. 181. The motion prevailed.

Senator Senjem moved that the name of Senator Neuville be stricken as a co-author to S.F. No. 1945. The motion prevailed.

Senator Ortman moved that the name of Senator Hann be added as a co-author to S.F. No. 1945. The motion prevailed.

Senator Pappas moved that the name of Senator Clark be added as a co-author to S.F. No. 2846. The motion prevailed.

Senator Marty moved that the name of Senator Olson, M. be added as a co-author to S.F. No. 2917. The motion prevailed.

Senator Betzold moved that the names of Senators Larson, Koering and Saxhaug be added as co-authors to S.F. No. 2997. The motion prevailed.

Senator Vickerman moved that the name of Senator Day be added as a co-author to S.F. No. 3264. The motion prevailed.

Senator Dibble moved that the name of Senator Olson, M. be added as a co-author to S.F. No. 3379. The motion prevailed.

Senator Anderson moved that the name of Senator Bonoff be added as a co-author to S.F. No. 3396. The motion prevailed.

Senator Rest moved that the name of Senator Tomassoni be added as a co-author to S.F. No. 3447. The motion prevailed.

Senator Chaudhary moved that the name of Senator Ingebrigtsen be added as a co-author to S.F. No. 3488. The motion prevailed.

Senator Clark moved that the names of Senators Ingebrigtsen and Olson, M. be added as co-authors to S.F. No. 3492. The motion prevailed.

Senator Larson moved that the name of Senator Murphy be added as a co-author to S.F. No. 3496. The motion prevailed.

Senator Olseen moved that the name of Senator Hann be added as a co-author to S.F. No. 3535. The motion prevailed.

Senator Olseen moved that S.F. No. 3285 be withdrawn from the Committee on Taxes and re-referred to the Committee on Transportation. The motion prevailed.

Senator Ortman moved that S.F. No. 3439 be withdrawn from the Committee on Taxes and re-referred to the Committee on Transportation. The motion prevailed.

Senator Pogemiller, for Senator Latz, moved that S.F. No. 2502 be withdrawn from the Committee on Finance and re-referred to the Committee on Transportation. The motion prevailed.

Senator Dibble moved that S.F. No. 2809 be withdrawn from the Committee on Health, Housing and Family Security and re-referred to the Committee on Judiciary. The motion prevailed.

Senator Pogemiller, for Senator Doll, moved that S.F. No. 2938 be withdrawn from the Committee on Taxes and re-referred to the Committee on Transportation. The motion prevailed.

Senator Betzold introduced –

Senate Resolution No. 153: A Senate resolution congratulating the Spring Lake Park Killer Bees boys hockey team on winning the 2008 Squirrel B2 District 10 hockey championship.

Referred to the Committee on Rules and Administration.

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.

Senator Higgins introduced–

S.F. No. 3559: A bill for an act relating to safe patient handling; requiring clinical plans; amending Minnesota Statutes 2007 Supplement, sections 182.6551; 182.6552, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 182.

Referred to the Committee on Business, Industry and Jobs.

Senators Wiger, Saltzman, Torres Ray and Pogemiller introduced–

S.F. No. 3560: A bill for an act relating to education; creating a grant program to allow school districts to embed social and emotional learning into their curriculum; appropriating money.

Referred to the Committee on Education.

Senators Olseen, Wiger, Skoe and Stumpf introduced–

S.F. No. 3561: A bill for an act relating to pupil transportation; modifying certain school bus definitions and driver's license requirements; amending Minnesota Statutes 2006, sections 169.01, subdivision 6; 171.321, subdivision 5; Minnesota Statutes 2007 Supplement, section 171.02, subdivisions 2, 2a.

Referred to the Committee on Transportation.

Senators Murphy and Dibble introduced–

S.F. No. 3562: A bill for an act relating to traffic regulations; limiting use of wireless communications devices while operating a motor vehicle; amending Minnesota Statutes 2006, section 169.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Transportation.

Senators Erickson Ropes, Doll, Hann and Wergin introduced–

S.F. No. 3563: A bill for an act relating to human services; making changes to continuing care provisions; amending local certification requirements; amending Minnesota Statutes 2007 Supplement, section 256B.49, subdivision 16a.

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

Senator Murphy introduced–

S.F. No. 3564: A bill for an act relating to transportation finance; correcting transitional rate of special fuel excise tax on compressed natural gas; amending Laws 2008, chapter 152, article 3, section 6.

Referred to the Committee on Finance.

Senator Tomassoni introduced–

S.F. No. 3565: A bill for an act relating to human services; prohibiting the release of the names of certain potential enrollees to health plans for marketing purposes; amending Minnesota Statutes 2006, section 256B.69, subdivision 28.

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

Senators Larson and Senjem introduced–

S.F. No. 3566: A bill for an act relating to economic development abatements; modifying the maximum limitation on abatements; amending Minnesota Statutes 2006, section 469.1813, subdivision 8.

Referred to the Committee on Taxes.

Senators Tomassoni and Bakk introduced–

S.F. No. 3567: A bill for an act relating to St. Louis County; providing for civil service pilot projects; amending Minnesota Statutes 2006, section 383C.034.

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

Senators Doll, Prettner Solon, Koering and Berglin introduced–

S.F. No. 3568: A bill for an act relating to human services; increasing the appropriation for child support enforcement; requiring an annual appropriation for child support incentives; amending Minnesota Statutes 2006, section 256.979, subdivision 11; Laws 2007, chapter 147, article 19, section 3, subdivision 4.

Referred to the Committee on Finance.

Senators Gimse, Fischbach and Ingebrigtsen introduced–

S.F. No. 3569: A bill for an act relating to capital improvements; appropriating money for a regional adult and wellness center in Melrose; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senators Skoe and Sparks introduced–

S.F. No. 3570: A bill for an act relating to health; making changes to the smoking ban by adding definitions and an exception and requiring posted signs; amending Minnesota Statutes 2006, section 144.413, by adding subdivisions; Minnesota Statutes 2007 Supplement, section 144.4167, by adding subdivisions.

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

Senator Lourey introduced–

S.F. No. 3571: A bill for an act relating to human services; amending state-operated services; allowing certain nonstate employees to work for community-based programs; amending Minnesota Statutes 2006, section 252.50, subdivision 1.

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

Senators Dibble, Senjem, Rest, Saxhaug and Jungbauer introduced–

S.F. No. 3572: A bill for an act relating to railroads; requiring walkways by certain track; proposing coding for new law in Minnesota Statutes, chapter 219.

Referred to the Committee on Transportation.

Senators Sheran, Lynch, Rosen and Bakk introduced–

S.F. No. 3573: A bill for an act relating to health; authorizing a computer-based model to assess the impact of health care reform proposals; requiring a study of changes to state budgeting approaches; appropriating money.

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

Senators Wiger, Saltzman, Hann, Stumpf and Torres Ray introduced–

S.F. No. 3574: A bill for an act relating to education; increasing the age of compulsory attendance from 16 to 18; amending Minnesota Statutes 2006, section 120A.22, subdivision 5; repealing Minnesota Statutes 2006, section 120A.22, subdivision 8.

Referred to the Committee on Education.

Senators Wergin, Fischbach, Pariseau, Vickerman and Stumpf introduced–

S.F. No. 3575: A bill for an act relating to health; prohibiting saline amniocentesis; providing

civil and criminal penalties; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Senators Rest, Dibble, Ingebrigtsen, Chaudhary and Pariseau introduced—

S.F. No. 3576: A bill for an act relating to natural resources; providing for viral hemorrhagic septicemia control; authorizing rulemaking; amending Minnesota Statutes 2006, sections 17.4985, subdivisions 2, 3, 5; 17.4986, subdivisions 1, 2, 4; 17.4987; 17.4992, subdivision 2; 17.4993; 84D.03, subdivision 4; 97C.203; 97C.205; 97C.341; 97C.391, by adding a subdivision; 97C.505, subdivision 1; 97C.515, subdivisions 2, 4, 5; 97C.821; repealing Minnesota Statutes 2006, section 97C.515, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Senators Gimse, Ingebrigtsen, Gerlach, Day and Fischbach introduced—

S.F. No. 3577: A bill for an act relating to public safety; directing the attorney general to prepare a report on the costs of illegal immigration to the state; requiring the attorney general to assess the cost of illegal immigration to the federal government; directing the attorney general to monitor and record the responses of federal immigration authorities to inquiries submitted by state law enforcement officers; proposing coding for new law in Minnesota Statutes, chapters 8; 626.

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

Senators Olseen, Clark, Wergin, Vickerman and Day introduced—

S.F. No. 3578: A bill for an act relating to taxation; providing apportionment of tax-forfeited land proceeds for special assessment to governmental subdivision; amending Minnesota Statutes 2006, section 282.08.

Referred to the Committee on Taxes.

Senator Bakk introduced—

S.F. No. 3579: A bill for an act relating to taxation; authorizing St. Louis County to impose a levy within a certain territory for the support of a provider of first responder services; proposing coding for new law in Minnesota Statutes, chapter 383C.

Referred to the Committee on Taxes.

Senator Chaudhary introduced—

S.F. No. 3580: A bill for an act relating to environment; modifying toxic chemical release reporting requirements; amending Minnesota Statutes 2006, section 299K.08, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Senators Sheran, Lourey and Koering introduced—

S.F. No. 3581: A bill for an act relating to health; modifying provisions for pharmacy practice; amending Minnesota Statutes 2006, section 151.01, subdivision 27.

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

Senators Hann, Michel and Vandever introduced—

S.F. No. 3582: A bill for an act relating to insurance; enacting the Minnesota Freedom to Buy and Sell Act; providing Minnesota employers and residents with the freedom to buy health coverage approved for sale in any state; providing insurance companies the freedom to sell in this state any health coverage permitted for sale in any other state; amending Minnesota Statutes 2006, section 62A.02, by adding a subdivision.

Referred to the Committee on Commerce and Consumer Protection.

Senator Vandever introduced—

S.F. No. 3583: A bill for an act relating to public health; prohibiting the Board of Medical Practice from bringing a disciplinary action against a physician for prescribing, administering, or dispensing long-term antibiotic therapy for Lyme disease; proposing coding for new law in Minnesota Statutes, chapter 147.

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

Senator Skoe introduced—

S.F. No. 3584: A bill for an act relating to taxation; property; modifying certification of proposed levies for purposes of truth in taxation; amending Minnesota Statutes 2006, section 275.065, by adding a subdivision.

Referred to the Committee on Taxes.

Senator Berglin introduced—

S.F. No. 3585: A bill for an act relating to human services; providing support for individuals who are shelter needy; appropriating money; amending Minnesota Statutes 2006, section 256D.44, subdivisions 2, 5.

Referred to the Committee on Finance.

Senators Ingebrigtsen and Gimse introduced—

S.F. No. 3586: A bill for an act relating to public safety; classifying background check data on individuals as private; amending Minnesota Statutes 2006, section 13.87, by adding a subdivision.

Referred to the Committee on Judiciary.

Senators Ingebrigtsen and Gimse introduced—

S.F. No. 3587: A bill for an act relating to public safety; modifying reporting of firearm discharge; amending Minnesota Statutes 2006, section 626.553, subdivision 2.

Referred to the Committee on Judiciary.

Senators Ingebrigtsen and Gimse introduced—

S.F. No. 3588: A bill for an act relating to transportation; regulating registration and operation of mini trucks; amending Minnesota Statutes 2006, sections 168.011, subdivision 7; 168A.03, subdivision 1; 169.01, subdivision 3a, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Transportation.

Senator Torres Ray introduced—

S.F. No. 3589: A bill for an act relating to higher education; establishing a pilot financial aid program for teachers of color; appropriating money.

Referred to the Committee on Finance.

Senators Torres Ray and Wiger introduced—

S.F. No. 3590: A bill for an act relating to education; establishing a temporary, three-year appeals process for high school seniors who do not receive a passing score on the state GRAD test; directing the education commissioner to evaluate this process and make recommendations; amending Minnesota Statutes 2006, section 120B.36, by adding a subdivision.

Referred to the Committee on Education.

Senators Ortman, Gimse and Skoe introduced—

S.F. No. 3591: A bill for an act relating to taxation; property; reducing the class rate on certain seasonal restaurant property; amending Minnesota Statutes 2006, section 273.13, subdivision 25.

Referred to the Committee on Taxes.

Senators Limmer, Higgins, Hann, Foley and Scheid introduced—

S.F. No. 3592: A bill for an act relating to public safety; authorizing the continuation of the domestic fatality review team; amending Laws 1999, chapter 216, article 2, section 27, subdivisions 1, as amended, 4; repealing Laws 2002, chapter 266, section 1, as amended.

Referred to the Committee on Judiciary.

Senators Olson, G.; Pariseau; Ingebrigtsen and Saxhaug introduced—

S.F. No. 3593: A bill for an act relating to natural resources; modifying invasive species

provisions; providing civil penalties; amending Minnesota Statutes 2006, sections 84D.10, subdivisions 1, 2; 84D.13, subdivisions 4, 5.

Referred to the Committee on Environment and Natural Resources.

Senator Scheid introduced—

S.F. No. 3594: A bill for an act relating to commerce; regulating real estate transactions; defining terms; regulating closing agents; amending Minnesota Statutes 2006, sections 68A.04; 82.17, subdivision 3; 82.49.

Referred to the Committee on Commerce and Consumer Protection.

Senators Erickson Ropes, Vickerman, Jungbauer and Kubly introduced—

S.F. No. 3595: A bill for an act relating to health; providing that WIC coupons may be used to purchase organic food; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Senators Fischbach and Pariseau introduced—

S.F. No. 3596: A bill for an act relating to game and fish; modifying requirements for fishing contest permits; amending Minnesota Statutes 2007 Supplement, section 97C.081, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Senator Wiger introduced—

S.F. No. 3597: A bill for an act relating to data practices; permitting certain educational data sharing; amending Minnesota Statutes 2006, section 13.32, by adding a subdivision.

Referred to the Committee on Judiciary.

Senators Betzold, Larson, Cohen, Saxhaug and Koering introduced—

S.F. No. 3598: A bill for an act relating to retirement; St. Paul Teachers Retirement Fund Association; extending the rule of 90 benefit tier to post-1989 hires; amending Minnesota Statutes 2006, sections 354A.011, subdivision 15a; 354A.12, subdivisions 1, 2a; 354A.31, subdivisions 1, 4, 6, 7; 354A.35, subdivision 2; Minnesota Statutes 2007 Supplement, section 356.351, subdivision 2.

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

Senators Betzold, Larson, Cohen, Saxhaug and Koering introduced—

S.F. No. 3599: A bill for an act relating to retirement; Duluth Teachers Retirement Fund Association; extending the rule of 90 benefit tier to post-1989 hires; amending Minnesota Statutes 2006, sections 354A.011, subdivision 15a; 354A.12, subdivisions 1, 2a; 354A.31, subdivisions 1, 4a, 6, 7; 354A.35, subdivision 2; Minnesota Statutes 2007 Supplement, section 356.351, subdivision 2.

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

Senator Koering introduced—

S.F. No. 3600: A bill for an act relating to drivers' licenses; amending appearance of restricted license; amending Minnesota Statutes 2006, section 171.07, subdivision 1.

Referred to the Committee on Transportation.

Senators Higgins and Tomassoni introduced—

S.F. No. 3601: A bill for an act relating to public safety; increasing criminal penalties for assaulting utility company employees; amending Minnesota Statutes 2006, section 609.2231, by adding a subdivision.

Referred to the Committee on Judiciary.

Senators Dibble, Anderson, Murphy, Tomassoni and Lourey introduced—

S.F. No. 3602: A resolution memorializing Congress and the President of the United States, addressing the limits to the constitutional and statutory authority of the President to federalize and deploy the Minnesota National Guard in Iraq; declaring that the authority for that deployment has terminated; requesting actions be taken to terminate federalization and bring troops back to Minnesota as members of the Minnesota National Guard; and reaffirming that Minnesota National Guard members be limited to service on behalf of the state of Minnesota, unless properly and lawfully called into federal service.

Referred to the Committee on Agriculture and Veterans.

Senator Skoe introduced—

S.F. No. 3603: A bill for an act relating to economic development; modifying loan repayment provision; amending Laws 1999, chapter 223, article 2, section 72.

Referred to the Committee on Finance.

Senators Betzold and Rest introduced—

S.F. No. 3604: A bill for an act relating to real estate; adjusting the statute of repose for homeowner warranty claims; amending Minnesota Statutes 2007 Supplement, section 541.051, subdivision 4.

Referred to the Committee on Judiciary.

Senator Prettner Solon introduced—

S.F. No. 3605: A bill for an act relating to energy; establishing Legislative Energy Commission; abolishing Legislative Electric Energy Task Force; making conforming correction; amending Minnesota Statutes 2006, section 216B.2424, subdivision 1; proposing coding for new law in

Minnesota Statutes, chapter 3; repealing Minnesota Statutes 2006, section 216C.051, subdivisions 3, 4a, 6, 7, 8; Minnesota Statutes 2007 Supplement, section 216C.051, subdivisions 2, 8a, 9.

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

Senators Scheid, Wergin, Sparks and Rosen introduced—

S.F. No. 3606: A bill for an act relating to health; changing the evaluation process for mandated health benefit proposals; requiring a report; amending Minnesota Statutes 2006, section 62J.26.

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

Senator Moua introduced—

S.F. No. 3607: A bill for an act relating to mortgage foreclosures; declaring an emergency; permitting postponement of certain mortgage foreclosure proceedings; proposing coding for new law in Minnesota Statutes, chapter 582.

Referred to the Committee on Commerce and Consumer Protection.

Senator Moua introduced—

S.F. No. 3608: A bill for an act relating to crime; providing for a minimum presumptive executed sentence for repeat sex offenders; amending Minnesota Statutes 2006, section 609.3455, by adding a subdivision.

Referred to the Committee on Judiciary.

Senators Olson, M.; Limmer and Moua introduced—

S.F. No. 3609: A bill for an act relating to crimes; modifying law protecting victims of sexual assault; amending Minnesota Statutes 2006, sections 609.342, subdivision 1; 609.343, subdivision 1; 628.26; Minnesota Statutes 2007 Supplement, section 609.341, subdivision 11.

Referred to the Committee on Judiciary.

Senator Moua introduced—

S.F. No. 3610: A bill for an act relating to access to criminal justice information; modifying provisions governing public access to criminal history data; amending Minnesota Statutes 2007 Supplement, section 13.87, subdivision 1.

Referred to the Committee on Judiciary.

Senator Moua introduced—

S.F. No. 3611: A bill for an act relating to public safety; registration procedure for predatory offenders being released from a correctional facility and not going to a new primary address; clarifying sufficiency of notice for verification of a person's address for the registration of predatory offenders; making further clarification that registration of predatory offenders applies to offenders

who move to Minnesota from other states; requiring predatory offender registration database checks for persons booked at jails; providing criminal penalties; amending Minnesota Statutes 2006, sections 243.166, subdivisions 3a, 4; 243.167, subdivision 2; 641.05.

Referred to the Committee on Judiciary.

Senator Moua introduced—

S.F. No. 3612: A bill for an act relating to public safety; requiring the collection and analysis of data and the adoption of policies on racial profiling; requiring that certain information be provided to motorists involved in a traffic stop; requiring law enforcement training in eliminating racial profiling; requiring reports; requiring improvement plans; appropriating money; amending Minnesota Statutes 2006, sections 13.871, subdivision 6; 626.9517, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapter 626; repealing Minnesota Statutes 2006, section 626.951.

Referred to the Committee on Judiciary.

Senator Moua introduced—

S.F. No. 3613: A bill for an act relating to public safety; permitting written verification of predatory offender residence in another state; amending Minnesota Statutes 2006, section 243.166, subdivision 3.

Referred to the Committee on Judiciary.

Senator Moua introduced—

S.F. No. 3614: A bill for an act relating to education; requiring public school students to complete service learning hours as a condition of graduating from high school; amending Minnesota Statutes 2007 Supplement, section 120B.024.

Referred to the Committee on Education.

Senators Carlson, Murphy and Jungbauer introduced—

S.F. No. 3615: A bill for an act relating to drivers' licenses; providing that payment of vehicle taxes and fees by dishonored check results in person becoming ineligible to receive driver's license; amending Minnesota Statutes 2006, section 171.04, subdivision 1.

Referred to the Committee on Transportation.

Senator Dibble introduced—

S.F. No. 3616: A bill for an act relating to taxation; modifying a sales tax exemption related to wood waste cogeneration facilities; amending Minnesota Statutes 2006, section 297A.71, subdivision 8.

Referred to the Committee on Taxes.

Senator Dibble introduced–

S.F. No. 3617: A bill for an act relating to taxation; modifying a property tax exemption for certain biomass electric generation facilities; amending Minnesota Statutes 2006, section 272.02, subdivision 82.

Referred to the Committee on Taxes.

Senator Marty introduced–

S.F. No. 3618: A bill for an act relating to retirement; Teachers Retirement Association; permitting certain Minnesota State Colleges and Universities system faculty members to elect prospective and retroactive defined benefit coverage for Minnesota State Colleges and Universities employment.

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

Senators Koch, Robling, Gerlach, Ingebrigtsen and Limmer introduced–

S.F. No. 3619: A bill for an act relating to health; prohibiting saline amniocentesis; providing civil and criminal penalties; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Senator Gerlach introduced–

S.F. No. 3620: A bill for an act relating to health occupations; providing for a Nurse Licensure Compact; providing for appointments; proposing coding for new law in Minnesota Statutes, chapter 148.

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

Senators Chaudhary, Rosen, Skoe and Anderson introduced–

S.F. No. 3621: A bill for an act relating to game and fish; modifying seasons and limits for certain game fish; amending Minnesota Statutes 2006, sections 97C.001, subdivision 3; 97C.005, subdivision 3; 97C.395, subdivision 1; 97C.401, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Senators Olseen, Lourey, Gimse, Day and Vickerman introduced–

S.F. No. 3622: A bill for an act relating to local government; changing the contract threshold amounts subject to certain requirements of the Uniform Municipal Contracting Law; amending Minnesota Statutes 2006, sections 103E.705, subdivisions 5, 6, 7; 471.345, subdivisions 3, 4; Minnesota Statutes 2007 Supplement, section 471.345, subdivisions 3a, 4a, 5.

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

Senators Hann, Lourey, Michel and Robling introduced–

S.F. No. 3623: A bill for an act relating to higher education; providing for disclosure of certain information; amending Minnesota Statutes 2006, section 13.32, subdivision 3.

Referred to the Committee on Higher Education.

Senators Wergin, Gerlach, Michel and Koch introduced–

S.F. No. 3624: A bill for an act relating to capital investment; providing for a debt limit; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Finance.

Senator Marty introduced–

S.F. No. 3625: A bill for an act relating to health; regulating the use of lasers, intense pulsed light devices, and radio frequency devices; amending Minnesota Statutes 2006, section 147.081, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 147.

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

Senators Marty, Wiger and Rummel introduced–

S.F. No. 3626: A bill for an act relating to state aids to local governments; modifying the need measure used in the local government aid formula; amending Minnesota Statutes 2006, section 477A.011, subdivisions 34, 36, by adding a subdivision.

Referred to the Committee on Taxes.

Senator Saltzman introduced–

S.F. No. 3627: A bill for an act relating to construction professions; creating a Board of Residential Construction; authorizing rulemaking; amending Minnesota Statutes 2007 Supplement, sections 326.87, subdivisions 1, 2, 5, 10, 21; 326.91, subdivision 1; 326B.02, subdivisions 2, 5; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Business, Industry and Jobs.

Senator Betzold introduced–

S.F. No. 3628: A bill for an act relating to probate; enacting the Uniform Disclaimer of Property Interests Act; proposing coding for new law in Minnesota Statutes, chapter 524; repealing Minnesota Statutes 2006, sections 501B.86; 525.532.

Referred to the Committee on Judiciary.

Senators Murphy, Rest and Scheid introduced–

S.F. No. 3629: A bill for an act relating to public safety; allowing more stringent local regulation

of fire sprinklers; making clarifying changes; amending Minnesota Statutes 2006, section 299F.011, subdivision 4.

Referred to the Committee on Judiciary.

Senators Saxhaug, Betzold and Tomassoni introduced—

S.F. No. 3630: A bill for an act relating to retirement; volunteer firefighters; establishing a voluntary statewide lump-sum retirement plan; making conforming changes to existing volunteer firefighter laws; appropriating money; amending Minnesota Statutes 2006, sections 69.011, subdivisions 1, 2, 4; 69.021, subdivisions 4, 7, 9; 69.031, subdivision 1; 356.20, subdivision 2; 356.214, subdivision 1; 356.215, subdivisions 8, 11; 356.401, subdivision 3; 356A.01, subdivision 24; 356B.05; proposing coding for new law as Minnesota Statutes, chapter 424C.

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

Senator Stumpf introduced—

S.F. No. 3631: A bill for an act relating to education; providing for prekindergarten through grade 12 education, including general education, education excellence, and state agencies; appropriating money; amending Minnesota Statutes 2006, sections 122A.40, subdivision 8; 122A.72, by adding a subdivision; 124D.04, subdivisions 3, 6, 8, 9; 124D.05, by adding a subdivision; 125A.76, by adding a subdivision; 126C.10, subdivision 31, by adding a subdivision; 127A.45, subdivision 16; Laws 2007, chapter 146, article 7, section 4; Laws 2007, First Special Session chapter 2, article 1, section 11, subdivisions 1, 2, 6; proposing coding for new law in Minnesota Statutes, chapters 120B; 122A; 124D; repealing Minnesota Statutes 2006, section 127A.45, subdivision 7a; Laws 2007, First Special Session chapter 2, article 1, section 11, subdivisions 3, 4.

Referred to the Committee on Education.

Senator Rosen introduced—

S.F. No. 3632: A bill for an act relating to economic development; appropriating money for an enabling design project.

Referred to the Committee on Business, Industry and Jobs.

Senator Vickerman introduced—

S.F. No. 3633: A bill for an act relating to appropriations; appropriating money for veterans affairs, military affairs, and the Board of Animal Health; reducing and adjusting appropriations for agriculture; authorizing issuance of special veteran contribution plate for motorcycles; providing for disposition of certain funds; removing a limit on certain grants; eliminating a sunset date; amending Minnesota Statutes 2006, sections 168.1255, subdivisions 1, 3, by adding subdivisions; 190.19, subdivision 1, by adding a subdivision; 190.25, subdivision 3, by adding a subdivision; 192.501, by adding subdivisions; 197.585, subdivision 5; Minnesota Statutes 2007 Supplement, sections 35.244; 190.19, subdivision 2; Laws 2007, chapter 45, article 2, section 1; proposing coding for new law in Minnesota Statutes, chapter 192.

Referred to the Committee on Agriculture and Veterans.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

H.F. No. 2590: A bill for an act relating to health; allowing Emergency Medical Services Regulatory Board members to serve two consecutive terms; amending Minnesota Statutes 2006, section 144E.01, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 45 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Gerlach	Lourey	Pogemiller	Sheran
Carlson	Gimse	Lynch	Prettner Solon	Sieben
Chaudhary	Hann	Marty	Rest	Skoe
Clark	Ingebrigtsen	Metzen	Rosen	Skogen
Dahle	Jungbauer	Michel	Rummel	Sparks
Day	Koch	Olseen	Saltzman	Torres Ray
Dibble	Koering	Olson, M.	Saxhaug	Vandever
Erickson Ropes	Kubly	Ortman	Scheid	Wergin
Frederickson	Larson	Pariseau	Senjem	Wiger

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Senator Metzen in the chair.

After some time spent therein, the committee arose.

RECESS

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

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

MOTIONS AND RESOLUTIONS - CONTINUED**RECONSIDERATION**

Having voted on the prevailing side, Senator Pogemiller moved that the vote whereby H.F. No. 2590 was passed by the Senate on March 10, 2008, be now reconsidered. The motion prevailed. So the vote was reconsidered.

H.F. No. 2590: A bill for an act relating to health; allowing Emergency Medical Services Regulatory Board members to serve two consecutive terms; amending Minnesota Statutes 2006, section 144E.01, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

S.F. No. 2667: A bill for an act relating to health; extending two-year moratorium on radiation therapy facility construction in certain counties; amending Minnesota Statutes 2007 Supplement, section 144.5509.

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 51 and nays 10, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Kubly	Pariseau	Sparks
Berglin	Doll	Larson	Pogemiller	Stumpf
Betzold	Erickson Ropes	Latz	Prettner Solon	Tomassoni
Bonoff	Fischbach	Lourey	Rosen	Torres Ray
Carlson	Foley	Lynch	Rummel	Vickerman
Chaudhary	Frederickson	Marty	Saltzman	Wergin
Clark	Gerlach	Metzen	Saxhaug	Wiger
Cohen	Gimse	Michel	Senjem	
Dahle	Higgins	Olseen	Sheran	
Day	Jungbauer	Olson, M.	Sieben	
Dibble	Koering	Pappas	Skogen	

Those who voted in the negative were:

Hann	Koch	Ortman	Robling	Skoe
Ingebrigtsen	Olson, G.	Rest	Scheid	Vandev eer

So the bill passed and its title was agreed to.

H.F. No. 3055: A bill for an act relating to state government; providing deficiency funding for certain state agencies; appropriating money.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin

So the bill passed and its title was agreed to.

S.F. No. 2402: A bill for an act relating to occupations and professions; modifying provisions governing the Board of Accountancy; amending Minnesota Statutes 2006, sections 13.411, by adding a subdivision; 326A.01, subdivisions 2, 12, 17, by adding a subdivision; 326A.02, subdivisions 1, 3, 4, 5, 6, by adding a subdivision; 326A.03; 326A.04; 326A.05, subdivisions 1, 2, 3, 4; 326A.06; 326A.07; 326A.08, subdivisions 2, 4, 5, 6, 7, 8, 9; 326A.10; 326A.12; 326A.13; 326A.14; repealing Minnesota Statutes 2006, section 326A.05, subdivision 9.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 2500: A bill for an act relating to horse racing; providing for sharing of purse set-aside and breeder's fund revenue; modifying certain restrictions on simulcasting; amending Minnesota Statutes 2006, sections 240.06, subdivision 5a, by adding a subdivision; 240.13, subdivision 6.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Doll	Gerlach	Hann	Rummel	Vandever
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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 Pogemiller moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

S.F. No. 3098: A bill for an act relating to lawful gambling; making changes to expenditure restrictions; modifying bingo games and prizes; making clarifying and technical changes to lawful gambling; amending Minnesota Statutes 2006, section 349.213, subdivisions 1, 3; Minnesota Statutes 2007 Supplement, sections 349.15, subdivision 1; 349.17, subdivision 8; 349.211, subdivisions 2, 2a, 2c, 3, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 349.12, subdivision 18, is amended to read:

Subd. 18. **Gambling equipment.** "Gambling equipment" means: bingo hard cards or paper sheets, linked bingo paper sheets, devices for selecting bingo numbers, electronic bingo devices, pull-tabs, jar tickets, paddlewheels, paddlewheel tables, paddletickets, paddleticket cards, tipboards, tipboard tickets, promotional tickets that mimic a pull-tab or tipboard, and pull-tab dispensing devices.

Sec. 2. Minnesota Statutes 2006, section 349.12, subdivision 31, is amended to read:

Subd. 31. **Promotional ticket.** A pull-tab or tipboard ticket created and printed by a licensed manufacturer with the words "no purchase necessary" and "for promotional use only" and for which no consideration is given is a promotional ticket.

Sec. 3. Minnesota Statutes 2007 Supplement, section 349.15, subdivision 1, is amended to read:

Subdivision 1. **Expenditure restrictions.** Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized by the membership of the conducting organization at a monthly meeting of the organization's membership. Provided that no more than 70 percent of the gross profit from bingo, and no more than 60 percent of the gross profit from other forms of lawful gambling, may be expended biennially during the term of the license for allowable expenses related to lawful gambling, except that for the period of July 1, 2008, to June 30, 2009, no more than 75 percent of the gross profit from bingo, and no more than 65 percent of the gross profit from other forms of lawful gambling, may be expended for allowable expenses related to lawful gambling. For licenses issued after June 30, 2006, compliance with this subdivision will be measured on a biennial basis that is concurrent with the term of the license. Compliance with this subdivision is a condition for the renewal of any license beginning on July 1, 2008. For licenses renewed with an effective date between July 1, 2006, and June 30, 2008, an organization shall carry forward an amount equal to 15 percent of any positive allowable expense carryover amount. This balance must be used to offset any future negative expense balance at the time of license renewal.

Sec. 4. Minnesota Statutes 2006, section 349.15, is amended by adding a subdivision to read:

Subd. 5. **Civil penalty.** (a) If an organization exceeds the expense limitation contained in subdivision 1, the board may suspend the organization's license or impose a civil penalty as follows:

(1) up to five percent of the reimbursement amount for the first violation;

(2) up to ten percent of the reimbursement amount for a second consecutive violation; and

(3) up to 25 percent of the reimbursement amount for subsequent consecutive violations.

(b) In determining any suspension or penalty for a violation of subdivision 1, the board must consider any unique factors or extraordinary circumstances that directly caused the organization to exceed the expense limitation. Unique factors or extraordinary circumstances include, but are not limited to: the purchase of capital assets necessary to conduct lawful gambling; road or other construction causing impaired access to the lawful gambling premise; and flood, tornado, or other catastrophe that had a direct impact on the continuing lawful gambling operation.

(c) Notwithstanding section 349.151, subdivision 4, paragraph (a), clause (10), the board may impose a civil penalty under this subdivision that exceeds \$500.

Sec. 5. Minnesota Statutes 2006, section 349.161, subdivision 1, is amended to read:

Subdivision 1. **Prohibited acts; licenses required.** (a) No person may:

(1) sell, offer for sale, or furnish gambling equipment for use within the state other than for lawful gambling exempt or excluded from licensing, except to an organization licensed for lawful gambling;

(2) sell, offer for sale, or furnish gambling equipment for use within the state without having obtained a distributor license or a distributor salesperson license under this section except that an organization authorized to conduct bingo by the board may loan bingo hard cards and devices for selecting bingo numbers to another organization authorized to conduct bingo;

(3) sell, offer for sale, or furnish gambling equipment for use within the state that is not purchased or obtained from a manufacturer or distributor licensed under this chapter; or

(4) sell, offer for sale, or furnish gambling equipment for use within the state that has the same serial number as another item of gambling equipment of the same type sold or offered for sale or furnished for use in the state by that distributor.

(b) No licensed distributor salesperson may sell, offer for sale, or furnish gambling equipment for use within the state without being employed by a licensed distributor or owning a distributor license.

Sec. 6. Minnesota Statutes 2006, section 349.161, subdivision 5, is amended to read:

Subd. 5. **Prohibition.** (a) No distributor, distributor salesperson, or other employee of a distributor, may also be a wholesale distributor of alcoholic beverages or an employee of a wholesale distributor of alcoholic beverages.

(b) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor, may: (1) be involved in the conduct of lawful gambling by an organization; (2) keep or assist in the keeping of an organization's financial records, accounts, and inventories; or (3) prepare or assist in the preparation of tax forms and other reporting forms required to be submitted to the state by an organization.

(c) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may provide a lessor of gambling premises any compensation, gift, gratuity, premium, or other thing of value.

(d) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may provide an employee or agent of the organization any compensation, gift, gratuity, premium, or other thing of value greater than \$25 per organization in a calendar year.

(e) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may participate in any gambling activity at any gambling site or premises where gambling equipment purchased from that distributor or distributor salesperson is being used in the conduct of lawful gambling.

(f) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may alter or modify any gambling equipment, except to add a "last ticket sold" prize sticker.

(g) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may: (1) recruit a person to become a gambling manager of an organization or identify to an organization a person as a candidate to become gambling manager for the organization; or (2) identify for an organization a potential gambling location.

(h) No distributor or distributor salesperson may purchase gambling equipment for resale to a person for use within the state from any person not licensed as a manufacturer under section 349.163, except for gambling equipment returned from an organization licensed under section 349.16, or exempt or excluded from licensing under section 349.166.

(i) No distributor or distributor salesperson may sell gambling equipment, except gambling equipment identified as a promotional ticket, to any person for use in Minnesota other than (i) a licensed organization or organization excluded or exempt from licensing, or (ii) the governing body of an Indian tribe.

(j) No distributor or distributor salesperson may sell or otherwise provide a pull-tab or tipboard deal with the symbol required by section 349.163, subdivision 5, paragraph (d), visible on the flare to any person other than in Minnesota to a licensed organization or organization exempt from licensing.

Sec. 7. Minnesota Statutes 2006, section 349.1641, is amended to read:

349.1641 LICENSES; SUMMARY SUSPENSION.

The board may (1) summarily suspend the license of an organization that is more than three months late in filing a tax return or in paying a tax required under chapter 297E and may keep the suspension in effect until all required returns are filed and required taxes are paid; ~~and~~ (2) summarily suspend for not more than 90 days any license issued by the board or director for what the board determines are actions detrimental to the integrity of lawful gambling in Minnesota; and (3) summarily suspend the license of a gambling manager who has failed to receive the training required under section 349.167, subdivision 4, clause (2), and may keep the suspension in effect until the gambling manager passes an examination prepared and administered by the board. The examination does not qualify as continuing education credit for the next calendar year. The board must notify the licensee at least 14 days before suspending the license under this section. If a license is summarily suspended under this section, a contested case hearing on the merits must be held within 20 days of the issuance of the order of suspension, unless the parties agree to a later hearing date. The administrative law judge's report must be issued within 20 days after the close of the hearing record. In all cases involving summary suspension, the board must issue its final decision within

30 days after receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61. When an organization's license is suspended under this section, the board shall within three days notify all municipalities in which the organization's gambling premises are located and all licensed distributors in the state.

Sec. 8. Minnesota Statutes 2006, section 349.167, subdivision 2, is amended to read:

Subd. 2. Gambling managers; licenses. A person may not serve as a gambling manager for an organization unless the person possesses a valid gambling manager's license issued by the board. In addition to the disqualifications in section 349.155, subdivision 3, the board may not issue a gambling manager's license to a person applying for the license who:

- (1) has not complied with subdivision 4, ~~clause~~ clauses (1) and (2);
- (2) within the five years before the date of the license application, has committed a violation of law or board rule that resulted in the revocation of a license issued by the board;
- (3) has ever been convicted of a criminal violation involving fraud, theft, tax evasion, misrepresentation, or gambling; or
- (4) has engaged in conduct the board determines is contrary to the public health, welfare, or safety or the integrity of lawful gambling.

A gambling manager's license runs concurrent with the organization's license unless the gambling manager's license is suspended or revoked. The annual fee for a gambling manager's license is \$100.

Sec. 9. Minnesota Statutes 2006, section 349.167, subdivision 4, is amended to read:

Subd. 4. Training of gambling managers. ~~The board shall by rule require~~ All persons licensed as gambling managers ~~to must receive periodic training in laws and rules governing lawful gambling. The rules must contain to comply with~~ the following requirements:

- (1) each gambling manager must receive training within the last six months before being issued a new license, except that in the case of the death, disability, resignation, or termination of a gambling manager, a replacement gambling manager must receive the training within 90 days of being issued a license;
- (2) each gambling manager ~~applying for a renewal of a license must have received receive~~ continuing education training, ~~as required by board rule,~~ at least once during each calendar year ~~of the two-year license period, or pass a gambling manager examination as required in subdivision 7;~~ and
- (3) the training required by this subdivision may be provided by a person authorized by the board to provide the training. Before authorizing a person to provide training, the board must determine that:
 - (i) the provider and all of the provider's personnel conducting the training are qualified to do so;
 - (ii) the curriculum to be used fully and accurately covers all elements of lawful gambling law and rules that the board determines are necessary for a gambling manager to know and understand;

- (iii) the fee to be charged for participants in the training sessions is fair and reasonable; and
- (iv) the training provider has an adequate system for documenting completion of training.

The board or the director may provide the training required by this subdivision using employees of the board.

Sec. 10. Minnesota Statutes 2006, section 349.167, subdivision 7, is amended to read:

Subd. 7. **Gambling manager examination.** Each applicant for a new gambling manager's license, ~~and each renewing applicant that has failed to receive training as required in subdivision 4,~~ must pass an examination prepared and administered by the board that tests the applicant's knowledge of the responsibilities of gambling managers, and of gambling procedures, laws, and rules before being issued the license. In the case of the death, disability, resignation, or termination of a gambling manager, a replacement gambling manager must pass the examination within 90 days of being issued a gambling manager's license. The board shall revoke the replacement gambling manager's license if the replacement gambling manager fails to pass the examination as required in this subdivision.

Sec. 11. Minnesota Statutes 2006, section 349.17, subdivision 7, is amended to read:

Subd. 7. **Bar bingo.** An organization may conduct bar bingo subject to the following restrictions:

- (1) the bingo is conducted at a site the organization owns or leases and which has a license for the sale of intoxicating beverages on the premises under chapter 340A;
- (2) the bingo is conducted using only bingo paper sheets purchased from a licensed distributor; ~~and~~
- (3) no rent may be paid for a bar bingo occasion; and
- (4) the lessor's immediate family and employees may participate if they are not involved with the sale or operation of bar bingo.

Sec. 12. Minnesota Statutes 2007 Supplement, section 349.17, subdivision 8, is amended to read:

Subd. 8. **Linked bingo games.** (a) A licensed organization may conduct or participate in not more than two linked bingo games per occasion, one of which may be a progressive game in which a portion of the prize is carried over from one occasion to another until won by a player achieving a bingo within a predetermined amount of bingo numbers called.

(b) Each participating licensed organization shall contribute to each prize awarded in a linked bingo game in an amount not to exceed \$300.

(c) An electronic bingo device as defined in section 349.12, subdivision 12a, may be used for a linked bingo game.

(d) The board may adopt rules to:

- (1) specify the manner in which a linked bingo game must be played and how the linked bingo prizes must be awarded;
- (2) specify the records to be maintained by a linked bingo game provider;

(3) require the submission of periodic reports by the linked bingo game provider and specify the content of the reports;

(4) establish the qualifications required to be licensed as a linked bingo game provider; and

(5) any other matter involving the operation of a linked bingo game.

Sec. 13. Minnesota Statutes 2006, section 349.18, subdivision 1, is amended to read:

Subdivision 1. **Lease or ownership required; rent limitations.** (a) An organization may conduct lawful gambling only on premises it owns or leases. Leases must be on a form prescribed by the board. The term of the lease may not begin before the effective date of the premises permit and must expire on the same day that the premises permit expires. Leases approved by the board must specify that the board may authorize an organization to withhold rent from a lessor for a period of up to 90 days if the board determines that illegal gambling occurred on the premises and that the lessor or its employees participated in the illegal gambling or knew of the gambling and did not take prompt action to stop the gambling. The lease must authorize the continued tenancy of the organization without the payment of rent during the time period determined by the board under this paragraph. Copies of all leases must be made available to employees of the board and the Division of Alcohol and Gambling Enforcement on request. The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for bingo. Any rule adopted by the board limiting the amount of rent to be paid may only be effective for leases entered into, or renewed, after the effective date of the rule.

(b) Rent paid by an organization for leased premises for the conduct of pull-tabs, tipboards, and paddlewheels is subject to the following limits:

(1) for booth operations, including booth operations where a pull-tab dispensing device is located, booth operations where a bar operation is also conducted, and booth operations where both a pull-tab dispensing device is located and a bar operation is also conducted, the maximum rent is:

(i) in any month where the organization's gross profit at those premises does not exceed \$4,000, up to \$400; and

(ii) in any month where the organization's gross profit at those premises exceeds \$4,000, up to \$400 plus not more than ten percent of the gross profit for that month in excess of \$4,000;

(2) for bar operations, including bar operations where a pull-tab dispensing device is located but not including bar operations subject to clause (1), and for locations where only a pull-tab dispensing device is located:

(i) in any month where the organization's gross profit at those premises does not exceed \$1,000, up to \$200; and

(ii) in any month where the organization's gross profit at those premises exceeds \$1,000, up to \$200 plus not more than 20 percent of the gross profit for that month in excess of \$1,000;

(3) a lease not governed by clauses (1) and (2) must be approved by the board before becoming effective;

(4) total rent paid to a lessor from all organizations from leases governed by clause (1) may not exceed \$1,750 per month. Total rent paid to a lessor from all organizations from leases governed by

clause (2) may not exceed \$2,500 per month.

(c) Rent paid by an organization for leased premises for the conduct of bingo is subject to either of the following limits at the option of the parties to the lease:

(1) not more than ten percent of the monthly gross profit from all lawful gambling activities held during bingo occasions excluding bar bingo or at a rate based on a cost per square foot not to exceed 110 percent of a comparable cost per square foot for leased space as approved by the director; and

(2) no rent may be paid for bar bingo.

(d) Amounts paid as rent under leases are all-inclusive. No other services or expenses provided or contracted by the lessor may be paid by the organization, including, but not limited to, trash removal, janitorial and cleaning services, snow removal, lawn services, electricity, heat, security, security monitoring, storage, other utilities or services, and, in the case of bar operations, cash shortages, unless approved by the director. Any other expenditure made by an organization that is related to a leased premises must be approved by the director. An organization may not provide any compensation or thing of value to a lessor or the lessor's employees from any fund source other than its gambling account. Rent payments may not be made to an individual.

(e) Notwithstanding paragraph (b), an organization may pay a lessor for food or beverages or meeting room rental if the charge made is comparable to similar charges made to other individuals or groups.

(f) No entity other than the licensed organization may conduct any activity within a booth operation on a leased premises.

(g) Employees of a lessor not involved in the conduct of lawful gambling on the premises or nongambling employees of an organization conducting lawful gambling on the premises may participate in lawful gambling on the premises provided if pull-tabs or tipboards are sold, the organization posts the major prizes awarded.

(h) A gambling employee may purchase pull-tabs or tipboards at the site of the employee's place of employment provided:

(1) the organization posts the major prizes for pull-tab or tipboard games; and

(2) the employee is not involved in the sale of pull-tabs or tipboards at that site.

(i) At a leased site where an organization uses a paddlewheel consisting of ~~30~~ 32 numbers or less or a tipboard consisting of ~~30~~ 32 tickets or less, tickets may be sold throughout the permitted premises, but winning tickets must be redeemed, the paddlewheel must be located, and the tipboard seal must be opened within the leased premises.

Sec. 14. Minnesota Statutes 2006, section 349.19, subdivision 10, is amended to read:

Subd. 10. **Pull-tab records.** (a) The board shall by rule require a licensed organization to require each winner of a pull-tab prize of \$50 or more to present identification in the form of a driver's license, Minnesota identification card, or other identification the board deems sufficient to allow the identification and tracing of the winner. The rule must require the organization to retain winning pull-tabs of \$50 or more, and the identification of the winner of the pull-tab, for 3-1/2 years.

(b) An organization must maintain separate cash banks for each deal of pull-tabs unless (1) ~~two or more deals are commingled in the licensed organization uses~~ a pull-tab dispensing device, or (2) the organization uses a cash register, of a type approved by the board, which records all sales of pull-tabs by separate deals.

(c) The board shall:

(1) by rule adopt minimum technical standards for cash registers that may be used by organizations, and shall approve for use by organizations any cash register that meets the standards; and

(2) before allowing an organization to use a cash register that commingles receipts from several different pull-tab games in play, adopt rules that define how cash registers may be used and that establish a procedure for organizations to reconcile all pull-tab games in play at the end of each month.

Sec. 15. Minnesota Statutes 2006, section 349.191, subdivision 1a, is amended to read:

Subd. 1a. **Credit and sales to delinquent organizations.** (a) If a distributor or linked bingo game provider does not receive payment in full from an organization within ~~35~~ 30 days of the day immediately following the date of the invoice, the distributor or linked bingo game provider must notify the board in writing of the delinquency on the next business day.

(b) If a distributor or linked bingo game provider who has notified the board under paragraph (a) has not received payment in full from the organization within 60 days of the notification under paragraph (a), the distributor or linked bingo game provider must notify the board of the continuing delinquency.

(c) On receipt of a notice under paragraph (a), the board shall order all distributors and linked bingo game providers that until further notice from the board, they may sell gambling equipment to the delinquent organizations only on a cash basis with no credit extended. On receipt of a notice under paragraph (b), the board shall order all distributors and linked bingo game providers not to sell any gambling equipment to the delinquent organization.

(d) No distributor or linked bingo game provider may extend credit or sell gambling equipment to an organization in violation of an order under paragraph (c) until the board has authorized such credit or sale.

Sec. 16. Minnesota Statutes 2006, section 349.191, subdivision 1b, is amended to read:

Subd. 1b. **Credit and sales to delinquent distributors.** (a) If a manufacturer does not receive payment in full from a distributor within ~~35~~ 30 days of the day immediately following the date of invoice, the manufacturer must notify the board in writing of the delinquency on the next business day.

(b) If a manufacturer who has notified the board under paragraph (a) has not received payment in full from the distributor within 60 days of the notification under paragraph (a), the manufacturer must notify the board of the continuing delinquency.

(c) On receipt of a notice under paragraph (a), the board shall order all manufacturers that until further notice from the board, they may sell gambling equipment to the delinquent distributor only

on a cash basis with no credit extended. On receipt of a notice under paragraph (b), the board shall order all manufacturers not to sell any gambling equipment to the delinquent distributor.

(d) No manufacturer may extend credit or sell gambling equipment to a distributor in violation of an order under paragraph (c) until the board has authorized such credit or sale.

Sec. 17. Minnesota Statutes 2007 Supplement, section 349.211, subdivision 2, is amended to read:

Subd. 2. **Progressive bingo games.** Except as provided in subdivision 1a, a prize of up to \$2,000 may be awarded for a progressive bingo game, including a cover-all game. The prize for a progressive bingo game may start at \$500 and be increased by up to \$100 for each occasion during which the progressive bingo game is played. A consolation prize of up to \$200 for a progressive bingo game may be awarded in each occasion during which the progressive bingo game is played and the accumulated prize is not won. ~~The total amount awarded in progressive bingo game prizes in any calendar year may not exceed \$48,000.~~

Sec. 18. Minnesota Statutes 2007 Supplement, section 349.211, subdivision 2a, is amended to read:

Subd. 2a. **Pull-tab prizes.** The maximum prize which may be awarded for any single pull-tab is \$599 for \$2 and under pull-tabs, \$899 for \$3 pull-tabs, \$1,199 for \$4 pull-tabs, and \$1,499 for \$5 pull-tabs, not including any cumulative or carryover prizes. Cumulative or carryover prizes in a pull-tab game shall not exceed \$2,500. An organization may not sell any pull-tab for more than \$5.

Sec. 19. Minnesota Statutes 2007 Supplement, section 349.211, subdivision 2c, is amended to read:

Subd. 2c. **Tipboard prizes.** The maximum prize which may be awarded for a tipboard ticket is \$599 for \$2 and under tipboard tickets, \$899 for \$3 tipboard tickets, \$1,199 for \$4 tipboard tickets, and \$1,499 for \$5 tipboard tickets, not including any cumulative or carryover prizes. Cumulative or carryover prizes in tipboard games shall not exceed \$2,500. An organization may not sell any tipboard ticket for more than \$5.

Sec. 20. Minnesota Statutes 2007 Supplement, section 349.211, is amended by adding a subdivision to read:

Subd. 2d. **Raffle prizes.** The board may not impose an annual limit on the value of raffle prizes awarded by licensed organizations but the total value of an individual raffle prize may not exceed \$50,000.

Sec. 21. Minnesota Statutes 2007 Supplement, section 349.211, subdivision 3, is amended to read:

Subd. 3. **Other gambling.** The board by rule shall establish a schedule of prize limits for all other forms of gambling consistent with the purposes set out in section 349.11. The schedule may include daily ~~and annual~~ prize limits and prize limits for each game, raffle or operation of a gambling device.

Sec. 22. Minnesota Statutes 2007 Supplement, section 349.211, subdivision 4, is amended to read:

Subd. 4. **Prize value.** (a) Merchandise prizes must be valued at their fair market value. For purposes of sections 349.11 to 349.22 "prizes" do not include free plays awarded.

(b) Merchandise prizes for a paddlewheel consisting of ~~30~~ 32 numbers or less or a tipboard consisting of ~~30~~ 32 tickets or less may be paid for by the organization up to 30 days after the prize is received by the organization.

Sec. 23. Minnesota Statutes 2006, section 349.2113, is amended to read:

349.2113 PRIZE PAYOUT LIMIT.

On or after January 1, 2004, a licensed organization may not put into play a pull-tab or tipboard ~~deal game~~ that provides for a prize payout of greater than 85 percent of the ideal gross of the ~~deal game~~.

Sec. 24. **LAWFUL GAMBLING STUDY AND REPORT.**

The Gambling Control Board shall review operational and regulatory procedures, accounting functions, tax structure, and recent trends in lawful purpose contributions and allowable expenses incurred by licensed charitable organizations relating to lawful gambling activities. The board must seek public input including comment from licensees and professionals working in the lawful gambling industry. The board must provide a report with recommendations and proposed legislation, if any, to the chairs of the legislative standing committees with jurisdiction over lawful gambling by January 15, 2009.

Sec. 25. **EFFECTIVE DATE.**

This act is effective the day following final enactment."

Amend the title accordingly

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

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

S.F. No. 1297: A bill for an act relating to elections; providing for automatic voter registration of applicants for a driver's license, instruction permit, or identification card; appropriating money; amending Minnesota Statutes 2006, sections 201.12; 201.13, subdivision 3; 201.161.

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 201.12, is amended to read:

201.12 PROPER REGISTRATION; VERIFICATION BY MAIL; CHALLENGES.

Subdivision 1. **Notice of registration.** To prevent fraudulent voting and to eliminate excess names, the county auditor may mail to any registered voter a notice stating the voter's name and address as they appear in the registration files. The notice shall request the voter to notify the county auditor if there is any mistake in the information.

Subd. 2. **Challenges Moved within state.** If any nonforwardable mailing from an election official is returned as undeliverable but with a permanent forwarding address in this state, the county auditor may change the voter's status to "inactive" in the statewide registration system and shall notify the auditor of the county in which the new address is located. Upon receipt of the notice, the county auditor shall update the voter's address in the statewide registration system and mail to the voter a notice stating the voter's name, address, precinct, and polling place. The notice must advise the voter that the voter's voting address has been changed and that the voter must notify the county auditor within 21 days if the new address is not the voter's address of residence. The notice must state that it must be returned if it is not deliverable to the voter at the named address.

Subd. 3. **Moved out of state.** If any nonforwardable mailing from an election official is returned as undeliverable but with a permanent forwarding address outside this state, the county auditor shall promptly mail to the voter at the voter's new address a notice advising the voter that the voter's status in the statewide registration system will be changed to "inactive" unless the voter notifies the county auditor within 21 days that the voter is retaining the former address as the voter's address of residence. If the notice is not received by the deadline, the county auditor shall change the voter's status to "inactive" in the statewide registration system.

Subd. 4. **Challenges.** ~~Upon return of any nonforwardable mailing from an election official, the county auditor or the auditor's staff shall ascertain the name and address of that individual. If the individual is no longer at the address recorded in the statewide registration system~~ If any nonforwardable mailing from an election official is returned as undeliverable but with no forwarding address, the county auditor shall change the registrant's status to "challenged" in the statewide registration system. An individual challenged in accordance with this subdivision shall comply with the provisions of section 204C.12, before being allowed to vote. If a notice mailed at least 60 days after the return of the first nonforwardable mailing is also returned by the postal service, the county auditor shall change the registrant's status to "inactive" in the statewide registration system.

Sec. 2. Minnesota Statutes 2006, section 201.13, subdivision 3, is amended to read:

Subd. 3. **Use of change of address system.** ~~The county auditor may delete the records in the statewide registration system of voters whose change of address can be confirmed by the United States Postal Service. The secretary of state may provide the county auditors with periodic reports on voters whose change of address can be confirmed by the United States Postal Service.~~ (a) At least once each month the secretary of state shall obtain a list of individuals registered to vote in this state who have filed with the United States Postal Service a change of their permanent address. If the address is changed to another address in this state, the secretary of state shall transmit the information about the changed address by electronic means to the county auditor of the county in which the new address is located. Upon receipt of the information, the county auditor shall update the voter's address in the statewide registration system and mail to the voter a notice stating the voter's name, address, precinct, and polling place. The notice must advise the voter that the voter's voting address has been changed and that the voter must notify the county auditor within 21 days if the new address is not the voter's address of residence. The notice must state that it must be returned if it is not deliverable to the voter at the named address.

(b) If the change of permanent address is to an address outside this state, the secretary of state shall notify by electronic means the auditor of the county where the voter formerly resided that the voter has moved to another state. The county auditor shall promptly mail to the voter at the voter's

new address a notice advising the voter that the voter's status in the statewide registration system will be changed to "inactive" unless the voter notifies the county auditor within 21 days that the voter is retaining the former address as the voter's address of residence. If the notice is not received by the deadline, the county auditor shall change the voter's status to "inactive" in the statewide registration system.

Sec. 3. **EFFECTIVE DATE.**

This act is effective the day following final enactment but not until the secretary of state has certified that the statewide voter registration system has been tested and shown to accurately update voters' records and properly prepare the appropriate notices to voters."

Delete the title and insert:

"A bill for an act relating to elections; providing for automatic updating of voter registration; amending Minnesota Statutes 2006, sections 201.12; 201.13, subdivision 3."

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 re-referred

S.F. No. 2818: A bill for an act relating to environment; establishing principles of a cap and trade program for greenhouse gas emissions; requiring studies; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216H.

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

Page 2, line 11, delete "December 1, 2008" and insert "January 15, 2009"

Page 2, line 14, before the colon, insert "regarding"

Page 2, delete lines 33 to 35

Page 3, delete lines 1 and 2 and insert:

"(b) The legislative greenhouse gas accord advisory group is composed of six members of the legislature, appointed as follows:

(1) two members of the majority party in the senate, appointed by the majority leader, and one member of the minority party, appointed by the minority leader; and

(2) two members of the majority party in the house of representatives, appointed by the speaker of the house of representatives, and one member of the minority party in the house of representatives, appointed by the minority leader.

The legislative advisory group serves in an advisory capacity to the governor's Midwestern Greenhouse Gas Accord stakeholder group, and may request regular briefings from that group, in addition to participating and offering advice in meetings where regional negotiations take place. The appointing authorities under this paragraph must complete their appointments by June 1, 2008. The advisory group expires when the governor dissolves the Midwestern Greenhouse Gas Accord stakeholder group."

Page 3, line 18, delete "1" and insert "15"

Page 4, line 27, delete "1" and insert "15"

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

S.F. No. 2533: A bill for an act relating to gambling; clarifying definition of gambling device; repealing a provision relating to manufacture of gambling devices or components for shipment to other jurisdictions; amending Minnesota Statutes 2006, section 609.75, subdivision 4; repealing Minnesota Statutes 2006, section 349.40.

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

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

S.F. No. 3035: A bill for an act relating to crime; prohibiting use of arrest records for private employment purposes; providing immunity from negligent hiring as it relates to use of criminal records; proposing coding for new law in Minnesota Statutes, chapter 364.

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 13.87, subdivision 3, is amended to read:

Subd. 3. **Internet access.** (a) The Bureau of Criminal Apprehension shall establish and maintain an Internet Web site containing public criminal history data by July 1, 2004.

(b) Notwithstanding section 13.03, subdivision 3, paragraph (a), the bureau may charge a fee for Internet access to public criminal history data provided through August 1, 2005. The fee may not exceed \$5 per inquiry or the amount needed to recoup the actual cost of implementing and providing Internet access, whichever is less. Fees collected must be deposited in the general fund as a nondedicated receipt.

(c) The Web site must include a notice to the subject of data of the right to contest the accuracy or completeness of data, as provided under section 13.04, subdivision 4, and provide a telephone number and address that the subject may contact for further information on this process.

(d) The Web site must include the effective date of data that is posted.

(e) The Web site must include a description of the types of criminal history data not available on the site, including arrest data, juvenile data, criminal history data from other states, federal data, data on convictions where 15 years have elapsed since discharge of the sentence, and other data that are not accessible to the public.

(f) A person who intends to access the Web site to obtain information regarding an applicant for employment, housing, or credit must disclose to the applicant the intention to do so. The Web

site must include a notice that a person obtaining such access must notify the applicant when a background check using this Web site has been conducted.

(g) This subdivision does not create a civil cause of action on behalf of the data subject.

~~(h) This subdivision expires July 31, 2007.~~

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

Sec. 2. Minnesota Statutes 2006, section 364.09, is amended to read:

364.09 EXCEPTIONS.

~~(a) This chapter does~~ Sections 364.01 to 364.10 do not apply to the licensing process for peace officers; to law enforcement agencies as defined in section 626.84, subdivision 1, paragraph (f); to fire protection agencies; to eligibility for a private detective or protective agent license; to the licensing and background study process under chapters 245A and 245C; to eligibility for school bus driver endorsements; to eligibility for special transportation service endorsements; to eligibility for a commercial driver training instructor license, which is governed by section 171.35 and rules adopted under that section; to emergency medical services personnel, or to the licensing by political subdivisions of taxicab drivers, if the applicant for the license has been discharged from sentence for a conviction within the ten years immediately preceding application of a violation of any of the following:

(1) sections 609.185 to 609.21, 609.221 to 609.223, 609.342 to 609.3451, or 617.23, subdivision 2 or 3;

(2) any provision of chapter 152 that is punishable by a maximum sentence of 15 years or more; or

(3) a violation of chapter 169 or 169A involving driving under the influence, leaving the scene of an accident, or reckless or careless driving.

~~This chapter also shall~~ Sections 364.01 to 364.10 do not apply to eligibility for juvenile corrections employment, where the offense involved child physical or sexual abuse or criminal sexual conduct.

(b) ~~This chapter does~~ Sections 364.01 to 364.10 do not apply to a school district or to eligibility for a license issued or renewed by the Board of Teaching or the commissioner of education.

(c) Nothing in this section precludes the Minnesota Police and Peace Officers Training Board or the state fire marshal from recommending policies set forth in ~~this chapter~~ sections 364.01 to 364.10 to the attorney general for adoption in the attorney general's discretion to apply to law enforcement or fire protection agencies.

(d) ~~This chapter does~~ Sections 364.01 to 364.10 do not apply to a license to practice medicine that has been denied or revoked by the Board of Medical Practice pursuant to section 147.091, subdivision 1a.

Sec. 3. [364.20] USE OF NONCONVICTION RECORDS BY PRIVATE EMPLOYERS; IMMUNITY FROM CIVIL LIABILITY.

Subdivision 1. Definitions. For purposes of this section:

(1) "conviction" has the meaning given in section 609.02, subdivision 5;

(2) "nonconviction criminal record" means a record of an arrest, citation, complaint, prosecution, or other record relating to a criminal proceeding that is not pending and did not result in a conviction; and

(3) "private employer" means a person hiring or employing individuals in this state, but does not include the state or a political subdivision of the state governed by sections 364.01 to 364.10.

Subd. 2. **Use of nonconviction records for private employment.** Unless a criminal background investigation is specifically required or permitted by law, a private employer must not:

(1) request information regarding a nonconviction criminal record from an employee or prospective employee or obtain access to a nonconviction criminal record from another source; or

(2) take adverse action against an employee or prospective employee based on a nonconviction criminal record.

Subd. 3. **Immunity from civil liability.** (a) A private employer is immune from civil liability for the negligent hiring of an individual with a criminal record of a conviction to the extent the criminal record as of the date the individual was hired is the basis for the liability, if the employer followed the provisions applicable to public employers in section 364.03 and reasonably determined that:

(1) the conviction did not directly relate to the position of employment being sought; or

(2) the individual showed evidence of sufficient rehabilitation and present fitness to perform the duties of the employment being sought.

(b) This subdivision does not create any duty on the part of an employer to follow the provisions of paragraph (a).

Subd. 4. **Remedy.** A private employer who violates subdivision 2 is liable to the individual who is the subject of the criminal record for \$1,000 or actual damages caused by the violation, whichever is greater, plus costs and disbursements and reasonable attorney fees."

Delete the title and insert:

"A bill for an act relating to crime; prohibiting use of nonconviction criminal records for private employment purposes; providing immunity from negligent hiring in certain cases involving criminal records; removing a sunset on the law governing Internet access to Bureau of Criminal Apprehension data; amending Minnesota Statutes 2006, sections 13.87, subdivision 3; 364.09; proposing coding for new law in Minnesota Statutes, chapter 364."

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

S.F. No. 2597: A bill for an act relating to education; requiring school boards to seek information from prospective employees and the Board of Teaching about disciplinary actions against the employees; amending Minnesota Statutes 2006, section 123B.03, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 123B.03, is amended by adding a subdivision to read:

Subd. 1a. **Investigation of disciplinary actions taken against prospective teachers.** At the time a school hiring authority conducts the criminal history background check required under subdivision 1 on an individual offered employment as a teacher, the school hiring authority must contact the Board of Teaching to determine whether the board has taken disciplinary action against the teacher based on a board determination that inappropriate sexual conduct or attempted inappropriate sexual conduct occurred between the teacher and a student. If disciplinary action has been taken based on this type of conduct, the school hiring authority must obtain access to data that are public under sections 13.41, subdivision 5, and 13.43, subdivision 2, that relate to the substance of the disciplinary action. In addition, the school hiring authority must require the individual to provide information in the employment application regarding all current and previous disciplinary actions in Minnesota and other states taken against the individual's teaching license as a result of inappropriate sexual conduct or attempted inappropriate sexual conduct with a student and indicate to the applicant that intentionally submitting false or incomplete information is a ground for dismissal.

EFFECTIVE DATE. This section is effective May 1, 2009.

Sec. 2. Minnesota Statutes 2006, section 123B.03, subdivision 2, is amended to read:

Subd. 2. **Conditional hiring; discharge.** A school hiring authority may hire an individual pending completion of a background check under subdivision 1 or an investigation of disciplinary actions under subdivision 1a but shall notify the individual that the individual's employment may be terminated based on the result of the background check or investigation. A school hiring authority is not liable for failing to hire or for terminating an individual's employment based on the result of a background check or investigation under this section.

EFFECTIVE DATE. This section is effective May 1, 2009."

Delete the title and insert:

"A bill for an act relating to education; requiring school boards to seek information from prospective teachers and the Board of Teaching about disciplinary actions against the teachers; amending Minnesota Statutes 2006, section 123B.03, subdivision 2, by adding a subdivision."

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. 2644: A bill for an act relating to public safety; reducing or eliminating certain fees enacted during period of recent budget shortfalls to raise revenue, including criminal offense surcharge, DWI license reinstatement fee, various court fees, and public defender co-pay; amending Minnesota Statutes 2006, sections 171.29, subdivision 2; 271.06, subdivision 4; 357.021, subdivisions 2, 6, 7; 357.022; 357.08; Minnesota Statutes 2007 Supplement, section 611.17.

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

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 2006, section 171.29, subdivision 2, as amended by Laws 2008, chapter 152, article 6, section 6, is amended to read:

Subd. 2. **Reinstatement fees and surcharges allocated and appropriated.** (a) An individual whose driver's license has been revoked as provided in subdivision 1, except under section 169A.52, 169A.54, or 609.21, must pay a \$30 fee before the driver's license is reinstated.

(b) A person whose driver's license has been revoked as provided in subdivision 1 under section 169A.52, 169A.54, or 609.21, must pay a \$250 fee plus a ~~\$430~~ \$50 surcharge before the driver's license is reinstated, ~~except as provided in paragraph (f).~~ The \$250 fee is to be credited as follows:

(1) Twenty percent must be credited to the driver services operating account in the special revenue fund as specified in section 299A.705.

(2) Sixty-seven percent must be credited to the general fund.

(3) Eight percent must be credited to a separate account to be known as the Bureau of Criminal Apprehension account. Money in this account may be appropriated to the commissioner of public safety and the appropriated amount must be apportioned 80 percent for laboratory costs and 20 percent for carrying out the provisions of section 299C.065.

(4) Five percent must be credited to a separate account to be known as the vehicle forfeiture account, which is created in the special revenue fund. The money in the account is annually appropriated to the commissioner for costs of handling vehicle forfeitures.

(c) ~~The revenue from \$50 of the surcharge must be credited to a separate account to be known as the traumatic brain injury and spinal cord injury account. The revenue from \$50 of the surcharge on a reinstatement under paragraph (f) is credited from the first installment payment to the traumatic brain injury and spinal cord injury account.~~ The money in the account is annually appropriated to the commissioner of health to be used as follows: 83 percent for contracts with a qualified community-based organization to provide information, resources, and support to assist persons with traumatic brain injury and their families to access services, and 17 percent to maintain the traumatic brain injury and spinal cord injury registry created in section 144.662. For the purposes of this paragraph, a "qualified community-based organization" is a private, not-for-profit organization of consumers of traumatic brain injury services and their family members. The organization must be registered with the United States Internal Revenue Service under section 501(c)(3) as a tax-exempt organization and must have as its purposes:

(1) the promotion of public, family, survivor, and professional awareness of the incidence and consequences of traumatic brain injury;

(2) the provision of a network of support for persons with traumatic brain injury, their families, and friends;

(3) the development and support of programs and services to prevent traumatic brain injury;

(4) the establishment of education programs for persons with traumatic brain injury; and

(5) the empowerment of persons with traumatic brain injury through participation in its governance.

A patient's name, identifying information, or identifiable medical data must not be disclosed to the organization without the informed voluntary written consent of the patient or patient's guardian or, if the patient is a minor, of the parent or guardian of the patient.

~~(d) The remainder of the surcharge must be credited to a separate account to be known as the remote electronic alcohol monitoring program account. The commissioner shall transfer the balance of this account to the commissioner of finance on a monthly basis for deposit in the general fund.~~

~~(e) When these fees are collected by a licensing agent, appointed under section 171.061, a handling charge is imposed in the amount specified under section 171.061, subdivision 4. The reinstatement fees and surcharge must be deposited in an approved depository as directed under section 171.061, subdivision 4.~~

~~(f) A person whose driver's license has been revoked as provided in subdivision 1 under section 169A.52 or 169A.54 and who the court certifies as being financially eligible for a public defender under section 611.17, may choose to pay 50 percent and an additional \$25 of the total amount of the surcharge and 50 percent of the fee required under paragraph (b) to reinstate the person's driver's license, provided the person meets all other requirements of reinstatement. If a person chooses to pay 50 percent of the total and an additional \$25, the driver's license must expire after two years. The person must pay an additional 50 percent less \$25 of the total to extend the license for an additional two years, provided the person is otherwise still eligible for the license. After this final payment of the surcharge and fee, the license may be renewed on a standard schedule, as provided under section 171.27. A handling charge may be imposed for each installment payment. Revenue from the handling charge is credited to the driver services operating account in the special revenue fund and is appropriated to the commissioner.~~

~~(g) Any person making installment payments under paragraph (f), whose driver's license subsequently expires, or is canceled, revoked, or suspended before payment of 100 percent of the surcharge and fee, must pay the outstanding balance due for the initial reinstatement before the driver's license is subsequently reinstated. Upon payment of the outstanding balance due for the initial reinstatement, the person may pay any new surcharge and fee imposed under paragraph (b) in installment payments as provided under paragraph (f).~~

EFFECTIVE DATE. This section is effective July 1, 2008, and supersedes the amendments made to this subdivision by Laws 2008, chapter 152, article 6, section 6."

Amend the title numbers accordingly

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

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

S.F. No. 2936: A bill for an act relating to real property; modifying certain plat requirements; amending Minnesota Statutes 2006, sections 505.20; 508.47, subdivision 4; 508A.47, subdivision 4; Minnesota Statutes 2007 Supplement, sections 505.01, subdivision 3; 505.021, subdivisions 8, 10.

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

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

S.F. No. 3070: A bill for an act relating to trust property; authorizing the use of debit or credit cards to draw funds from custodial trust accounts; amending Minnesota Statutes 2006, section 529.08.

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

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

S.F. No. 1406: A bill for an act relating to commerce; enacting the Uniform Prudent Management of Institutional Funds Act approved and recommended by the National Conference of Commissions on Uniform State Law; proposing coding for new law in Minnesota Statutes, chapter 309; repealing Minnesota Statutes 2006, sections 309.62; 309.63; 309.64; 309.65; 309.66; 309.67; 309.68; 309.69; 309.70; 309.71.

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

Page 1, line 14, delete ", the promotion of a governmental purpose"

Page 1, line 15, after "other" insert "eleemosynary" and delete everything after "purpose" and insert a period

Page 4, delete lines 26 to 36

Page 5, delete lines 29 to 34

Page 6, delete lines 1 to 8 and insert:

"(b) The court, upon application of an institution, may modify a restriction contained in the gift instrument of an institutional fund pursuant to the procedure, and in accordance with the standards, set forth in section 501B.31, subdivision 2 or 4, whichever is applicable."

Page 6, line 9, delete "(d)" and insert "(c)"

Page 6, line 14, delete "\$25,000" and insert "\$50,000"

Amend the title as follows:

Page 1, line 4, delete "Commissions" and insert "Commissioners"

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

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

S.F. No. 3339: A bill for an act relating to game and fish; allowing a nonresident to take fish by spearing from a dark house; amending Minnesota Statutes 2006, section 97C.371, by adding a subdivision; Minnesota Statutes 2007 Supplement, section 97A.475, subdivision 7.

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

Page 2, delete section 3

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

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

S.F. No. 3555: A bill for an act relating to natural resources; providing procedures for filling the Watonwan County Soil and Water Conservation District Board supervisor vacant positions.

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

Page 1, line 10, delete "next election to fill the" and insert "first Monday in January following the 2008 general election. Successors shall be elected at the 2008 general election and hold office for the remainder of the term or for the next regular term, whichever is appropriate."

Page 1, delete line 11

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

S.F. No. 3076: A bill for an act relating to natural resources; establishing Lake Vermilion State Park; amending Minnesota Statutes 2006, section 85.012, by adding a subdivision.

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

Page 2, after line 13, insert:

"Subd. 4. **Land exchange requirement.** Within 24 months of the acquisition of land for the state park established in subdivision 1, the commissioner of natural resources, with the approval of the Land Exchange Board as required under the Minnesota Constitution, article XI, section 10, and according to the provisions of Minnesota Statutes, sections 94.343 to 94.347, shall exchange all land acquired within the boundaries of the established state park for school trust lands, as defined in Minnesota Statutes, section 92.025, that are located within St. Louis County. After the exchange, state-owned lands within the boundaries of the state park established in subdivision 1 shall be school trust lands and subject to the same trust as the lands given in exchange for the lands within the boundaries of the state park.

Subd. 5. **Deposit of fees.** Notwithstanding Minnesota Statutes, sections 85.052, subdivision 4, paragraph (a), and 85.055, subdivision 2, all fees collected for state permits, services, and special state park uses at the state park established in subdivision 1 shall be deposited in the school trust fund, established in the Minnesota Constitution, article XI, section 8.

Subd. 6. **Conveyance of land to St. Louis County.** Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, and any other law to the contrary, all land given in exchange for lands

within the boundaries of the state park established in subdivision 1 shall be conveyed to St. Louis County for no consideration."

Page 2, line 19, delete everything after the period

Page 2, delete lines 20 to 23

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

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

S.F. No. 2822: A bill for an act relating to insurance; regulating first party good faith insurance practices; providing remedies; amending Minnesota Statutes 2006, section 471.982, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 604.

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 471.982, subdivision 3, is amended to read:

Subd. 3. **Exemptions.** Self-insurance pools established and open for enrollment on a statewide basis by the Minnesota League of Cities Insurance Trust, the Minnesota School Boards Association Insurance Trust, the Minnesota Association of Townships Insurance and Bond Trust, or the Minnesota Association of Counties Insurance Trust and the political subdivisions that belong to them are exempt from the requirements of this section and ~~section~~ sections 65B.48, subdivision 3, and 604.18. In addition, the Minnesota Association of Townships Insurance and Bond Trust and the townships that belong to it are exempt from the requirement to hold the certificate of surety authorization issued by the commissioner of commerce as provided in section 574.15.

EFFECTIVE DATE. This section is effective August 1, 2008.

Sec. 2. **[604.18] FIRST PARTY GOOD FAITH INSURANCE PRACTICES.**

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

(b) "Insurance policy" means an insurance policy or contract other than: (1) a workers' compensation insurance policy or contract; (2) a health policy, contract, or certificate issued, executed, renewed, maintained, or delivered in this state by a health carrier as defined in section 62A.011, subdivision 2; (3) a policy issued by a township mutual fire insurance company or a farmers mutual fire insurance company under the authority in chapter 67A, or by an insurer reinsuring a policy issued by a township mutual or farmers' mutual fire insurance company; or (4) a policy or contract under section 60A.06, subdivision 1, clause (4), or 64B.16, subdivision 1.

(c) "Insured" means a person asserting a right to payment under the person's own insurance policy arising out of the occurrence of the contingency or loss covered by the policy or contract.

(d) "Insurer" means an insurance company: (1) incorporated or organized in this state; or (2) admitted to do business in this state but not incorporated or organized in this state. The term does not include the joint underwriting association operating under chapter 62F or 62I.

Subd. 2. **Good faith practices required.** An insurer shall act in good faith in connection with an insured's claim under an insurance policy. An insurer is acting in good faith unless the insured can show the absence of a reasonable basis for denying the benefits of the insurance policy and that the insurer knew of the lack of a reasonable basis for denying the benefits of the insurance policy or acted in reckless disregard of the lack of a reasonable basis for denying the benefits of the insurance policy.

Subd. 3. **Remedies; limitations.** (a) An insurer violating subdivision 2 is liable to the insured for costs and damages caused by the violation. The court may award the insured reasonable attorney fees.

(b) Any award of attorney fees must bear a reasonable relationship and be proportional to the damages awarded and take into consideration the following factors: the amount of time reasonably expended; a reasonable hourly rate; the outcome obtained; the amount in dispute; and the nature and complexity of the matter.

(c) Noneconomic damages are not recoverable under this section.

Subd. 4. **Insurance producers; liability limited.** A licensed insurance producer is not liable under this section for errors, acts, or omissions attributed to the insurer that appointed the producer to transact business on its behalf, except to the extent the producer has caused or contributed to the error, act, or omission.

Subd. 5. **Fire investigations.** An insurer does not violate this section by conducting or cooperating with a fire investigation to its completion.

Subd. 6. **Right to cure.** (a) At least 60 days before bringing an action for a violation of this section, the insured must give the insurer written notice of the alleged violation. The notice must state with specificity the facts and circumstances giving rise to the violation.

(b) An action may not be brought for a violation of this section if the notice required under paragraph (a) is not given or if the benefits are paid or the circumstances giving rise to the violation contained in the notice are corrected before the action is commenced.

Subd. 7. **Exception.** This section does not apply to a claim arising out of a denial of personal injury protection benefits if the matter was submitted to arbitration under section 65B.525.

EFFECTIVE DATE. This section is effective August 1, 2008, and applies to causes of action for conduct occurring on or after that date."

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. 2265: A bill for an act relating to insurance; prohibiting nonrenewal of homeowner's insurance based upon a claim that the insurer denied or did not make a payment on; prohibiting premium increases based on certain factors; amending Minnesota Statutes 2006, section 65A.29, subdivision 11, by adding a subdivision.

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

Page 1, line 19, delete "2007" and insert "2008"

Page 1, delete section 2

Amend the title as follows:

Page 1, line 3, delete "prohibiting"

Page 1, line 4, delete everything before "amending"

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 re-referred

S.F. No. 2917: A bill for an act relating to manufactured housing; providing for regulation of lending practices and default; providing notices and remedies; amending Minnesota Statutes 2006, sections 327.64; 327.65; 327.66; 327B.01, by adding subdivisions; 327B.08, by adding a subdivision; 327B.09, by adding a subdivision; 327B.12; proposing coding for new law in Minnesota Statutes, chapter 325B.

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 327.64, subdivision 2, is amended to read:

Subd. 2. **Notice; service.** (a) A secured party may commence repossession of a manufactured home by personally serving upon the occupant of the mobile home a notice and, if the occupant is not the debtor, by sending a registered or certified letter to the last known address of the debtor under the security agreement, both setting forth the circumstances constituting the default under the security agreement and stating that the secured party will at the expiration of a 30-day period following receipt of the notice seek a court order removing the occupant from the manufactured home and repossessing the manufactured home, unless the debtor or the occupant acting on behalf of the debtor cures the default prior to that time and in the manner provided by section 327.66. If notice is mailed to a debtor in accordance with this subdivision, the secured party by affidavit shall set forth the circumstances causing the secured party to believe that the debtor could be reached at the address to which the notice was mailed. The affidavit shall state that the secured party has no reason to believe that the debtor might receive mailed notice at another address.

(b) The notice must also state: "Your loan is currently in default. Contact us immediately at (phone number) to discuss possible options for preventing repossession. We encourage you to seek counseling with the foreclosure prevention counselor in your area. Nearby community agencies will answer your questions, offer free advice, and help you create a plan. You can contact the Minnesota Home Ownership Center at 651-699-6646 or www.hocmn.org to get the telephone number and location of the nearest counseling organization. Call today. Waiting limits your options.

If you do not become current on your loan within 30 days, we will seek a court order repossessing

the home, and by court order you will have to vacate the home."

Sec. 2. Minnesota Statutes 2006, section 327.64, is amended by adding a subdivision to read:

Subd. 3. **Second notice required; right to reinstate.** Thirty days after issuing the notice of default, as described in subdivision 2, the secured party must send a registered certified letter to the last known address of the debtor that the debtor has only 30 days to reinstate the loan by paying the defaulted amount and any additional fees incurred by the secured party in order to regain possession of the home prior to the court order. Nothing in this subdivision precludes a secured party from proceeding with the other remedies provided to repossess the manufactured home.

Sec. 3. Minnesota Statutes 2006, section 327.65, is amended to read:

327.65 COURT ORDER.

Except in cases of voluntary repossession, upon expiration of the 30-day period specified in the notices required by section 327.64, a secured party must apply to the district court in the county in which the manufactured home is located for an order pursuant to chapter 565 directing the seizure and delivery of the manufactured home. The application shall be accompanied by a copy of the security agreement entitling the secured party to repossession of the manufactured home, a copy of the notices required under section 327.64, and by the an affidavit required by section 327.64 if notice is mailed to the debtor of service stating that the notices required under section 327.64 were properly served upon the occupant, and if the occupant of the home is not the debtor, the debtor. The notices required by section 327.64 shall not be considered as satisfying any of the notice requirements under chapter 565. Sections 565.25, subdivision 2, and 565.251 do not apply to a repossession proceeding under this section.

Sec. 4. [327.651] VOLUNTARY REPOSSESSION.

The secured party and the debtor and occupant, if the debtor is not the occupant, may agree in writing on a voluntary surrender of the title and possession of the manufactured home to the secured party prior to or after the end of the 30-day period specified under section 327.64. The secured party may file the agreement and any other documents necessary to transfer the title in the manner required under chapter 336. When this provision is exercised, notice under section 327.64, subdivision 3, is not applicable.

Sec. 5. Minnesota Statutes 2006, section 327.66, is amended to read:

327.66 CURE OF DEFAULT.

A debtor, or an occupant of a manufactured home acting on behalf of a debtor, may within the 30 day period specified in the notices required by section 327.64, cure a default by tendering full payment of the sums then in arrears under the terms of the security agreement, or by otherwise remedying the default, and by paying the reasonable costs, not to exceed the sum of ~~\$15~~ \$100, incurred by the secured party to enforce the security agreement. Cure of a default in accordance with the provisions of this section shall suspend the secured party's right to seek repossession of the manufactured home under the provisions of sections 327.61 to 327.67. The secured party need not accept any partial payment of the amount to which the secured party is entitled under this section. The debtor, or an occupant of a manufactured home acting on behalf of the debtor, has no right to cure the default after the expiration of the 30-day period specified under section 327.64.

Sec. 6. Minnesota Statutes 2006, section 327B.01, is amended by adding a subdivision to read:

Subd. 2a. **Borrower.** "Borrower" means a person or persons applying for a manufactured home loan.

Sec. 7. Minnesota Statutes 2006, section 327B.01, is amended by adding a subdivision to read:

Subd. 4b. **Churning.** "Churning" means knowingly or intentionally making, providing, or arranging for a manufactured home loan when the new manufactured home loan does not provide a reasonable, tangible net benefit to the borrower considering all of the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances.

Sec. 8. Minnesota Statutes 2006, section 327B.01, is amended by adding a subdivision to read:

Subd. 13a. **Manufactured home lender.** "Manufactured home lender" means a person who makes a manufactured home loan to a borrower, including a person who provides table funding. A manufactured home lender includes an affiliate, subsidiary, or any person acting as an agent of the lender.

Sec. 9. Minnesota Statutes 2006, section 327B.01, is amended by adding a subdivision to read:

Subd. 13b. **Manufactured home loan.** "Manufactured home loan" means a loan made to a person or persons for the purchase, refinancing, improvement, or repair of a manufactured home.

Sec. 10. Minnesota Statutes 2006, section 327B.01, is amended by adding a subdivision to read:

Subd. 14b. **Negative amortization.** "Negative amortization" occurs when the borrower's compliance with any repayment option offered pursuant to the terms of the manufactured home loan is insufficient to satisfy the interest accruing on the loan, resulting in an increase in the loan balance. Negative amortization does not occur when a manufactured home loan is originated, subsidized, or guaranteed by or through a state, tribal, or local government, or nonprofit organization, and bears one or more of the following nonstandard payment terms that substantially benefit the borrower:

- (1) payments vary with income;
- (2) payments of principal and interest are deferred until the maturity date of the loan or the sale of the residence;
- (3) principal or interest is forgivable under specified conditions; or
- (4) where no interest or an annual interest rate of two percent or less is charged in connection with the loan, and excludes existing loan modifications and payment extensions mutually agreed upon by the secured party and debtor.

Sec. 11. Minnesota Statutes 2006, section 327B.09, is amended by adding a subdivision to read:

Subd. 6. **Standards of conduct.** (a) No manufactured home lender shall:

- (1) 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;
- (2) make or cause to be made, directly or indirectly, any false, deceptive, or misleading

statement or representation in connection with a manufactured home loan transaction, including, without limitation, a false, deceptive, or misleading statement or representation regarding the borrower's ability to qualify for any manufactured home loan product;

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

(4) make or assist in making any manufactured home loan without verifying the reasonable ability of the borrower to repay the loan, taking into consideration taxes and insurance in connection with the manufactured home;

(5) make, provide, or arrange for a manufactured home loan for a higher interest rate or on less favorable terms than the rate or terms for which the borrower qualifies based on criteria typically used by that lender to evaluate rate and term offerings;

(6) make, provide, or arrange for a manufactured home loan all or a portion of the proceeds of which are used to fully or partially pay off a "special loan" unless the borrower has obtained a written certification from an authorized independent loan counselor that the borrower has received counseling on the advisability of the loan transaction. For the purposes of this section, "special loan" means a loan for the purchase, refinance, improvement, or repair of the manufactured home 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. For the purposes of this section, "authorized independent loan counselor" means a nonprofit, third-party individual or organization providing homebuyer education programs, foreclosure prevention services, loan counseling, or credit counseling certified by the United States Department of Housing and Urban Development, the Minnesota Home Ownership Center, the Minnesota Mortgage Foreclosure Prevention Association, AARP, or NeighborWorks America;

(7) engage in churning; and

(8) make, provide, or arrange for a manufactured home loan 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. This excludes existing loan extensions and modifications.

(b) This subdivision shall not apply to a state or federally chartered bank, savings bank, or credit union, an institution chartered by Congress under the Farm Credit Act, or to a person making, providing, or arranging a manufactured home loan originated or purchased by a state agency or a tribal or local unit of government.

Sec. 12. [327B.095] INTEREST, POINTS, FINANCE CHARGES, FEES, AND OTHER

CHARGES.

Subdivision 1. **Financed interest, points, finance charges, fees, and other charges.** (a) A manufactured home lender making or modifying a manufactured home loan to a borrower located in this state must not include in the principal amount of any loan all or any portion of any lender fee in an aggregate amount exceeding:

(1) five percent of the loan amount for loans over \$60,000;

(2) six percent of the loan amount for loans less than \$60,000, but greater than or equal to \$40,000; or

(3) eight percent of the loan amount for loans of less than \$40,000.

(b) "Lender fee" means interest, origination points, finance charges, fees, and other charges payable in connection with the manufactured home loan:

(1) by the borrower to any manufactured home lender or broker or to any assignee of any manufactured home lender or broker; or

(2) by the lender to a broker.

Lender fee does not include discount points, provided there is a concomitant benefit to the borrower, recording fees, taxes, pass-throughs, or other amounts that are paid by any person to any government entity, filing office, or other third party that is not a manufactured home lender or broker or to any assignee of any manufactured home lender or broker. Lender fee also does not include any amount that is set aside to pay taxes or insurance on any property securing the manufactured home loan.

(c) "Loan amount" means:

(1) for a line of credit, the maximum principal amount of the line of credit; and

(2) for any other manufactured home loan, the principal amount of the loan, excluding all interest, points, finance charges, fees, and other charges.

(d) A manufactured home lender or broker shall not charge, receive, or collect any excess financed interest, points, finance charges, fees, or other charges described in this subdivision, or any interest, points, finance charges, fees, or other charges with respect to this excess.

Subd. 2. **Prepayment penalties.** No manufactured home loan may contain a provision requiring or permitting the imposition of a penalty, fee, premium, or other charge in the event the manufactured home loan is prepaid in whole or in part unless the penalty, fee, premium, or other charge constitutes consideration for an equal or greater benefit to the borrower.

Subd. 3. **Exemption.** This section does not apply to a manufactured home loan originated by a federal or state chartered bank, savings bank, or credit union."

Delete the title and insert:

"A bill for an act relating to manufactured housing; providing for regulation of lending practices and default; providing notices and remedies; amending Minnesota Statutes 2006, sections 327.64, subdivision 2, by adding a subdivision; 327.65; 327.66; 327B.01, by adding subdivisions; 327B.09, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 327; 327B."

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. 3116: A bill for an act relating to commerce; establishing a consumer complaint resolution procedure for insurance claims; imposing fees; proposing coding for new law in Minnesota Statutes, chapter 72A.

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

Delete everything after the enacting clause and insert:

"Section 1. [604.18] INSURANCE STANDARD OF CONDUCT.

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

(a) "Insured" means a person who, or an entity which, qualifies as an insured under the terms of an insurance policy on which a claim for coverage is made. An insured does not include any person who, or entity which, has received any assignment of rights under an insurance policy, and does not include any person or entity claiming a third-party beneficiary status under an insurance policy.

(b) "Insurer" means every insurer, corporation, business trust, or association engaged in insurance as principal licensed to transact insurance under section 60A.06, but for purposes of this section an insurer does not include a political subdivision providing self-insurance or establishing a pool under section 471.981, subdivision 3.

(c) "Insurance policy" means a written agreement between an insured and an insurer, which obligates an insurer to pay proceeds directly to the insured. Insurance policy does not include provisions of a written agreement, which obligate an insurer to defend the insured, reimburse an insured's defense expenses, provide for any other type of defense obligation, or provide for indemnification for judgments or settlements. Insurance policy also does not include any written agreement providing workers' compensation insurance under chapter 176, any written agreement of a health carrier, as defined in section 62A.011, or any written agreement authorized under section 60A.06, subdivision 1, clauses (4) and (6).

(d) "Vexatious" means conduct related to the payment of proceeds under an insurance policy, which is deliberately arbitrary, capricious, frivolous, not supported by law or a valid extension of law, and is without any expectation by the insurer that the conduct at issue is in good faith. A disagreement between an insurer and an insured as to the value or amount of proceeds owed to an insured is not vexatious conduct. An arson investigation or a fraud investigation is not vexatious conduct. An insurer's reliance on the advice of counsel is not vexatious conduct.

Subd. 2. **Liability.** (a) The court may award as taxable costs to an insured amounts as provided in subdivision 3 if it determines by clear and convincing evidence that the insurer's conduct as a matter of law is vexatious in the denial of or the delay of the payment of proceeds to an insured under an insurance policy.

(b) The insured is not entitled to taxable costs under this section if it is determined:

(1) the insurer did not breach the insurance policy; or

(2) the insured is not entitled to proceeds under the insurance policy in an amount that is in excess of an amount offered by the insurer.

(c) A violation of this section shall not be the basis for any claim or award under chapter 325D or 325F.

Subd. 3. **Remedies.** (a) An insured may be awarded either or both of the following amounts by the court as taxable costs for an insurer's violation of subdivision 2:

(1) an amount not exceeding the lesser of:

(i) one-half of the proceeds awarded, which are in excess of an amount offered by the insurer; or

(ii) \$50,000; and

(2) reasonable attorney fees actually incurred to establish the insurer's violation of this section. Attorney fees shall only be awarded if the fees sought are separately accounted for by the insured's attorney, are not duplicative of the fees the insured's attorney otherwise expends in pursuit of proceeds to an insured under an insurance policy and which is in excess of an amount offered by the insurer, and shall not exceed the lesser of:

(i) one-half of the disputed amount of the proceeds sought from the insurer; or

(ii) \$20,000.

(b) An award under this section precludes the insured's right to an award under sections 357.25; 549.02; 549.04; and 549.09, and under Minnesota Rules of Civil Procedure, rule 68. An insured's request to the court for an award under sections 357.25; 549.02; 549.04; and 549.09, or Minnesota Rules of Civil Procedure, rule 68, shall preclude the insured from an award under this section.

(c) An insured is not entitled to recover punitive or exemplary damages, or attorney fees under section 8.31, because of any violation of this section.

Subd. 4. **Claim for taxable costs.** (a) Upon commencement of a civil action by an insured against an insurer, the complaint must not seek a recovery under this section. After filing the suit, a party may make a motion to amend the pleadings to claim recovery of taxable costs under this section. The motion must allege the applicable legal basis under this section for awarding taxable costs under this section, and must be accompanied by one or more affidavits showing the factual basis for the motion. The motion may be opposed by the submission of one or more affidavits showing there is no factual basis for the motion. At the hearing, if the court finds prima facie clear and convincing evidence in support of the motion, the court may grant the moving party permission to amend the pleadings to claim taxable costs under this section.

(b) An award of taxable costs under this section shall be determined by the court in a proceeding subsequent to any determination as to whether the insured is entitled to any proceeds under the insurance policy, and shall be governed by the procedures set forth in Minnesota Rules of General Practice, rule 119.

(c) An award of taxable costs under this section is not available in any claim that is subject to any statutory or contractual arbitration, appraisal, or any alternative dispute resolution proceeding.

(d) The following are not admissible in any proceeding that seeks taxable costs under this section:

(1) findings or determinations made in arbitration proceedings conducted under section 65B.525 or any administrative rules promulgated thereunder;

(2) allegations involving, or results of, investigations, examinations, or administrative proceedings conducted by the Department of Commerce;

(3) administrative bulletins or other informal guidance published or disseminated by the Department of Commerce;

(4) provisions under chapters 59A to 79A and all rules promulgated thereunder are not admissible as standards of conduct to determine whether the insurer's conduct is vexatious; and

(5) expert testimony opining what conduct may be considered vexatious.

(e) Nothing in this section shall prohibit an insurer from asserting the defenses of waiver, collateral or other estoppel, res judicata, or any other valid defense pursued under the section.

Sec. 2. EFFECTIVE DATE.

Section 1 is effective August 1, 2008, and applies to causes of action for conduct, which occurs on or after that date."

Delete the title and insert:

"A bill for an act relating to insurance; providing for penalties and attorney fees for vexatious insurance claims practices; proposing coding for new law in Minnesota Statutes, chapter 604."

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

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

S.F. No. 2925: A bill for an act relating to transportation; modifying provisions relating to certain positions in Department of Transportation; amending Minnesota Statutes 2006, section 174.02, subdivision 2.

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

Page 1, line 8, delete "The deputy commissioner/chief engineer" and insert "who"

Page 1, line 9, delete "Minnesota Statutes,"

Page 1, line 10, reinstate the stricken language and delete the new language

Page 1, lines 11 and 12, reinstate the stricken language

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 Murphy from the Committee on Transportation, to which was referred

S.F. No. 3372: A bill for an act relating to traffic regulations; establishing minimum requirements for city's permit program for long-term disability parking; amending Minnesota Statutes 2006, section 169.346, subdivision 5.

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 169.346, subdivision 5, is amended to read:

Subd. 5. **Local ordinance; long-term parking.** A statutory or home rule charter city may enact an ordinance establishing a permit program for long-term disability parking. If a city enacts the ordinance, a permit program for long-term disability parking must establish as a minimum:

(1) a limitation on disability parking of a maximum of four hours during the hours of enforcement, on one-hour, 90-minute, and two-hour parking meters;

(2) a requirement for city parking lots and ramps to provide a 50 percent discount on monthly fees for contracted parkers with disabilities, with appropriate vehicle identification, who park in designated disability parking spaces; and

(3) issuance of a special needs permit to an employed person with severe disability for an all-day, on-street parking permit that will accommodate the person's access needs."

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 Murphy from the Committee on Transportation, to which was referred

S.F. No. 3407: A bill for an act relating to government data practices; regulating use of driver's license numbers and application information; amending Minnesota Statutes 2006, sections 13.6905, subdivision 2, by adding a subdivision; 168.346, subdivision 1, by adding a subdivision; 171.12, subdivision 7, 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 Murphy from the Committee on Transportation, to which was referred

S.F. No. 3368: A bill for an act relating to public safety; holding department harmless for negligent dissemination of vehicle or driver data; amending Minnesota Statutes 2006, section 13.69, 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 Murphy from the Committee on Transportation, to which was referred

S.F. No. 3161: A bill for an act relating to highways; making changes to state highway system.

Reports the same back with the recommendation that the bill do pass and be placed on the

Consent Calendar. Report adopted.

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

S.F. No. 3336: A bill for an act relating to traffic regulations; providing for exemptions to vehicle window glazing restrictions; amending Minnesota Statutes 2006, section 169.71, subdivision 4.

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 168.27, is amended by adding a subdivision to read:

Subd. 30. **Glazing material.** A new motor vehicle dealer, used motor vehicle dealer, or motor vehicle lessor may not sell or lease a motor vehicle that does not meet the glazing material requirements under section 169.71, subdivision 4.

Sec. 2. Minnesota Statutes 2006, section 169.71, subdivision 4, is amended to read:

Subd. 4. **Glazing material; prohibitions and exceptions.** (a) No person shall drive or operate any motor vehicle required to be registered in the state of Minnesota upon any street or highway under the following conditions:

(1) when the windshield is composed of, covered by, or treated with any material which has the effect of making the windshield more reflective or in any other way reducing light transmittance through the windshield;

(2) when any window on the vehicle is composed of, covered by, or treated with any material that has a highly reflective or mirrored appearance;

(3) when any side window or rear window is composed of or treated with any material so as to obstruct or substantially reduce the driver's clear view through the window or has a light transmittance of less than 50 percent plus or minus three percent in the visible light range or a luminous reflectance of more than 20 percent plus or minus three percent; or

(4) when any material has been applied after August 1, 1985, to any motor vehicle window without an accompanying permanent marking which indicates the percent of transmittance and the percent of reflectance afforded by the material. The marking must be in a manner so as not to obscure vision and be readable when installed on the vehicle.

(b) This subdivision does not apply to glazing materials which:

(1) have not been modified since the original installation, ~~nor to original replacement windows and windshields, that were originally installed or replaced~~ or original replacement if:

(i) the original installation was performed by a first-stage manufacturer, as defined in section 168.011, subdivision 31; or

(ii) the original installation or replacement was in conformance with Federal Motor Vehicle Safety Standard 205;

(2) are required to satisfy prescription or medical needs of the driver of the vehicle or a passenger

if:

(i) the driver or passenger is in possession of the prescription or a physician's statement of medical need;

(ii) the prescription or statement specifically states the minimum percentage that light transmittance may be reduced to satisfy the prescription or medical needs of the patient; and

(iii) the prescription or statement contains an expiration date, which must be no more than two years after the date the prescription or statement was issued; or

(3) are applied to:

(i) the rear windows of a pickup truck as defined in section 168.011, subdivision 29;

(ii) the rear windows or the side windows on either side behind the driver's seat of a van as defined in section 168.011, subdivision 28;

(iii) the side and rear windows of a vehicle used to transport human remains by a funeral establishment holding a license under section 149A.50; ~~or~~

(iv) the side and rear windows of a limousine as defined in section 168.011, subdivision 35; or

(v) the rear and side windows of a police vehicle."

Amend the title numbers accordingly

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

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

S.F. No. 3201: A bill for an act relating to public safety; conforming definition of "hazardous materials" to federal definition for purposes of transporting it; conforming school bus endorsement provisions to federal regulations; providing license exemption for operator of commercial motor vehicle operated on behalf of federal government; adding provisions conforming to federal regulation to require notice of commercial vehicle driver's conviction or license suspension; providing for enforcement of commercial vehicle out-of-service orders; imposing monetary penalty for violation by motor carrier employer of railroad-highway grade crossing laws to conform to federal law; amending Minnesota Statutes 2006, sections 169.01, subdivision 76; 171.01, subdivision 35; 171.03; 171.165, subdivision 2; 221.011, by adding a subdivision; 221.036, subdivisions 1, 3; 221.221, subdivision 2; 299D.03, subdivision 1; 299D.06; Minnesota Statutes 2007 Supplement, section 171.02, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 171.

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

Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred

S.F. No. 3311: A bill for an act relating to energy; clarifying terms of propane prepurchase

program; amending Minnesota Statutes 2007 Supplement, section 216B.0951, subdivision 1.

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

Page 1, line 9, delete "over five percent" and insert "up to \$4,000,000"

Page 1, line 14, strike "each" and strike "agency" and insert "agencies"

Page 1, line 15, strike "administers" and insert "administer"

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

Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred

S.F. No. 3089: A bill for an act relating to energy; mandating inclusion of strategic tree planting as eligible for direct expenditures as energy conservation improvement; amending Minnesota Statutes 2007 Supplement, section 216B.241, by adding a subdivision.

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

Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred

S.F. No. 3093: A bill for an act relating to local government; extending and changing the terms of guaranteed energy savings contracts under the uniform municipal contracting law; amending Minnesota Statutes 2007 Supplement, section 471.345, subdivision 13.

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

Page 2, line 32, before "installation" insert "final"

Page 3, line 5, strike "the first operation" and insert "final acceptance"

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 Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred

S.F. No. 2949: A bill for an act relating to energy; enacting local renewable energy initiative to finance small-scale renewable energy projects; authorizing sale and issuance of revenue bonds; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216C.

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

Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred

S.F. No. 2775: A bill for an act relating to utilities; requiring notice to water utility when

customer's heat source disconnected; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 13.681, is amended by adding a subdivision to read:

Subd. 6. **Disconnection.** Utility data on disconnections provided to cities under section 216B.0976 shall be treated as private data on individuals or nonpublic data.

Sec. 2. **[216B.0976] CENTRALIZED FILING OF UTILITY DISCONNECTION.**

Notwithstanding section 13.685 or any other law or administrative rule to the contrary, a public utility, cooperative electric association, or municipal utility that involuntarily disconnects a customer's gas or electric service must provide notice as prescribed by this section, of the disconnection to a statutory or home rule charter city. Upon written request from a city, on October 15 and November 1 of each year, or the next business day if that date falls on a Saturday or Sunday, a report must be made available of the address of properties currently disconnected and the date of the disconnection. Upon written request from a city, between October 15 and April 15, daily reports must be made available of the address and date of any newly disconnected property where the disconnection affects the primary heat source of a residence and service is not reconnected within 24 hours. For the purpose of this section, "involuntary disconnection" means a disconnection initiated by the public utility, cooperative electric association, or municipal utility."

Delete the title and insert:

"A bill for an act relating to utilities; requiring notice to city when customer's heat source disconnected; amending Minnesota Statutes 2006, section 13.681, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B."

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

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

S.F. No. 3245: A bill for an act relating to health; changing provisions for uniform billing forms and electronic claim filing; amending Minnesota Statutes 2006, sections 62J.51, subdivisions 17, 18; 62J.52, subdivisions 4, 5; 62J.59; Minnesota Statutes 2007 Supplement, sections 62J.52, subdivisions 1, 2; 62J.536, subdivision 1, by adding a subdivision; repealing Minnesota Statutes 2006, section 62J.58.

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

Page 2, line 14, before "and" insert "ICF/MR's,"

Page 3, delete section 6

Page 6, delete section 9 and insert:

"Sec. 8. Minnesota Statutes 2007 Supplement, section 62J.536, is amended by adding a subdivision to read:

Subd. 5. **Compliance and investigations.** (a) The commissioner of health shall, to the extent practicable, seek the cooperation of health care providers and group purchasers in obtaining compliance with this section and may provide technical assistance to health care providers and group purchasers.

(b) A person who believes a health care provider or group purchaser is not complying with the requirements of this section may file a complaint with the commissioner of health. Complaints filed under this section must meet the following requirements:

(1) a complaint must be filed in writing, either on paper or electronically;

(2) a complaint must name the person that is the subject of the complaint and describe the acts or omissions believed to be in violation of this section;

(3) a complaint must be filed within 180 days of when the complainant knew or should have known that the act or omission complained of occurred; and

(4) the commissioner may prescribe additional procedures for the filing of complaints as required to satisfy the requirements of this section.

(c) The commissioner of health may investigate complaints filed under this section. Such investigation may include a review of the pertinent policies, procedures, or practices of the health care provider or group purchaser and of the circumstances regarding any alleged violation. At the time of initial written communication with the health care provider or group purchaser about the complaint, the commissioner of health shall describe the acts or omissions that are the basis of the complaint. The commissioner may conduct compliance reviews to determine whether health care providers and group purchasers are complying with this section.

(d) Health care providers and group purchasers must cooperate with the commissioner of health if the commissioner undertakes an investigation or compliance review of the policies, procedures, or practices of the health care provider or group purchaser to determine compliance with this section. This cooperation includes, but is not limited to:

(1) a health care provider or group purchaser must permit access by the commissioner of health during normal business hours to its facilities, books, records, accounts, and other sources of information that are pertinent to ascertaining compliance with this section;

(2) if any information required of a health care provider or group purchaser under this section is in the exclusive possession of any other agency, institution, or person and the other agency, institution, or person fails or refuses to furnish the information, the health care provider or group purchaser must so certify and set forth what efforts it has made to obtain the information; and

(3) any individually identifiable health information obtained by the commissioner of health in connection with an investigation or compliance review under this section may not be used or disclosed by the commissioner of health, except as necessary for ascertaining or enforcing compliance with this section.

(e) If an investigation of a complaint indicates noncompliance, the commissioner of health

shall attempt to reach a resolution of the matter by informal means. Informal means may include demonstrated compliance or a completed corrective action plan or other agreement. If the matter is resolved by informal means, the commissioner of health shall inform the health care provider or group purchaser and, if the matter arose from a complaint, the complainant, in writing. If the matter is not resolved by informal means, the commissioner of health shall:

(1) inform the health care provider or group purchaser and provide an opportunity for the health care provider or group purchaser to submit written evidence of any mitigating factors or other considerations. The health care provider or group purchaser must submit any such evidence to the commissioner of health within 30 calendar days of receipt of such notification; and

(2) inform the health care provider or group purchaser, through a notice of proposed determination in accordance with paragraph (i), that the commissioner of health finds that a civil money penalty should be imposed.

(f) If, after an investigation or a compliance review, the commissioner of health determines that further action is not warranted, the commissioner of health shall inform the health care provider or group purchaser and, if the matter arose from a complaint, the complainant, in writing.

(g) A health care provider or group purchaser may not threaten, intimidate, coerce, harass, discriminate against, or take any other retaliatory action against any individual or other person for:

(1) filing of a complaint under this section;

(2) testifying, assisting, or participating in an investigation, compliance review, proceeding, or contested case proceeding under this section; or

(3) opposing any act or practice made unlawful by this section, provided the individual or person has a good faith belief that the practice opposed is unlawful, and the manner of opposition is reasonable and does not involve an unauthorized disclosure of a patient's health information.

(h) The commissioner of health may impose a civil money penalty upon a health care provider or group purchaser if the commissioner of health determines that the health care provider or group purchaser has violated this section. If the commissioner of health determines that more than one health care provider or group purchaser was responsible for a violation, the commissioner of health may impose a civil money penalty against each such health care provider or group purchaser. The amount of a civil money penalty shall be determined as follows:

(1) the amount of a civil money penalty shall be \$100 for each violation, but not to exceed \$25,000 for identical violations during a calendar year;

(2) in the case of continuing violation of this section, a separate violation occurs each business day that the health care provider or group purchaser is in violation of this section; and

(3) in determining the amount of any civil money penalty, the commissioner of health may consider as aggravating or mitigating factors, as appropriate, any of the following:

(i) the nature of the violation, in light of the purpose of the goals of this section;

(ii) the time period during which the violation occurred;

(iii) whether the violation hindered or facilitated an individual's ability to obtain health care;

- (iv) whether the violation resulted in financial harm;
 - (v) whether the violation was intentional;
 - (vi) whether the violation was beyond the direct control of the health care provider or group purchaser;
 - (vii) any history of prior compliance with the provisions of this section, including violations;
 - (viii) whether and to what extent the provider or group purchaser has attempted to correct previous violations;
 - (ix) how the health care provider or group purchaser has responded to technical assistance from the commissioner of health provided in the context of a compliance effort; or
 - (x) the financial condition of the health care provider or group purchaser including, but not limited to, whether the healthcare provider or group purchaser had financial difficulties that affected its ability to comply or whether the imposition of a civil money penalty would jeopardize the ability of the health care provider or group purchaser to continue to provide, or to pay for, health care.
- (i) If a penalty is proposed in accordance with this section, the commissioner of health must deliver, or send by certified mail with return receipt requested, to the respondent, written notice of the commissioner of health's intent to impose a penalty. This notice of proposed determination must include:
- (1) a reference to the statutory basis for the penalty;
 - (2) a description of the findings of fact regarding the violations with respect to which the penalty is proposed;
 - (3) the amount of the proposed penalty;
 - (4) any circumstances described in paragraph (h) that were considered in determining the amount of the proposed penalty;
 - (5) instructions for responding to the notice, including a statement of the respondent's right to a contested case proceeding and a statement that failure to request a contested case proceeding within 30 calendar days permits the imposition of the proposed penalty; and
 - (6) the address to which the contested case proceeding request must be sent.
- (j) A health care provider or group purchaser may contest whether the finding of facts constitute a violation of this section, in accordance with a contested case proceeding as set forth in sections 14.57 to 14.62, subject to appeal in accordance with sections 14.63 to 14.68.
- (k) Any data collected by the commissioner of health as part of an active investigation or active compliance review under this section are classified as protected nonpublic data pursuant to section 13.02, subdivision 13, in the case of data not on individuals, and confidential pursuant to section 13.02, subdivision 3, in the case of data on individuals. Data describing the final disposition of an investigation or compliance review are classified as public.
- (l) Civil money penalties imposed and collected under this subdivision shall be deposited into a revolving fund and are appropriated to the commissioner of health for the purposes of this

subdivision, including the provision of technical assistance.

Sec. 9. Minnesota Statutes 2006, section 62J.59, is amended to read:

62J.59 IMPLEMENTATION OF NCPDP TELECOMMUNICATIONS STANDARD FOR PHARMACY CLAIMS.

(a) ~~Beginning January 1, 1996,~~ All category I and II ~~pharmacists~~ pharmacies licensed in this state shall ~~accept use the most recent HIPAA-mandated version of the NCPDP telecommunication standard format 3.2 or the NCPDP tape billing and payment format 2.0 batch standard for the~~ electronic submission of claims to group purchasers as appropriate.

(b) ~~Beginning January 1, 1996,~~ All category I and category II group purchasers in this state shall use the most recent HIPAA-mandated version of the NCPDP telecommunication standard format 3.2 or NCPDP tape billing and payment format 2.0 batch standard for the electronic submission of payment information NCPDP response transaction to ~~pharmacists~~ pharmacies as appropriate."

Page 6, line 33, delete "section" and insert "sections 62J.52, subdivision 5, and" and delete "is" and insert "are"

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

S.F. No. 3190: A bill for an act relating to employment; providing up to three hours of paid leave in any 12-month period for state employees to donate blood; authorizing employers to provide leave to employees to donate blood; proposing coding for new law in Minnesota Statutes, chapters 43A; 181.

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

Page 1, line 9, after the period, insert "An employee using leave granted under this section must provide at least 14 days of notice before using the leave."

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. 3180: A bill for an act relating to finance; requiring disclosure of status of fiscal note requests; providing for appeal of fiscal note conclusions; providing for appeal of revenue estimates; amending Minnesota Statutes 2006, sections 3.98, subdivision 4, by adding a subdivision; 270C.11, subdivision 5.

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

Page 1, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 2006, section 3.98, is amended by adding a subdivision to read:

Subd. 5. **Appeals.** Disputes over the conclusions of a fiscal note for a bill that are not otherwise resolved may be appealed to the Legislative Commission on Planning and Fiscal Policy established in section 3.885. To initiate an appeal, the chair of the house of representatives Committee on Ways and Means or the chair of the senate Committee on Finance shall submit a written notice of appeal to the chair of the Legislative Commission on Planning and Fiscal Policy and to the commissioner of finance, with a copy of the notice also provided to the chief author of the bill. The notice of appeal must identify the analytical conclusions being contested and the reasons for contesting those conclusions. The chair of the Legislative Commission on Planning and Fiscal Policy shall schedule a meeting of the commission to be held no later than five days after the notice of appeal was submitted. The commission may agree to alter the conclusions of a fiscal note. Any revised conclusions are considered the final estimate of the fiscal impact of the bill for the current legislative session, provided that the fiscal elements of the bill remain unchanged from those considered by the commission."

Page 2, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 2006, section 270C.11, subdivision 5, is amended to read:

Subd. 5. **Revenue estimates; legislative bills.** (a) Upon reasonable notice from the chair of the house or senate tax committee that a bill is scheduled for hearing, the commissioner shall prepare an estimate of the effect on the state's tax revenues which would result from the passage of a legislative bill establishing, extending, or restricting a tax expenditure. These revenue estimates shall contain the same information as provided in subdivision 4 for expenditure items contained in the tax expenditure budget, as appropriate.

(b) Disputes over the conclusions of a revenue estimate for a bill that are not otherwise resolved may be appealed to the Legislative Commission on Planning and Fiscal Policy established in section 3.885. To initiate an appeal, the chair of the Committee on Taxes of the house of representatives or the chair of the Tax Committee of the senate shall submit a written notice of appeal to the chair of the Legislative Commission on Planning and Fiscal Policy and the commissioner of revenue, with a copy of the notice also provided to the chief author of the bill. The notice of appeal must identify the analytical conclusions being contested and the reasons for contesting those conclusions. The chair of the Legislative Commission on Planning and Fiscal Policy shall schedule a meeting of the commission to be held no later than five days after the notice of appeal was submitted. The commission may agree to alter the conclusions of a revenue estimate. Any revised conclusions are considered the final revenue estimate for the bill for the current legislative session, provided that the fiscal elements of the bill remain unchanged from those considered by the panel."

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

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

S.F. No. 3202: A bill for an act relating to state government; codifying the transfer of employee relations duties to the Department of Finance and other agencies; amending Minnesota Statutes

2006, sections 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 16A.055, subdivision 1; 16B.87, subdivision 1; 43A.04, subdivisions 1, 9; 43A.044; 43A.05, subdivisions 1, 6; 43A.06, subdivisions 1, 3; 43A.08, subdivision 1a; 43A.17, subdivision 8; 43A.183, subdivisions 3, 4, 5; 43A.23, subdivision 2; 43A.30, subdivisions 4, 5; 43A.311; 43A.48; 176.541, subdivisions 2, 3, 4, 6; 176.571; 176.572; 176.581; 176.591, subdivision 3; 176.603; 176.611, subdivisions 2, 2a, 3a; 356.215, subdivision 2a; Minnesota Statutes 2007 Supplement, sections 16B.04, subdivision 2; 43A.50, subdivisions 1, 2; 136F.42, subdivision 1; 353.03, subdivision 3; repealing Minnesota Statutes 2006, sections 43A.03; 176.5401.

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

Page 5, after line 2, insert:

"Sec. 8. Minnesota Statutes 2006, section 43A.04, subdivision 2, is amended to read:

Subd. 2. **Executive direction.** The commissioner shall direct all departmental services, appoint employees and may enter into contracts to carry out the provisions of this chapter. The commissioner may appoint one deputy with principal responsibility for employee relations. The deputy shall serve in the unclassified service."

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 re-referred

S.F. No. 2804: A bill for an act relating to education; requiring schools to use environmentally sensitive cleaning and maintenance products; establishing guidelines and a task force; proposing coding for new law in Minnesota Statutes, chapter 121A.

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

Page 1, line 22, before "The" insert "(a)"

Page 2, line 7, delete "two members" and insert "one member"

Page 2, after line 13, insert:

"(b) The appointing authorities under paragraph (a) must complete their appointments by June 30, 2011. The commissioner of education or the commissioner's designee shall serve as the chair of the task force and convene the first meeting of the task force. The commissioner shall provide meeting space and the necessary support staff for the task force. Members of the task force serve until their appointing authority designates a successor.

(c) Notwithstanding section 15.059, subdivision 5, the task force expires, 20..."

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 re-referred

S.F. No. 2914: A bill for an act relating to data practices; providing for certain data practices relating to foreclosure; requiring a report; amending Minnesota Statutes 2006, section 58.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 580.

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

Page 2, line 27, after "recommendations" insert ", including drafting legislation,"

Page 2, line 34, after the period, insert "Section 3 is effective the day following final enactment."

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. 3203: A bill for an act relating to horse racing; modifying certain medication regulations; amending Minnesota Statutes 2006, section 240.24, subdivision 2.

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

Page 1, line 13, delete "the" and insert "their"

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. 3120: A bill for an act relating to data practices; specifying access to disputed data; requiring closed meetings to be recorded; granting attorney fees in certain cases; amending Minnesota Statutes 2006, sections 13.072, subdivision 4; 13D.05, subdivision 1; 13D.06, subdivision 4; Minnesota Statutes 2007 Supplement, section 13.08, subdivision 4.

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

Page 1, delete sections 1 and 2

Page 3, line 10, after "meetings" insert ", except those closed under section 13D.05, subdivision 3, paragraph (b)," and delete "tape"

Page 3, line 11, delete "tapes" and insert "recordings"

Page 3, line 23, after "a" insert "prevailing" and delete "who substantially"

Page 3, line 24, delete "prevails"

Page 3, line 25, after "a" insert "prior"

Page 3, line 27, after the period, insert "The court shall give deference to the opinion in a proceeding brought under this section."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything before "requiring" and insert "relating to the open meeting law;"

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

S.F. No. 3378: A bill for an act relating to local government; providing for a public hearing and public testimony before making an appointment to fill a vacancy on a county board or city council; changing the time period in which an appointment may be made; amending Minnesota Statutes 2006, sections 375.101, by adding a subdivision; 412.02, subdivision 2a, by adding a subdivision; Minnesota Statutes 2007 Supplement, section 375.101, subdivision 4.

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

Page 1, line 16, strike everything after the period

Page 1, lines 17 to 25, strike the old language and delete the new language and insert "If more than one year remains until the next county general election, a special election must be held under subdivision 1. If one year or less remains until the next county general election, the board may appoint a person to fill the vacancy until a qualified successor is elected at the next county general election."

Page 2, line 4, delete "3 or"

Page 2, line 9, delete "make a reasonable effort to consult with" and insert "notify"

Page 2, line 12, after the period, insert "If after the public hearing, the board is unable or decides not to make an appointment under subdivision 4, it must hold a special election under subdivision 1, but the time period in which the election must be held begins to run from the date of the public hearing."

Page 2, line 12, delete "consulted" and insert "notified"

Page 2, line 16, strike "If"

Page 2, lines 17 to 23, strike the old language and delete the new language

Page 2, line 24, strike everything before the period and insert "If more than one year remains until the next regular city election, a special election must be held within 90 days of the vacancy to fill the vacant position. If one year or less remains until the next city general election, the council may appoint a person to fill the vacant position until a successor is qualified at the next city general election"

Page 2, line 30, delete "or 2b"

Page 2, line 33, delete everything after "from" and insert "city residents"

Page 3, line 1, delete everything after "must" and insert "notify the County Auditor. If after the public hearing, the council is unable or decides not to make an appointment under subdivision 2a, it must hold a special election, but the time period in which the election must be held begins to run from the date of the public hearing."

Page 3, delete lines 2 to 4

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. 2948: A bill for an act relating to public employment; repealing final offer total package arbitration procedures for professional firefighters; repealing Minnesota Statutes 2006, section 179A.16, subdivision 7a.

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. 2929: A bill for an act relating to local government; authorizing political subdivisions to make grants to nonprofit organizations; proposing coding for new law in Minnesota Statutes, chapter 471.

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

Page 1, line 12, after the period, insert "For the purposes of this section, "political subdivision" means a county, statutory or home rule charter city, or town, including a town operating under section 368.01."

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. 3364: A bill for an act relating to state government; changing provisions of the Commission of Deaf, Deaf-blind and Hard-of-Hearing Minnesotans; amending Minnesota Statutes 2006, section 256C.28, as amended.

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 256C.28, as amended by Laws 2007, chapter 133, article 2, section 11, is amended to read:

256C.28 COMMISSION ~~SERVING~~ OF DEAF, DEAF-BLIND, AND HARD-OF-HEARING PEOPLE MINNESOTANS.

Subdivision 1. **Membership.** The Minnesota Commission Serving of Deaf, Deaf-blind and

Hard-of-Hearing People Minnesotans consists of seven members appointed at large and one member from each advisory committee established under section 256C.24, subdivision 3. At least 50 percent of the members must be deaf or deaf-blind or hard of hearing. Members shall include persons who are deaf, deaf-blind, and hard of hearing, parents of children who are deaf, deaf-blind, and hard of hearing, and representatives of county and regional human services, including representatives of private service providers. Commission members are appointed by the governor for a three-year term and shall serve no more than two consecutive terms. The commission shall select one member as chair. Notwithstanding section 15.059, the commission does not expire.

Subd. 2. **Removal; vacancies.** The compensation, removal of members, and filling of vacancies on the commission are as provided in section 15.0575.

Subd. 3. **Mission.** The commission shall serve as the principal agency of the state to advocate on behalf of Minnesotans who are deaf, deaf-blind, and hard-of-hearing Minnesotans by working to ensure those persons have equal access to the services, programs, and opportunities available to others.

Subd. 3a. **Duties.** The commission shall:

(1) assist persons who are deaf, deaf-blind, and hard-of-hearing persons and parents of students who are deaf, deaf-blind, and hard-of-hearing students in advocating for equal access to services, programs, and opportunities;

(2) advise the governor, the legislature, the judicial branch, and the commissioners of the Departments of Human Services, Education, Employment and Economic Development, and Health all state agencies on the development of policies, programs, and services affecting persons who are deaf, deaf-blind, and hard-of-hearing persons, and on the use of appropriate federal and state money;

(3) create a public awareness of the special needs and potential of persons who are deaf, deaf-blind, and hard-of-hearing persons;

(4) provide the governor, the legislature, and the commissioners of the Departments of Human Services, Education, Employment and Economic Development, and Health all state agencies with a review of ongoing services, programs, and proposed legislation affecting persons who are deaf, deaf-blind, and hard-of-hearing persons;

(5) advise the governor, the legislature, the judicial branch, and the commissioners of the Departments of Human Services, Education, Employment and Economic Development, and Health all state agencies on statutes, rules, and policies necessary to ensure that persons who are deaf, deaf-blind, and hard-of-hearing persons have equal access to benefits and services provided to individuals in Minnesota;

(6) recommend to the governor, the legislature, the judicial branch, and the commissioners of the Departments of Human Services, Education, Employment and Economic Development, and Health all state agencies legislation designed to improve the economic and social conditions of persons who are deaf, deaf-blind, and hard-of-hearing persons in Minnesota;

(7) propose solutions to problems of persons who are deaf, deaf-blind, and hard-of-hearing persons in the areas of education, employment, human rights, human services, health, housing, and other related programs;

(8) recommend to the governor ~~and~~, the legislature, and the commissioners of all state agencies any needed revisions in the state's affirmative action program and any other steps necessary to eliminate the underemployment or unemployment of deaf, deaf-blind, and hard-of-hearing persons in the state's work force;

(9) work with other state and federal agencies and organizations to promote economic development for Minnesotans who are deaf, deaf-blind, and hard-of-hearing Minnesotans; and

(10) coordinate its efforts with other state and local agencies serving persons who are deaf, deaf-blind, and hard-of-hearing persons.

Subd. 4. **Staff.** The commission may appoint, subject to the approval of the governor, an executive director who must be experienced in administrative activities and familiar with the problems and needs of persons who are deaf, deaf-blind, and hard-of-hearing persons. The commission may delegate to the executive director any powers and duties under this section that do not require commission approval. The executive director serves in the unclassified service and may be removed at any time by a majority vote of the commission. The executive director shall coordinate the provision of necessary support services to the commission with the Deaf and Hard-of-Hearing Services Division. The executive director may employ and direct staff necessary to carry out commission mandates, policies, activities, and objectives.

Subd. 5. **Powers.** The commission may contract in its own name. Contracts must be approved by a majority of the members of the commission and executed by the chair and the executive director. The commission may apply for, receive, and expend in its own name grants and gifts of money consistent with the powers and duties specified in this section.

Subd. 6. **Report.** The commission may prepare and distribute periodic reports to the state agency commissioners, the governor, and the legislature concerning the activities of the commission and the needs and concerns of Minnesotans who are deaf, deaf-blind, and hard-of-hearing Minnesotans.

Subd. 7. **Electronic meetings.** (a) Notwithstanding section 13D.01, the commission may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the commission participating in the meeting, wherever their physical location, can communicate with one another and can hear, see, or feel all discussion and testimony;

(2) members of the public present at the regular meeting location of the commission can hear, see, or feel all discussion and testimony and all votes of members of the commission;

(3) at least one member of the commission is physically present at the regular meeting location;
and

(4) all votes are conducted by roll call, so that each member's vote on each issue can be identified and recorded.

(b) Each member of the commission participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(c) If telephone or other electronic means is used to conduct a meeting, the commission, to the

extent practical, shall allow a person to monitor the meeting electronically from a remote location. The commission may require the person making a connection to pay for documented marginal costs that the commission incurs as a result of the additional connection.

(d) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the commission shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and of the provisions of paragraph (c)."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 3323: A bill for an act relating to health; changing a provision for federally qualified health centers; amending Minnesota Statutes 2007 Supplement, section 145.9269, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

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

S.F. No. 3427: A bill for an act relating to health; changing licensing requirements for certain health professions; amending Minnesota Statutes 2006, sections 148.512, subdivisions 10b, 20; 148.5161, subdivisions 2, 3; 148.5175; 148.519, subdivision 3; 148.5194, subdivisions 7, 8; 148.5195, subdivision 3; 148.6425; 148.6428; 148.6440; 148.6443, subdivisions 1, 3; 148.6445, subdivision 11; 153A.13, subdivision 4; 153A.14, subdivisions 2i, 4a, 11; 153A.175; Minnesota Statutes 2007 Supplement, section 148.515, subdivision 2.

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

Page 1, delete section 1

Page 4, line 11, after "2" insert "or 2a"

Page 18, delete section 17 and insert:

"Sec. 16. Minnesota Statutes 2006, section 149A.01, subdivision 4, is amended to read:

Subd. 4. **Nonlimiting.** (a) Nothing in this chapter shall be construed to limit the powers granted to the commissioner of health, commissioner of commerce, state attorney general, or a county attorney in any other statute, law, or rule, except as described in paragraph (b).

(b) A county, within its jurisdiction as a coroner or medical examiner, may establish transportation standards for transporting a dead human body from the death scene to the place where an autopsy is to be conducted, so long as the standards do not specifically require that the transporter be a licensed funeral director."

Page 19, line 23, delete "American Board of Audiology,"

Renumber the sections in sequence

Amend the title numbers accordingly

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. 3138: A bill for an act relating to health; changing provisions for handling genetic information; amending Minnesota Statutes 2006, section 13.386, subdivision 3; Minnesota Statutes 2007 Supplement, section 144.125, subdivision 3.

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

Page 2, line 33, delete the second "and"

Page 2, line 34, before the period, insert "; and (5) the ability to seek private testing"

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

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

S.F. No. 3286: A bill for an act relating to health; changing information required for filing a complaint with a health plan company; amending Minnesota Statutes 2006, section 62Q.69, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

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

S.F. No. 3170: A bill for an act relating to human services; amending the MFIP work participation program; changing MFIP child care assistance provisions; making technical changes; amending Minnesota Statutes 2006, sections 13.02, subdivision 3a; 13.82, subdivision 1; 119B.011, subdivision 17; 119B.03, subdivisions 1, 6; 119B.09, subdivision 1; 119B.125, by adding a subdivision; 119B.21, subdivision 10; 246.13, subdivision 2; 256E.30, subdivision 1; 256E.35, subdivision 7; 256J.24, subdivision 5; 256J.425, subdivision 1; 256J.54, subdivisions 2, 5; 256J.545; Minnesota Statutes 2007 Supplement, sections 119B.125, subdivision 2; 119B.13, subdivisions 1, 7; 119B.21, subdivision 5; 119B.231, subdivision 5; 245C.08, subdivision 2; 256E.35, subdivision 2; 256J.20, subdivision 3; 256J.575, subdivision 1; 256J.626, subdivision 7; 256J.95, subdivision 3; repealing Minnesota Statutes 2006, section 256K.25.

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

Page 2, line 10, after "2009" insert "and yearly thereafter"

Page 2, lines 16 and 30, strike "the four quarterly measurements" and insert "12 consecutive"

months"

Page 2, lines 23 and 35, after "within" insert "or above"

Page 3, delete lines 4 to 36

Page 4, delete lines 1 to 6

Page 4, line 7, reinstate the stricken "(b)" and delete "(c)" and after "2009" insert "and yearly thereafter"

Page 4, line 11, strike "four quarterly measurements" and insert "12 consecutive months"

Page 4, lines 18 and 28, after "within" insert "or above"

Page 4, line 23, strike "four quarterly"

Page 4, line 24, strike "measurements" and insert "12 consecutive months"

Page 4, delete lines 32 to 35

Page 5, delete lines 1 to 32

Page 5, line 33, reinstate the stricken "(c)" and delete "(e)"

Page 6, line 1, reinstate the stricken "(d)" and delete "(f)"

Page 7, after line 7, insert:

"Sec. 2. Minnesota Statutes 2006, section 119B.09, subdivision 9, is amended to read:

Subd. 9. **Licensed and legal nonlicensed family child care providers; assistance.** Licensed and legal nonlicensed family child care providers and their employees are not eligible to receive child care assistance subsidies under this chapter for their own children or children in their family during the hours they are providing child care or being paid to provide child care. Child care providers and their employees are eligible to receive child care assistance subsidies for their children when they are engaged in other activities that meet the requirements of this chapter and for which child care assistance can be paid. The hours for which the provider or their employee receives a child care subsidy for their own children must not overlap with the hours the provider provides child care services."

Page 7, after line 33, insert:

"Sec. 4. Minnesota Statutes 2007 Supplement, section 245A.1435, is amended to read:

245A.1435 REDUCTION OF RISK OF SUDDEN INFANT DEATH SYNDROME IN LICENSED PROGRAMS.

When a license holder is placing an infant to sleep, the license holder must place the infant on the infant's back, unless the license holder has documentation from the infant's ~~parent~~ doctor directing an alternative sleeping position for the infant, and must place the infant in a crib with a firm mattress. The license holder must not place pillows, quilts, comforters, sheepskin, pillow-like stuffed toys, or other soft products in the crib with the infant. Licensed child care providers must meet the crib requirements under section 245A.146."

Page 16, line 25, after the semicolon, insert "or"

Page 16, line 26, after "nonlicensed" insert "or" and delete "child" and insert ", friends, and neighbor" and delete "; or" and insert a period

Page 16, delete line 27

Page 20, after line 3, insert:

"Sec. 3. Minnesota Statutes 2007 Supplement, section 256J.49, subdivision 13, is amended to read:

Subd. 13. **Work activity.** "Work activity" means any activity in a participant's approved employment plan that leads to employment. For purposes of the MFIP program, this includes activities that meet the definition of work activity under the participation requirements of TANF. Work activity includes:

(1) unsubsidized employment, including work study and paid apprenticeships or internships;

(2) subsidized private sector or public sector employment, including grant diversion as specified in section 256J.69, on-the-job training as specified in section 256J.66, ~~the self-employment investment demonstration program (SEID) as specified in section 256J.65,~~ paid work experience, and supported work when a wage subsidy is provided;

(3) unpaid work experience, including community service, volunteer work, the community work experience program as specified in section 256J.67, unpaid apprenticeships or internships, and supported work when a wage subsidy is not provided. Unpaid work experience is only an option if the participant has been unable to obtain or maintain paid employment in the competitive labor market, and no paid work experience programs are available to the participant. Unless a participant consents to participating in unpaid work experience, the participant's employment plan may only include unpaid work experience if including the unpaid work experience in the plan will meet the following criteria:

(i) the unpaid work experience will provide the participant specific skills or experience that cannot be obtained through other work activity options where the participant resides or is willing to reside; and

(ii) the skills or experience gained through the unpaid work experience will result in higher wages for the participant than the participant could earn without the unpaid work experience;

(4) job search including job readiness assistance, job clubs, job placement, job-related counseling, and job retention services;

(5) job readiness education, including English as a second language (ESL) or functional work literacy classes as limited by the provisions of section 256J.531, subdivision 2, general educational development (GED) course work, high school completion, and adult basic education as limited by the provisions of section 256J.531, subdivision 1;

(6) job skills training directly related to employment, including education and training that can reasonably be expected to lead to employment, as limited by the provisions of section 256J.53;

(7) providing child care services to a participant who is working in a community service program;

(8) activities included in the employment plan that is developed under section 256J.521, subdivision 3; and

(9) preemployment activities including chemical and mental health assessments, treatment, and services; learning disabilities services; child protective services; family stabilization services; or other programs designed to enhance employability.

Sec. 4. Minnesota Statutes 2006, section 256J.521, subdivision 4, is amended to read:

Subd. 4. **Self-employment.** (a) Self-employment activities may be included in an employment plan contingent on the development of a business plan which establishes a timetable and earning goals that will result in the participant exiting MFIP assistance. Business plans must be developed with assistance from an individual or organization with expertise in small business as approved by the job counselor.

(b) Participants with an approved plan that includes self-employment must meet the participation requirements in section 256J.55, subdivision 1. Only hours where the participant earns at least minimum wage shall be counted toward the requirement. Additional activities and hours necessary to meet the participation requirements in section 256J.55, subdivision 1, must be included in the employment plan.

(c) Employment plans which include self-employment activities must be reviewed every three months. Participants who fail, without good cause, to make satisfactory progress as established in the business plan must revise the employment plan to replace the self-employment with other approved work activities.

~~(d) The requirements of this subdivision may be waived for participants who are enrolled in the self-employment investment demonstration program (SEID) under section 256J.65, and who make satisfactory progress as determined by the job counselor and the SEID provider."~~

Page 21, delete section 6

Page 23, delete sections 1 and 2

Page 24, delete section 4

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 Finance. Amendments adopted. Report adopted.

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

S.F. No. 3213: A bill for an act relating to human services; making technical changes; amending children's mental health, health care, and miscellaneous provisions; amending Minnesota Statutes 2006, sections 254A.035, subdivision 2; 254A.04; 256.0451, subdivision 24; 256.046; 256B.0943, subdivisions 1, 2, 7; 256L.07, subdivision 5; Minnesota Statutes 2007 Supplement, sections 256.01, subdivisions 2, 2b; 256.476, subdivisions 4, 5; 256B.057, subdivision 2c; 256B.06, subdivision 4;

256B.0655, subdivision 12; 256B.0943, subdivisions 6, 9, 12; 256D.03, subdivision 3; 256L.15, subdivision 2; repealing Minnesota Statutes 2006, section 256B.039.

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

Page 1, delete article 1

Page 12, delete section 1

Page 22, line 3, reinstate the stricken ", apply"

Page 28, after line 24, insert:

"Sec. 8. Minnesota Statutes 2006, section 256B.093, subdivision 1, is amended to read:

Subdivision 1. **State traumatic brain injury program.** The commissioner of human services shall:

- (1) maintain a statewide traumatic brain injury program;
- (2) supervise and coordinate services and policies for persons with traumatic brain injuries;
- (3) contract with qualified agencies or employ staff to provide statewide administrative case management and consultation;
- (4) maintain an advisory committee to provide recommendations in reports to the commissioner regarding program and service needs of persons with traumatic brain injuries;
- (5) investigate the need for the development of rules or statutes for the traumatic brain injury home and community-based services waiver;
- (6) investigate present and potential models of service coordination which can be delivered at the local level; and
- (7) the advisory committee required by clause (4) must consist of no fewer than ten members and no more than 30 members. The commissioner shall appoint all advisory committee members to one- or two-year terms and appoint one member as chair. Notwithstanding section 15.059, subdivision 5, the advisory committee does not terminate until June 30, ~~2008~~ 2012."

Page 34, delete section 3

Renumber the articles and sections in sequence

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

S.F. No. 3166: A bill for an act relating to human services; amending child welfare and child support provisions; adopting a new Interstate Compact for the Placement of Children and repealing the old compact; regulating child and adult adoptions; directing the commissioner to adopt rules;

amending Minnesota Statutes 2006, sections 13.46, by adding subdivisions; 256.87, subdivision 5; 259.20, subdivision 1; 259.21, by adding a subdivision; 259.22, subdivision 2; 259.23, subdivision 2; 259.43; 259.52, subdivision 2; 259.53, subdivisions 3, 5; 259.59, subdivisions 1, 2; 259.67, subdivisions 2, 3, by adding a subdivision; 259.75, subdivision 5; 259.89, subdivisions 1, 2, 4, by adding a subdivision; 260.795, subdivision 3; 260C.001, subdivision 2; 260C.007, subdivisions 5, 6, 13; 260C.171, subdivision 2; 260C.178, subdivision 1; 260C.212, subdivision 7, by adding a subdivision; 260C.325, subdivisions 1, 3; 518A.42, subdivision 1; 518A.46, subdivision 5; 524.2-114; 541.04; 548.09, by adding a subdivision; 550.01; 626.556, subdivision 7; Minnesota Statutes 2007 Supplement, sections 259.41, subdivision 1; 259.53, subdivision 2; 259.57, subdivision 1; 259.67, subdivision 4; 260C.163, subdivision 1; 260C.209, subdivisions 1, 2, by adding a subdivision; 260C.212, subdivision 4; 626.556, subdivision 10a; Laws 2007, chapter 147, article 2, section 56; proposing coding for new law in Minnesota Statutes, chapters 259; 260; repealing Minnesota Statutes 2006, sections 260.851; 260B.241; 260C.207; 548.091, subdivision 3b; Minnesota Rules, part 9560.0092.

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

Page 3, line 5, delete the new language and reinstate the stricken language

Page 3, line 6, delete "to be adopted" and reinstate "between petitioner and" and before "and" insert "the person to be adopted"

Page 3, line 7, delete "it" and insert "adoption"

Page 4, line 6, strike "not" and strike "this section except as" and insert "a background study"

Page 4, line 7, strike everything before the period and insert "by subdivision 2, paragraph (a), clause (1), items (i) and (ii), and subdivision 3. In the case of a stepparent adoption, a background study must be completed on the stepparent and any children as required under subdivision 3, paragraph (b), except that a child of the stepparent does not need to have a background study complete if they are a sibling through birth or adoption of the person being adopted. The local social services agency of the county in which the prospective adoptive parent lives must initiate a background study unless a child-placing agency has been involved with the adoption. The local social service agency may charge a reasonable fee for the background study. If a placement is being made the background study must be completed prior to placement pursuant to section 259.29, subdivision 1, paragraph (c). Background study results must be filed with the adoption petition according to section 259.22, except in an adult adoption where an adoption study and background study are not needed"

Page 4, line 18, delete "child" and insert "child's"

Page 5, delete section 9

Page 7, line 7, after "259.65" insert a comma

Page 7, delete section 11

Page 8, line 31, strike "child's" and insert "person's"

Page 11, line 31, strike "services" and insert "services"

Page 11, line 32, after the first "known" insert a comma

Page 13, delete section 24

Page 33, line 31, strike everything after "care"

Page 33, line 32, strike everything before the semicolon

Page 34, line 15, strike "in placement according to" and insert "who entered foster care under a"

Page 34, line 16, strike "release by" and insert "placement agreement between" and after "parent" insert "and the responsible social services agency"

Page 35, after line 7, insert:

"Sec. 27. Minnesota Statutes 2006, section 260C.101, subdivision 2, is amended to read:

Subd. 2. **Jurisdiction over other matters relating to children.** Except as provided in clause (d), the juvenile court has original and exclusive jurisdiction in proceedings concerning:

(a) The termination of parental rights to a child in accordance with the provisions of sections 260C.301 to 260C.328.

(b) The appointment and removal of a juvenile court guardian for a child, where parental rights have been terminated under the provisions of sections 260C.301 to 260C.328.

(c) Judicial consent to the marriage of a child when required by law.

(d) The juvenile court in those counties in which the judge of the probate-juvenile court has been admitted to the practice of law in this state shall proceed under the laws relating to adoptions in all adoption matters. In those counties in which the judge of the probate-juvenile court has not been admitted to the practice of law in this state the district court shall proceed under the laws relating to adoptions in all adoption matters.

(e) The review of the foster care status placement of a child who has been placed in a residential facility, as defined in section 260C.212, subdivision 1, foster care pursuant to a voluntary release by placement agreement between the child's parent or parents and the responsible social services agency under section 260C.212, subdivision 8.

(f) The review of voluntary foster care placement of a child for treatment under chapter 260D according to the review requirements of that chapter.

Sec. 28. Minnesota Statutes 2006, section 260C.141, subdivision 2, is amended to read:

Subd. 2. **Review of foster care status.** ~~Except for a child in foster care due solely to the child's developmental disability or emotional disturbance,~~ When a child continues in voluntary placement foster care according to section 260C.212, subdivision 8, a petition shall be filed alleging the child to be in need of protection or services or seeking termination of parental rights or other permanent placement of the child away from the parent within 90 days of the date of the voluntary placement agreement. The petition shall state the reasons why the child is in placement foster care, the progress on the out-of-home placement plan required under section 260C.212, subdivision 1, and the statutory basis for the petition under section 260C.007, subdivision 6, 260C.201, subdivision 11, or 260C.301.

(1) In the case of a petition alleging the child to be in need of protection or services filed under this paragraph, if all parties agree and the court finds it is in the best interests of the child, the court

may find the petition states a prima facie case that:

- (i) the child's needs are being met;
- (ii) the placement of the child in foster care is in the best interests of the child;
- (iii) reasonable efforts to reunify the child and the parent or guardian are being made; and
- (iv) the child will be returned home in the next three months.

(2) If the court makes findings under paragraph (1), the court shall approve the voluntary arrangement and continue the matter for up to three more months to ensure the child returns to the parents' home. The responsible social services agency shall:

(i) report to the court when the child returns home and the progress made by the parent on the out-of-home placement plan required under section 260C.212, in which case the court shall dismiss jurisdiction;

(ii) report to the court that the child has not returned home, in which case the matter shall be returned to the court for further proceedings under section 260C.163; or

(iii) if any party does not agree to continue the matter under this paragraph and paragraph (1), the matter shall proceed under section 260C.163."

Page 40, after line 23, insert:

"Sec. 32. Minnesota Statutes 2006, section 260C.205, is amended to read:

260C.205 DISPOSITIONS; VOLUNTARY FOSTER CARE PLACEMENTS FOR TREATMENT.

~~Unless the court disposes of the petition under section 260C.141, subdivision 2, Upon a petition for review of the foster care status of a by a parent or guardian under section 260C.141, subdivision 1, regarding a child in voluntary foster care for treatment under chapter 260D, the court may:~~

~~(a) find that the child's needs are not being met, in which case the court shall order the social services agency or the parents to take whatever action is necessary and feasible to meet the child's needs, including, when appropriate, the provision by the social services agency of services to the parents which would enable the child to live at home, and order a disposition under section 260C.201.~~

~~(b) Find that the child has been abandoned by parents financially or emotionally, or that the developmentally disabled child does not require out-of-home care because of the disabling condition, in which case the court shall order the social services agency to file an appropriate petition pursuant to section 260C.141, subdivision 1, or 260C.307.~~

~~(c) When a child is in placement due solely to the child's developmental disability or emotional disturbance and the court finds that there are compelling reasons which permit the court to approve the continued voluntary placement of the child and retain jurisdiction to conduct reviews as required under section 260C.141, subdivision 2, the court shall give the parent notice by registered United States mail of the review requirements of section 260C.141, subdivision 2, in the event the child continues in placement 12 months or longer.~~

~~Nothing in this section shall be construed to prohibit bringing a petition pursuant to section 260C.141, subdivision 1 or 4, sooner than required by court order pursuant to this section."~~

Page 40, line 26, delete "shall"

Page 40, line 27, delete "conduct" and strike "a background study"

Page 40, line 28, delete the first "of" and insert "may have access to"

Page 41, line 24, strike "initiating a background check" and insert "accessing information"

Page 41, line 33, delete everything after "(b)"

Page 41, delete line 34

Page 42, line 1, delete "(c)" and strike "commissioner or the"

Page 42, line 2, strike "conducting an assessment under this section" and insert "accessing information under subdivision 1"

Page 42, line 4, strike "the commissioner or"

Page 42, after line 17, insert:

"Sec. 36. Minnesota Statutes 2007 Supplement, section 260C.212, subdivision 1, is amended to read:

Subdivision 1. **Out-of-home placement; plan.** (a) An out-of-home placement plan shall be prepared within 30 days after any child is placed in ~~a residential facility~~ foster care by court order or ~~by the a voluntary release of the child by~~ placement agreement between the responsible social services agency and the child's parent or parents pursuant to subdivision 8 or chapter 260D.

~~For purposes of this section, a residential facility means any group home, family foster home or other publicly supported out-of-home residential facility, including any out-of-home residential facility under contract with the state, county or other political subdivision, or any agency thereof, to provide those services or foster care as defined in section 260C.007, subdivision 18.~~

(b) An out-of-home placement plan means a written document which is prepared by the responsible social services agency jointly with the parent or parents or guardian of the child and in consultation with the child's guardian ad litem, the child's tribe, if the child is an Indian child, the child's foster parent or representative of the residential facility, and, where appropriate, the child. For a child in ~~placement due solely or in part to the child's emotional disturbance~~ voluntary foster care for treatment under chapter 260D, preparation of the out-of-home placement plan shall additionally include the child's mental health treatment provider. As appropriate, the plan shall be:

(1) submitted to the court for approval under section 260C.178, subdivision 7;

(2) ordered by the court, either as presented or modified after hearing, under section 260C.178, subdivision 7, or 260C.201, subdivision 6; and

(3) signed by the parent or parents or guardian of the child, the child's guardian ad litem, a representative of the child's tribe, the responsible social services agency, and, if possible, the child.

(c) The out-of-home placement plan shall be explained to all persons involved in its

implementation, including the child who has signed the plan, and shall set forth:

(1) a description of the residential facility including how the out-of-home placement plan is designed to achieve a safe placement for the child in the least restrictive, most family-like, setting available which is in close proximity to the home of the parent or parents or guardian of the child when the case plan goal is reunification, and how the placement is consistent with the best interests and special needs of the child according to the factors under subdivision 2, paragraph (b);

(2) the specific reasons for the placement of the child in a residential facility, and when reunification is the plan, a description of the problems or conditions in the home of the parent or parents which necessitated removal of the child from home and the changes the parent or parents must make in order for the child to safely return home;

(3) a description of the services offered and provided to prevent removal of the child from the home and to reunify the family including:

(i) the specific actions to be taken by the parent or parents of the child to eliminate or correct the problems or conditions identified in clause (2), and the time period during which the actions are to be taken; and

(ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made to achieve a safe and stable home for the child including social and other supportive services to be provided or offered to the parent or parents or guardian of the child, the child, and the residential facility during the period the child is in the residential facility;

(4) a description of any services or resources that were requested by the child or the child's parent, guardian, foster parent, or custodian since the date of the child's placement in the residential facility, and whether those services or resources were provided and if not, the basis for the denial of the services or resources;

(5) the visitation plan for the parent or parents or guardian, other relatives as defined in section 260C.007, subdivision 27, and siblings of the child if the siblings are not placed together in ~~the residential facility~~ foster care, and whether visitation is consistent with the best interest of the child, during the period the child is in ~~the residential facility~~ foster care;

(6) documentation of steps to finalize the adoption or legal guardianship of the child if the court has issued an order terminating the rights of both parents of the child or of the only known, living parent of the child. At a minimum, the documentation must include child-specific recruitment efforts such as relative search and the use of state, regional, and national adoption exchanges to facilitate orderly and timely placements in and outside of the state. A copy of this documentation shall be provided to the court in the review required under section 260C.317, subdivision 3, paragraph (b);

(7) the health and educational records of the child including the most recent information available regarding:

(i) the names and addresses of the child's health and educational providers;

(ii) the child's grade level performance;

(iii) the child's school record;

(iv) assurances that the child's placement in foster care takes into account proximity to the school

in which the child is enrolled at the time of placement;

(v) a record of the child's immunizations;

(vi) the child's known medical problems, including any known communicable diseases, as defined in section 144.4172, subdivision 2;

(vii) the child's medications; and

(viii) any other relevant health and education information;

(8) an independent living plan for a child age 16 or older who is in placement as a result of a permanency disposition. The plan should include, but not be limited to, the following objectives:

(i) educational, vocational, or employment planning;

(ii) health care planning and medical coverage;

(iii) transportation including, where appropriate, assisting the child in obtaining a driver's license;

(iv) money management;

(v) planning for housing;

(vi) social and recreational skills; and

(vii) establishing and maintaining connections with the child's family and community; and

(9) for a child in ~~placement due solely or in part to the child's emotional disturbance~~ voluntary foster care for treatment under chapter 260D, diagnostic and assessment information, specific services relating to meeting the mental health care needs of the child, and treatment outcomes.

(d) The parent or parents or guardian and the child each shall have the right to legal counsel in the preparation of the case plan and shall be informed of the right at the time of placement of the child. The child shall also have the right to a guardian ad litem. If unable to employ counsel from their own resources, the court shall appoint counsel upon the request of the parent or parents or the child or the child's legal guardian. The parent or parents may also receive assistance from any person or social services agency in preparation of the case plan.

After the plan has been agreed upon by the parties involved or approved or ordered by the court, the foster parents shall be fully informed of the provisions of the case plan and shall be provided a copy of the plan.

Upon discharge from foster care, the parent, adoptive parent, or permanent legal and physical custodian, as appropriate, and the child, if appropriate, must be provided with a current copy of the child's health and education record."

Page 42, line 21, strike "placement" and insert "foster care"

Page 43, line 21, strike "or parents"

Page 43, line 22, strike "a residential facility" and insert "foster care" and strike "placement due"

Page 43, line 23, strike everything before the comma and insert "voluntary foster care for treatment under chapter 260D"

Page 43, line 25, strike "residential care of" and strike "child" and insert "child's placement in foster care"

Page 44, line 1, strike "residential" and insert "foster"

Page 44, line 8, strike "the residential facility" and insert "foster care"

Page 44, line 10, strike "who is not developmentally disabled or emotionally"

Page 44, line 11, strike "disturbed" and insert "under subdivision 8,"

Page 46, line 32, delete "17" and insert "16"

Page 47, line 1, delete "the child"

Page 47, line 2, delete "has"

Page 47, line 4, delete "is" and insert "it"

Page 47, delete lines 10 to 14 and insert:

"(2) The court shall make findings regarding progress toward or accomplishment of the following goals:

(i) the child, the child's parents or legal guardian, and the foster parents have been notified in writing of the availability of foster care benefits up to age 21 and how to file an appeal if a request for foster care benefits up to age 21 is denied by the county;

(ii) the child has obtained a high school diploma or its equivalent;

(iii) the child has completed a driver's education course or has demonstrated the ability to use public transportation in the child's community;

(iv) the child is employed or enrolled in postsecondary education;

(v) the child has applied for and obtained postsecondary education financial aid for which the child is eligible;

(vi) the child has health care coverage and health care providers to meet the child's physical and mental health needs;

(vii) the child has applied for and obtained disability income assistance for which the child is eligible;

(viii) the child has obtained affordable housing with necessary supports, which does not include a homeless shelter;

(ix) the child has saved sufficient funds to pay for the first month's rent and a damage deposit;

(x) the child has an alternative affordable housing plan, which does not include a homeless shelter, if the original housing plan is unworkable;

(xi) the child, if male, has registered for the Selective Service; and

(xii) the child has a permanent connection to a caring adult."

Page 47, line 15, after "agency" insert "in conjunction with the placement provider"

Page 47, after line 20, insert:

"Sec. 40. Minnesota Statutes 2006, section 260C.212, subdivision 8, is amended to read:

Subd. 8. **Review of Voluntary placements foster care; required court review.** ~~Except for a child in placement due solely to the child's developmental disability or emotional disturbance, if~~ When the responsible social services agency and the child's parent or guardian agree that the child's safety, health, and best interests require that the child be in foster care, the agency and the parent or guardian may enter into a voluntary agreement for the placement of the child in foster care. The voluntary agreement must be in writing and in a form approved by the commissioner. When the child has been placed in a residential facility foster care pursuant to a voluntary release by foster care agreement between the agency and the parent or parents, under this subdivision and the child is not returned home within 90 days after initial placement in the residential facility foster care, the social services agency responsible for the child's placement in foster care shall:

(1) return the child to the home of the parent or parents; or

(2) file a petition according to section 260C.141, subdivision 1 or 2, which may:

(i) ask the court to review the child's placement in foster care and approve it as continued voluntary foster care for up to an additional 90 days;

(ii) ask the court to order continued out-of-home placement foster care according to sections 260C.178 and 260C.201; or

(iii) ask the court to terminate parental rights under section 260C.301.

The out-of-home placement plan must be updated and filed along with the petition.

If the court approves ~~continued out-of-home placement~~ continuing the child in foster care for up to 90 more days on a voluntary basis, at the end of the court-approved 90-day period, the child must be returned to the parent's home. If the child is not returned home, the responsible social services agency must proceed on the petition filed alleging the child in need of protection or services or the petition for termination of parental rights or other permanent placement of the child away from the parent. The court must find a statutory basis to order the placement of the child under section 260C.178; 260C.201; or 260C.317."

Page 48, after line 14, insert:

"Sec. 43. **[260D.001] CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT.**

(a) Sections 260D.001 to 260D.301, may be cited as the "child in voluntary foster care for treatment" provisions of the Juvenile Court Act.

(b) The juvenile court has original and exclusive jurisdiction over a child in voluntary foster care for treatment upon the filing of a report or petition required under this chapter. All obligations of the agency to a child and family in foster care contained in chapter 260C not inconsistent with this

chapter are also obligations of the agency with regard to a child in foster care for treatment under this chapter.

(c) This chapter shall be construed consistently with the mission of the children's mental health service system as set out in section 245.487, subdivision 3, and the duties of an agency under section 256B.092, and Minnesota Rules, parts 9525.0004 to 9525.0016, to meet the needs of a child with a developmental disability or related condition. This chapter:

(1) establishes voluntary foster care through a voluntary foster care agreement as the means for an agency and a parent to provide needed treatment when the child must be in foster care to receive necessary treatment for an emotional disturbance or developmental disability or related condition;

(2) establishes court review requirements for a child in voluntary foster care for treatment due to emotional disturbance or developmental disability or a related condition;

(3) establishes the ongoing responsibility of the parent as legal custodian to visit the child, to plan together with the agency for the child's treatment needs, to be available and accessible to the agency to make treatment decisions, and to obtain necessary medical, dental, and other care for the child; and

(4) applies to voluntary foster care when the child's parent and the agency agree that the child's treatment needs require foster care either:

(i) due to a level of care determination by the agency's screening team informed by the diagnostic and functional assessment under section 245.4885; or

(ii) due to a determination regarding the level of services needed by the responsible social services' screening team under section 256B.092, and Minnesota Rules, parts 9525.0004 to 9525.0016.

(d) This chapter does not apply when there is a current determination under section 626.556 that the child requires child protective services or when the child is in foster care for any reason other than treatment for the child's emotional disturbance or developmental disability or related condition. When there is a determination under section 626.556 that the child requires child protective services based on an assessment that there are safety and risk issues for the child that have not been mitigated through the parent's engagement in services or otherwise, or when the child is in foster care for any reason other than the child's emotional disturbance or developmental disability or related condition, the provisions of chapter 260C apply.

(e) The paramount consideration in all proceedings concerning a child in voluntary foster care for treatment is the safety, health, and the best interests of the child. The purpose of this chapter is:

(1) to ensure a child with a disability is provided the services necessary to treat or ameliorate the symptoms of the child's disability;

(2) to preserve and strengthen the child's family ties whenever possible and in the child's best interests, approving the child's placement away from the child's parents only when the child's need for care or treatment requires it and the child cannot be maintained in the home of the parent; and

(3) to ensure the child's parent retains legal custody of the child and associated decision-making authority unless the child's parent willfully fails or is unable to make decisions that meet the child's

safety, health, and best interests. The court may not find that the parent willfully fails or is unable to make decisions that meet the child's needs solely because the parent disagrees with the agency's choice of foster care facility, unless the agency files a petition under chapter 260C, and establishes by clear and convincing evidence that the child is in need of protection or services.

(f) The legal parent-child relationship shall be supported under this chapter by maintaining the parent's legal authority and responsibility for ongoing planning for the child and by the agency's assisting the parent, where necessary, to exercise the parent's ongoing right and obligation to visit or to have reasonable contact with the child. Ongoing planning means:

(1) actively participating in the planning and provision of educational services, medical, and dental care for the child;

(2) actively planning and participating with the agency and the foster care facility for the child's treatment needs; and

(3) planning to meet the child's need for safety, stability, and permanency, and the child's need to stay connected to the child's family and community.

(g) The provisions of section 260.012 to ensure placement prevention, family reunification, and all active and reasonable effort requirements of that section apply. This chapter shall be construed consistently with the requirements of the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901, et.al., and the provisions of the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835.

Sec. 44. **[260D.005] DEFINITIONS.**

Subdivision 1. **Definitions.** The definitions in this section supplement the definitions in section 260C.007. The definitions in section 260C.007 apply to this chapter and have the same meaning for purposes of this chapter as for chapter 260C.

Subd. 2. **Agency.** "Agency" means the responsible social services agency or a licensed child-placing agency.

Subd. 3. **Case plan.** "Case plan" means any plan for the delivery of services to a child and parent, or when reunification is not required, the child alone, that is developed according to the requirements of sections 245.4871, subdivision 19 or 21; 245.492, subdivision 16; 256B.092; 260C.212, subdivision 1; 626.556, subdivision 10; and Minnesota Rules, parts 9525.0004 to 9525.0016.

Subd. 4. **Child.** "Child" means an individual under 18 years of age.

Subd. 5. **Child in voluntary foster care for treatment.** "Child in voluntary foster care for treatment" means a child who is emotionally disturbed or developmentally disabled or has a related condition and is in foster care under a voluntary foster care agreement between the child's parent and the agency due to concurrence between the agency and the parent that the child's level of care requires placement in foster care either:

(1) due to a determination by the agency's screening team based on its review of the diagnostic and functional assessment under section 245.4885; or

(2) due to a determination by the agency's screening team under section 256B.092, and

Minnesota Rules, parts 9525.0004 to 9525.0016.

A child is not in voluntary foster care for treatment under this chapter when there is a current determination under section 626.556 that the child requires child protective services or when the child is in foster care for any reason other than the child's emotional or developmental disability or related condition.

Subd. 6. **Compelling reasons.** "Compelling reasons" has the same meaning as it is used in section 260C.007, subdivision 8. The agency may determine compelling reasons when the child is in foster care for treatment and no grounds to terminate parental rights exist because the child must be in placement to access treatment, the child's individual treatment needs cannot be met in the child's home or through community-based care, and the parent continues to be responsible for planning together with the agency for the child's needs and maintains appropriate contact with the child.

Subd. 7. **Court.** "Court" means juvenile court unless otherwise specified in this section.

Subd. 8. **Developmental disability.** "Developmental disability" means developmental disability as defined in United States Code, title 42, section 6001(8).

Subd. 9. **Emotionally disturbed or emotional disturbance.** "Emotionally disturbed" or "emotional disturbance" means emotional disturbance as described in section 245.4871, subdivision 15.

Subd. 10. **Foster care.** "Foster care" means 24-hour substitute care for children placed away from their parents and for whom an agency has placement and care responsibility. Foster care includes, but is not limited to, placement in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities not excluded in this subdivision, child care institutions, and preadoptive homes. A child is in foster care under this definition, regardless of whether the facility is licensed and payments are made for the cost of care. Nothing in this definition creates any authority to place a child in a home or facility that is required to be licensed that is not licensed. Foster care does not include placement in any of the following facilities: hospitals, inpatient chemical dependency treatment facilities, facilities that are primarily for delinquent children, any corrections facility or program within a particular corrections facility not meeting requirements for Title IV-E facilities as determined by the commissioner, facilities to which a child is committed under the provision of chapter 253B, forestry camps, or jails.

Subd. 11. **Legal authority to place the child.** "Legal authority to place the child" means the agency has legal responsibility for the care and control of the child while the child is in foster care. The agency may acquire legal authority to place a child through a voluntary placement agreement between the agency and the child's parent under this chapter. Legal authority to place the child does not mean the agency has authority to make major life decisions regarding the child, including major medical decisions. A parent with legal custody of the child continues to have legal authority to make major life decisions regarding the child, including major medical decisions.

Subd. 12. **Minor.** "Minor" means an individual under 18 years of age.

Subd. 13. **Parent.** "Parent" means the birth or adoptive parent of a minor. Parent also means the child's legal guardian or any individual who has legal authority to make decisions and plans for the child. For an Indian child, parent includes any Indian person who has adopted a child by tribal law

or custom, as provided in section 260.755, subdivision 14.

Subd. 14. **Reasonable efforts to finalize a permanent plan for the child.** "Reasonable efforts to finalize a permanent plan for the child" has the same meaning under this chapter as provided in section 260.012, paragraph (e).

Sec. 45. [260D.101] VOLUNTARY FOSTER CARE.

Subdivision 1. **Voluntary foster care.** When the agency's screening team, based upon the diagnostic and functional assessment under section 245.4885 or 256B.092, subdivision 7, determines the child's need for treatment due to emotional disturbance or developmental disability or related condition requires foster care placement of the child, a voluntary foster care agreement between the child's parent and the agency gives the agency legal authority to place the child in foster care.

Subd. 2. **Voluntary foster care agreement.** A voluntary foster care agreement shall be used to provide the agency the legal authority to place a child in foster care for treatment due to the child's disability. The agreement must be in writing and signed by both the child's parent and the agency. The agreement must be in a form approved by the commissioner of human services, and shall contain notice to parents of the consequences to the parent and to the child of being in voluntary foster care.

Sec. 46. [260D.102] REQUIRED INFORMATION FOR A CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT.

An agency with authority to place a child in voluntary foster care for treatment due to emotional disturbance or developmental disability or related condition, shall inform the child, age 12 or older, of the following:

(1) the child has the right to be consulted in the preparation of the out-of-home placement plan required under section 260C.212, subdivision 1, and the administrative review required under section 260C.212, subdivision 7;

(2) the child has the right to visit the parent and the right to visit the child's siblings as determined safe and appropriate by the parent and the agency;

(3) if the child disagrees with the foster care facility or services provided under the out-of-home placement plan required under section 260C.212, subdivision 1, the agency shall include information about the nature of the child's disagreement and, to the extent possible, the agency's understanding of the basis of the child's disagreement in the information provided to the court in the report required under section 260D.105; and

(4) the child has the rights established under Minnesota Rules, part 2960.0050, as a resident of a facility licensed by the state.

Sec. 47. [260D.103] ADMINISTRATIVE REVIEW OF CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT.

The administrative reviews required under section 260C.212, subdivision 7, must be conducted for a child in voluntary foster care for treatment, except that the initial administrative review must take place prior to the submission of the report to the court required under section 260D.105,

subdivision 2.

Sec. 48. [260D.105] AGENCY REPORT TO THE COURT AND COURT REVIEW OF CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT DUE TO DISABILITY.

Subdivision 1. **Judicial review.** In the case of a child in voluntary foster care for treatment due to disability under section 260D.101, the agency shall obtain judicial review of the child's voluntary foster care placement within 165 days of the placement.

Subd. 2. **Agency report to court; court review.** The agency shall obtain judicial review by reporting to the court according to the following procedures:

(a) A written report shall be forwarded to the court within 165 days of the date of the voluntary placement agreement. The written report shall contain or have attached:

(1) a statement of facts that necessitate the child's foster care placement;

(2) the child's name, date of birth, race, gender, and current address;

(3) the names, race, date of birth, residence, and post office addresses of the child's parents or legal custodian;

(4) a statement regarding the child's eligibility for membership or enrollment in an Indian tribe and the agency's compliance with applicable provisions of sections 260.751 to 260.835;

(5) the names and addresses of the foster parents or chief administrator of the facility in which the child is placed, if the child is not in a family foster home or group home;

(6) a copy of the out-of-home placement plan required under section 260C.212, subdivision 1;

(7) a written summary of the proceedings of any administrative review required under section 260C.212, subdivision 7; and

(8) any other information the agency, parent or legal custodian, the child or the foster parent, or other residential facility wants the court to consider.

(b) In the case of a child in placement due to emotional disturbance, the written report shall include as an attachment, the child's individual treatment plan developed by the child's treatment professional, as provided in section 245.4871, subdivision 21, or the child's individual interagency intervention plan, as provided in section 125A.023, subdivision 3, paragraph (c).

(c) In the case of a child in placement due to developmental disability or a related condition, the written report shall include as an attachment, the child's individual service plan, as provided in section 256B.092, subdivision 1b; the child's individual program plan, as provided in Minnesota Rules, part 9525.0004, subpart 11; the child's waiver care plan; or the child's individual interagency intervention plan, as provided in section 125A.023, subdivision 3, paragraph (c).

(d) The agency must inform the child, age 12 or older, the child's parent, and the foster parent or foster care facility of the reporting and court review requirements of this section and of their right to submit information to the court:

(1) if the child or the child's parent or the foster care provider wants to send information to the court, the agency shall advise those persons of the reporting date and the date by which the agency

must receive the information they want forwarded to the court so the agency is timely able submit it with the agency's report required under this subdivision;

(2) the agency must also inform the child, age 12 or older, the child's parent, and the foster care facility that they have the right to be heard in person by the court and how to exercise that right;

(3) the agency must also inform the child, age 12 or older, the child's parent, and the foster care provider that an in-court hearing will be held if requested by the child, the parent, or the foster care provider; and

(4) if, at the time required for the report under this section, a child, age 12 or older, disagrees about the foster care facility or services provided under the out-of-home placement plan required under section 260C.212, subdivision 1, the agency shall include information regarding the child's disagreement, and to the extent possible, the basis for the child's disagreement in the report required under this section.

(e) After receiving the required report, the court has jurisdiction to make the following determinations and must do so within ten days of receiving the forwarded report, whether a hearing is requested:

(1) whether the voluntary foster care arrangement is in the child's best interests;

(2) whether the parent and agency are appropriately planning for the child; and

(3) in the case of a child age 12 or older, who disagrees with the foster care facility or services provided under the out-of-home placement plan, whether it is appropriate to appoint counsel and a guardian ad litem for the child using standards and procedures under section 260C.163.

(f) Unless requested by a parent, representative of the foster care facility, or the child, no in-court hearing is required in order for the court to make findings and issue an order as required in paragraph (e).

(g) If the court finds the voluntary foster care arrangement is in the child's best interests and that the agency and parent are appropriately planning for the child, the court shall issue an order containing explicit, individualized findings to support its determination. The individualized findings shall be based on the agency's written report and other materials submitted to the court. The court may make this determination notwithstanding the child's disagreement, if any, reported under paragraph (d).

(h) The court shall send a copy of the order to the county attorney, the agency, parent, child, age 12 or older, and the foster parent or foster care facility.

(i) The court shall also send the parent, the child, age 12 or older, the foster parent, or representative of the foster care facility notice of the permanency review hearing required under section 260D.107, paragraph (e).

(j) If the court finds continuing the voluntary foster care arrangement is not in the child's best interest or that the agency or the parent are not appropriately planning for the child, the court shall notify the agency, the parent, the foster parent or foster care facility, the child, age 12 or older, and the county attorney of the court's determinations and the basis for the court's determinations. In this case, the court shall set the matter for hearing and appoint a guardian ad litem for the child under

section 260C.163, subdivision 5.

Sec. 49. **[260D.107] REQUIRED PERMANENCY REVIEW HEARING.**

(a) When the court has found that the voluntary arrangement is in the child's best interests and that the agency and parent are appropriately planning for the child pursuant to the report submitted under section 260D.105, and the child continues in voluntary foster care as defined in section 260D.005, subdivision 10, for 13 months from the date of the voluntary foster care agreement, or has been in placement for 15 of the last 22 months, the agency must:

(1) terminate the voluntary foster care agreement and return the child home; or

(2) determine whether there are compelling reasons to continue the voluntary foster care arrangement and, if the agency determines there are compelling reasons, seek judicial approval of its determination; or

(3) file a petition for the termination of parental rights.

(b) When the agency is asking for the court's approval of its determination that there are compelling reasons to continue the child in the voluntary foster care arrangement, the agency shall file a "Petition for Permanency Review Regarding a Child in Voluntary Foster Care for Treatment" and ask the court to proceed under this section.

(c) The "Petition for Permanency Review Regarding a Child in Voluntary Foster Care for Treatment" shall be drafted or approved by the county attorney and be under oath. The petition shall include:

(1) the date of the voluntary placement agreement;

(2) whether the petition is due to the child's developmental disability or emotional disturbance;

(3) the plan for the ongoing care of the child and the parent's participation in the plan;

(4) a description of the parent's visitation and contact with the child;

(5) the date of the court finding that the foster care placement was in the best interests of the child, if required under section 260D.105, or the date the agency filed the motion under section 260D.201, paragraph (b);

(6) the agency's reasonable efforts to finalize the permanent plan for the child, including returning the child to the care of the child's family; and

(7) a citation to this chapter as the basis for the petition.

(d) An updated copy of the out-of-home placement plan required under section 260C.212, subdivision 1, shall be filed with the petition.

(e) The court shall set the date for the permanency review hearing no later than 14 months after the child has been in placement or within 30 days of the petition filing date when the child has been in placement 15 of the last 22 months. The court shall serve the petition together with a notice of hearing by United States mail on the parent, the child age 12 or older, the child's guardian ad litem, if one has been appointed, the agency, the county attorney, and counsel for any party.

(f) The court shall conduct the permanency review hearing on the petition no later than 14 months after the date of the voluntary placement agreement, within 30 days of the filing of the petition when the child has been in placement 15 days of the last 22 months, or within 15 days of a motion to terminate jurisdiction and to dismiss an order for foster care under chapter 260C, as provided in section 260D.201, paragraph (b).

(g) At the permanency review hearing, the court shall:

(1) inquire of the parent if the parent has reviewed the "Petition for Permanency Review Regarding a Child in Voluntary Foster Care for Treatment," whether the petition is accurate, and whether the parent agrees to the continued voluntary foster care arrangement as being in the child's best interests;

(2) inquire of the parent if the parent is satisfied with the agency's reasonable efforts to finalize the permanent plan for the child, including whether there are services available and accessible to the parent that might allow the child to safely be with the child's family;

(3) inquire of the parent if the parent consents to the court entering an order that:

(i) approves the responsible agency's reasonable efforts to finalize the permanent plan for the child, which includes ongoing future planning for the safety, health, and best interest of the child; and

(ii) approves the responsible agency's determination that there are compelling reasons why the continued voluntary foster care arrangement is in the child's best interest; and

(4) inquire of the child's guardian ad litem and any other party whether the guardian or the party agrees that:

(i) the court should approve the responsible agency's reasonable efforts to finalize the permanent plan for the child, which includes ongoing and future planning for the safety, health, and best interests of the child; and

(ii) the court should approve of the responsible agency's determination that there are compelling reasons why the continued voluntary foster care arrangement is in the child's best interests.

(h) At a permanency review hearing under this section, the court may take the following actions based on the contents of the sworn petition and the consent of the parent:

(1) approve the agency's compelling reasons that the voluntary foster care arrangement is in the best interests of the child; and

(2) find that the agency has made reasonable efforts to finalize a plan for the permanent plan for the child.

(i) A child, age 12 or older, may object to the agency's request that the court approve its compelling reasons for the continued voluntary arrangement and may be heard on the reasons for the objection. Notwithstanding the child's objection, the court may approve the agency's compelling reasons and the voluntary arrangement.

(j) If the court does not approve the voluntary arrangement after hearing from the child or the child's guardian ad litem, the court shall dismiss the petition. In this case, either:

(1) the child must be returned to the care of the parent; or

(2) the agency must file a petition under section 260C.141, asking for appropriate relief under section 260C.201, subdivision 11, or 260C.301.

(k) When the court approves the agency's compelling reasons for the child to continue in voluntary foster care for treatment, and finds that the agency has made reasonable efforts to finalize a permanent plan for the child, the court shall approve the continued voluntary foster care arrangement, and continue the matter under the court's jurisdiction for the purposes of reviewing the child's placement every 12 months while the child is in foster care.

(l) A finding that the court approves the continued voluntary placement means the agency has continued legal authority to place the child while a voluntary placement agreement remains in effect. The parent or the agency may terminate a voluntary agreement as provided in section 260D.301. Termination of a voluntary foster care placement of an Indian child is governed by section 260.765, subdivision 4.

Sec. 50. [260D.109] ANNUAL REVIEW.

(a) After the court conducts a permanency review hearing under section 260D.107, the matter must be returned to the court for further review of the child's foster care placement at least every 12 months while the child is in foster care. The court shall give notice to the parent and child, age 12 or older, and the foster parents of the continued review requirements under this section at the permanency review hearing.

(b) Every 12 months, the court shall determine whether the agency made reasonable efforts to finalize the permanency plan for the child, which means the exercise of due diligence by the agency to:

(1) ensure that the agreement for voluntary foster care is the most appropriate legal arrangement to meet the child's safety, health, and best interests;

(2) engage and support the parent in continued involvement in planning and decision making for the needs of the child;

(3) strengthen the child's ties to the parent, relatives, and community;

(4) implement the out-of-home placement plan required under section 260C.212, subdivision 1, and ensure that the plan requires the provision of appropriate services to address the physical health, mental health, and educational needs of the child; and

(5) ensure appropriate planning for the child's safe, permanent, and independent living arrangement after the child's 18th birthday.

Sec. 51. [260D.201] PERMANENCY REVIEW AFTER ADJUDICATION UNDER CHAPTER 260C.

(a) If a child has been ordered into foster care under section 260C.178 or 260C.201, subdivision 1, and the conditions that led to the court's order have been corrected so that the child could safely return home except for the child's need to continue in foster care for treatment due to the child's disability, the child's parent and the agency may enter into a voluntary foster care agreement under this chapter using the procedure set out in paragraph (b).

(b) When the agency and the parent agree to enter into a voluntary foster care agreement under this chapter, the agency must file a motion to terminate jurisdiction under section 260C.193, subdivision 6, and to dismiss the order for foster care under section 260C.178 or 260C.201, subdivision 1, together with the petition required under section 260D.107, paragraph (b), for permanency review and the court's approval of the voluntary arrangement.

(c) The court shall send the motion and the petition filed under subdivision 2 together with a notice of hearing by mail as required in section 260D.107, paragraph (e).

(d) The petition and motion under this section must be filed no later than the time the agency is required to file a petition for permanent placement under section 260C.201, subdivision 11, but may be filed as soon as the agency and the parent agree that the child should remain in foster care under a voluntary foster care agreement, because the child needs treatment and voluntary foster care is in the child's best interest.

(e) In order for the agency to have continuous legal authority to place the child, the parent and the agency must execute a voluntary foster care agreement for the child's continuation in foster care for treatment prior to the termination of the order for foster care under section 260C.178 or 260C.201, subdivision 1. The parent and agency may execute the voluntary foster care agreement at or before the permanency review hearing required under this section. The voluntary foster care agreement shall not be effective until the court terminates jurisdiction under section 260C.193, subdivision 6, and dismisses the order for foster care under section 260C.178 or 260C.201, subdivision 1. Unless the agency and the parent execute a voluntary placement agreement for the child to continue in voluntary foster care for treatment, the agency shall not have legal authority to place the child after the court terminates jurisdiction under chapter 260C.

Sec. 52. [260D.301] TERMINATION OF VOLUNTARY PLACEMENT AGREEMENT.

(a) The child's parent may terminate a voluntary placement agreement under this chapter upon written notice to the agency of the termination of the agreement. The termination of a voluntary foster care agreement regarding an Indian child shall be governed by section 260.765, subdivision 4.

(b) The agency may terminate a voluntary placement agreement under this section upon written notice of the termination of the agreement to the parent. Prior to sending notice of termination of the voluntary foster care placement agreement, the agency shall contact the parent regarding transition planning under paragraph (e). Written notice by the agency shall be considered received by the parent three business days after mailing by the agency.

(c) Upon receipt of notice of the termination of the voluntary foster care agreement, the agency, the parent, and the facility may agree to a time that the child shall return home. The scheduled time to return home shall meet the child's need for safety and reasonable transition. Unless otherwise agreed by the parent and the agency, the child's return home shall not occur sooner than 72 hours and not later than 30 days after written notice of termination is received or sent by the agency.

(d) A parent who disagrees with the termination of a voluntary foster care agreement by the agency under this chapter has the right to a fair hearing under section 256.045 to appeal the termination of the voluntary foster care agreement. When the agency gives written notice to the parent of the termination of the agreement, the agency must also give the parent notice of the parent's right to a fair hearing under section 256.045 to appeal the agency's decision to terminate

the voluntary foster care agreement.

(e) The agency and the child's parents shall engage in transition planning for the child's return home, including establishing a scheduled time for the child to return home, an increased visitation plan between the parent and child, and a plan for what services will be provided and in place upon the child's return home.

(f) Notice of termination of voluntary foster care agreement does not terminate the agreement. The voluntary foster care agreement and the agency's legal authority to place the child are terminated by the child's return home or by court order."

Page 50, after line 2, insert:

"Sec. 56. RESIDENTIAL MENTAL HEALTH TREATMENT FOR CHILDREN; STATE, COUNTY, AND ADVOCATE WORKING GROUP.

Beginning January 1, 2009, and consistent with Minnesota Statutes, section 245.4874, subdivision 2, counties are not required to pay for treatment portion of costs associated with children's residential mental health treatment for children who are enrolled in medical assistance or MinnesotaCare prepaid plans. The Department of Human Services shall establish a working group to develop recommendations for procedures and funding options for treatment, as well as room and board costs, for children entering residential treatment facilities under the prepaid medical assistance program. The working group shall include representatives from counties, children's residential facilities, health plans, and mental health advocates."

Page 50, delete section 45 and insert:

"Sec. 58. REPEALER.

(a) Minnesota Statutes 2006, section 260.851, is repealed effective upon legislative enactment of the interstate compact in section 22 by no less than 35 states. The commissioner of human services shall inform the revisor of statutes when this occurs.

(b) Minnesota Statutes 2006, sections 260C.141, subdivision 2a; 260C.431; and 260C.435, are repealed.

(c) Minnesota Statutes 2007 Supplement, section 260C.212, subdivision 9, is repealed.

(d) Minnesota Rules, part 9560.0609, is repealed."

Page 50, delete article 2 and insert:

"ARTICLE 2

LICENSING

Section 1. Minnesota Statutes 2007 Supplement, section 245C.14, subdivision 1, is amended to read:

Subdivision 1. **Disqualification from direct contact.** (a) The commissioner shall disqualify an individual who is the subject of a background study from any position allowing direct contact with persons receiving services from the license holder or entity identified in section 245C.03, upon receipt of information showing, or when a background study completed under this chapter shows

any of the following:

(1) a conviction of, admission to, or Alford plea to one or more crimes listed in section 245C.15, regardless of whether the conviction or admission is a felony, gross misdemeanor, or misdemeanor level crime;

(2) ~~a preponderance of the clear and convincing~~ evidence indicates the individual has committed an act or acts that meet the definition of any of the crimes listed in section 245C.15, regardless of whether the ~~preponderance of the clear and convincing~~ evidence is for a felony, gross misdemeanor, or misdemeanor level crime. An arrest record, police report, or criminal complaint alone, does not meet the standard for clear and convincing evidence; or

(3) an investigation results in an administrative determination listed under section 245C.15, subdivision 4, paragraph (b).

(b) No individual who is disqualified following a background study under section 245C.03, subdivisions 1 and 2, may be retained in a position involving direct contact with persons served by a program or entity identified in section 245C.03, unless the commissioner has provided written notice under section 245C.17 stating that:

(1) the individual may remain in direct contact during the period in which the individual may request reconsideration as provided in section 245C.21, subdivision 2;

(2) the commissioner has set aside the individual's disqualification for that program or entity identified in section 245C.03, as provided in section 245C.22, subdivision 4; or

(3) the license holder has been granted a variance for the disqualified individual under section 245C.30.

Sec. 2. Minnesota Statutes 2007 Supplement, section 245C.15, subdivision 2, is amended to read:

Subd. 2. **15-year disqualification.** (a) An individual is disqualified under section 245C.14 if: (1) less than 15 years have passed since the discharge of the sentence imposed, if any, for the offense; and (2) the individual has committed a felony-level violation of any of the following offenses: sections 256.98 (wrongfully obtaining assistance); 268.182 (false representation; concealment of facts); 393.07, subdivision 10, paragraph (c) (federal Food Stamp Program fraud); 609.165 (felon ineligible to possess firearm); 609.21 (criminal vehicular homicide and injury); 609.215 (suicide); 609.223 or 609.2231 (assault in the third or fourth degree); repeat offenses under 609.224 (assault in the fifth degree); 609.229 (crimes committed for benefit of a gang); 609.2325 (criminal abuse of a vulnerable adult); 609.2335 (financial exploitation of a vulnerable adult); 609.235 (use of drugs to injure or facilitate crime); 609.24 (simple robbery); 609.255 (false imprisonment); 609.2664 (manslaughter of an unborn child in the first degree); 609.2665 (manslaughter of an unborn child in the second degree); 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child in the second degree); 609.268 (injury or death of an unborn child in the commission of a crime); 609.27 (coercion); 609.275 (attempt to coerce); 609.466 (medical assistance fraud); 609.498, subdivision 1 or 1b (aggravated first degree or first degree tampering with a witness); 609.52 (theft); 609.521 (possession of shoplifting gear); 609.525 (bringing stolen goods into Minnesota); 609.527 (identity theft); 609.53 (receiving stolen property); 609.535 (issuance of dishonored checks); 609.562 (arson in the second degree); 609.563 (arson in the third degree);

609.582 (burglary); 609.59 (possession of burglary tools); 609.611 (insurance fraud); 609.625 (aggravated forgery); 609.63 (forgery); 609.631 (check forgery; offering a forged check); 609.635 (obtaining signature by false pretense); 609.66 (dangerous weapons); 609.67 (machine guns and short-barreled shotguns); 609.687 (adulteration); 609.71 (riot); 609.713 (terroristic threats); 609.82 (fraud in obtaining credit); 609.821 (financial transaction card fraud); 617.23 (indecent exposure), not involving a minor; repeat offenses under 617.241 (obscene materials and performances; distribution and exhibition prohibited; penalty); 624.713 (certain persons not to possess firearms); chapter 152 (drugs; controlled substance); or a felony-level conviction involving alcohol or drug use.

(b) An individual is disqualified under section 245C.14 if less than 15 years has passed since the individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes.

(c) For foster care and family child care an individual is disqualified under section 245C.14 if less than 15 years has passed since the individual's voluntary termination of the individual's parental rights under section 260C.301, subdivision 1, paragraph (b), or 260C.301, subdivision 3.

(d) An individual is disqualified under section 245C.14 if less than 15 years has passed since the discharge of the sentence imposed for an offense in any other state or country, the elements of which are substantially similar to the elements of the offenses listed in paragraph (a).

(e) If the individual studied commits one of the offenses listed in paragraph (a), but the sentence or level of offense is a gross misdemeanor or misdemeanor, the individual is disqualified but the disqualification look-back period for the offense is the period applicable to the gross misdemeanor or misdemeanor disposition.

(f) When a disqualification is based on a judicial determination other than a conviction, the disqualification period begins from the date of the court order. When a disqualification is based on an admission, the disqualification period begins from the date of an admission in court. When a disqualification is based on a ~~preponderance of~~ clear and convincing evidence of a disqualifying act, the disqualification date begins from the date of the dismissal, the date of discharge of the sentence imposed for a conviction for a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

Sec. 3. Minnesota Statutes 2007 Supplement, section 245C.15, subdivision 3, is amended to read:

Subd. 3. **Ten-year disqualification.** (a) An individual is disqualified under section 245C.14 if: (1) less than ten years have passed since the discharge of the sentence imposed, if any, for the offense; and (2) the individual has committed a gross misdemeanor-level violation of any of the following offenses: sections 256.98 (wrongfully obtaining assistance); 268.182 (false representation; concealment of facts); 393.07, subdivision 10, paragraph (c) (federal Food Stamp Program fraud); 609.21 (criminal vehicular homicide and injury); 609.221 or 609.222 (assault in the first or second degree); 609.223 or 609.2231 (assault in the third or fourth degree); 609.224 (assault in the fifth degree); 609.224, subdivision 2, paragraph (c) (assault in the fifth degree by a caregiver against a vulnerable adult); 609.2242 and 609.2243 (domestic assault); 609.23 (mistreatment of persons confined); 609.231 (mistreatment of residents or patients); 609.2325 (criminal abuse of a vulnerable adult); 609.233 (criminal neglect of a vulnerable adult); 609.2335 (financial exploitation of a vulnerable adult); 609.234 (failure to report maltreatment

of a vulnerable adult); 609.265 (abduction); 609.275 (attempt to coerce); 609.324, subdivision 1a (other prohibited acts; minor engaged in prostitution); 609.33 (disorderly house); 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child); 609.466 (medical assistance fraud); 609.52 (theft); 609.525 (bringing stolen goods into Minnesota); 609.527 (identity theft); 609.53 (receiving stolen property); 609.535 (issuance of dishonored checks); 609.582 (burglary); 609.59 (possession of burglary tools); 609.611 (insurance fraud); 609.631 (check forgery; offering a forged check); 609.66 (dangerous weapons); 609.71 (riot); 609.72, subdivision 3 (disorderly conduct against a vulnerable adult); repeat offenses under 609.746 (interference with privacy); 609.749, subdivision 2 (harassment; stalking); 609.82 (fraud in obtaining credit); 609.821 (financial transaction card fraud); 617.23 (indecent exposure), not involving a minor; 617.241 (obscene materials and performances); 617.243 (indecent literature, distribution); 617.293 (harmful materials; dissemination and display to minors prohibited); or violation of an order for protection under section 518B.01, subdivision 14.

(b) An individual is disqualified under section 245C.14 if less than ten years has passed since the individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes.

(c) An individual is disqualified under section 245C.14 if less than ten years has passed since the discharge of the sentence imposed for an offense in any other state or country, the elements of which are substantially similar to the elements of any of the offenses listed in paragraph (a).

(d) If the individual studied commits one of the offenses listed in paragraph (a), but the sentence or level of offense is a misdemeanor disposition, the individual is disqualified but the disqualification lookback period for the offense is the period applicable to misdemeanors.

(e) When a disqualification is based on a judicial determination other than a conviction, the disqualification period begins from the date of the court order. When a disqualification is based on an admission, the disqualification period begins from the date of an admission in court. When a disqualification is based on a ~~preponderance of~~ clear and convincing evidence of a disqualifying act, the disqualification date begins from the date of the dismissal, the date of discharge of the sentence imposed for a conviction for a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

Sec. 4. Minnesota Statutes 2007 Supplement, section 245C.15, subdivision 4, is amended to read:

Subd. 4. Seven-year disqualification. (a) An individual is disqualified under section 245C.14 if: (1) less than seven years has passed since the discharge of the sentence imposed, if any, for the offense; and (2) the individual has committed a misdemeanor-level violation of any of the following offenses: sections 256.98 (wrongfully obtaining assistance); 268.182 (false representation; concealment of facts); 393.07, subdivision 10, paragraph (c) (federal Food Stamp Program fraud); 609.21 (criminal vehicular homicide and injury); 609.221 (assault in the first degree); 609.222 (assault in the second degree); 609.223 (assault in the third degree); 609.2231 (assault in the fourth degree); 609.224 (assault in the fifth degree); 609.2242 (domestic assault); 609.2335 (financial exploitation of a vulnerable adult); 609.234 (failure to report maltreatment of a vulnerable adult); 609.2672 (assault of an unborn child in the third degree); 609.27 (coercion); violation of an order for protection under 609.3232 (protective order authorized; procedures; penalties); 609.466 (medical assistance fraud); 609.52 (theft); 609.525 (bringing stolen goods

into Minnesota); 609.527 (identity theft); 609.53 (receiving stolen property); 609.535 (issuance of dishonored checks); 609.611 (insurance fraud); 609.66 (dangerous weapons); 609.665 (spring guns); 609.746 (interference with privacy); 609.79 (obscene or harassing telephone calls); 609.795 (letter, telegram, or package; opening; harassment); 609.82 (fraud in obtaining credit); 609.821 (financial transaction card fraud); 617.23 (indecent exposure), not involving a minor; 617.293 (harmful materials; dissemination and display to minors prohibited); or violation of an order for protection under section 518B.01 (Domestic Abuse Act).

(b) An individual is disqualified under section 245C.14 if less than seven years has passed since a determination or disposition of the individual's:

(1) failure to make required reports under section 626.556, subdivision 3, or 626.557, subdivision 3, for incidents in which: (i) the final disposition under section 626.556 or 626.557 was substantiated maltreatment, and (ii) the maltreatment was recurring or serious; or

(2) substantiated serious or recurring maltreatment of a minor under section 626.556, a vulnerable adult under section 626.557, or serious or recurring maltreatment in any other state, the elements of which are substantially similar to the elements of maltreatment under section 626.556 or 626.557 for which: (i) there is a preponderance of evidence that the maltreatment occurred, and (ii) the subject was responsible for the maltreatment.

(c) An individual is disqualified under section 245C.14 if less than seven years has passed since the individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs (a) and (b), as each of these offenses is defined in Minnesota Statutes.

(d) An individual is disqualified under section 245C.14 if less than seven years has passed since the discharge of the sentence imposed for an offense in any other state or country, the elements of which are substantially similar to the elements of any of the offenses listed in paragraphs (a) and (b).

(e) When a disqualification is based on a judicial determination other than a conviction, the disqualification period begins from the date of the court order. When a disqualification is based on an admission, the disqualification period begins from the date of an admission in court. When a disqualification is based on a ~~preponderance of~~ clear and convincing evidence of a disqualifying act, the disqualification date begins from the date of the dismissal, the date of discharge of the sentence imposed for a conviction for a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

(f) An individual is disqualified under section 245C.14 if less than seven years has passed since the individual was disqualified under section 256.98, subdivision 8.

Sec. 5. Minnesota Statutes 2006, section 245C.24, subdivision 2, is amended to read:

Subd. 2. **Permanent bar to set aside a disqualification.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), the commissioner may not set aside the disqualification of any individual disqualified pursuant to this chapter, regardless of how much time has passed, if the individual was disqualified for a crime or conduct listed in section 245C.15, subdivision 1.

(b) ~~For~~ An individual in the chemical dependency field who was:

(1) disqualified for a crime or conduct listed under section 245C.15, subdivision 1, ~~and~~;

(2) whose disqualification was set aside prior to July 1, 2005, the commissioner must consider granting; and

(3) whose employer was granted a variance pursuant to section 245C.30 for the license holder for a program dealing primarily with adults. A request for reconsideration evaluated under this paragraph must include a letter of recommendation from the license holder that was subject to the prior set-aside decision addressing the individual's quality of care to children or vulnerable adults and the circumstances of the individual's departure from that service under this section prior to August 1, 2008, is eligible to request a set-aside under paragraph (c).

(c) For any individual who was disqualified for a crime or conduct listed under section 245C.15, subdivision 1, and whose disqualification was set aside prior to July 1, 2005, the commissioner must consider granting a set-aside pursuant to section 245C.22. An employer who hires any individual who provides in-home services shall monitor service provision with the client by phone at least quarterly.

EFFECTIVE DATE. This section is effective August 1, 2008.

Sec. 6. Minnesota Statutes 2007 Supplement, section 245C.24, subdivision 3, is amended to read:

Subd. 3. **Ten-year bar to set aside disqualification.** (a) The commissioner may not set aside the disqualification of an individual in connection with a license to provide family child care for children, foster care for children in the provider's home, or foster care or day care services for adults in the provider's home if: (1) less than ten years has passed since the discharge of the sentence imposed, if any, for the offense; or (2) when disqualified based on a ~~preponderance of~~ clear and convincing evidence determination under section 245C.14, subdivision 1, paragraph (a), clause (2), or an admission under section 245C.14, subdivision 1, paragraph (a), clause (1), and less than ten years has passed since the individual committed the act or admitted to committing the act, whichever is later; and (3) the individual has committed a violation of any of the following offenses: sections 609.165 (felon ineligible to possess firearm); criminal vehicular homicide under 609.21 (criminal vehicular homicide and injury); 609.215 (aiding suicide or aiding attempted suicide); felony violations under 609.223 or 609.2231 (assault in the third or fourth degree); 609.229 (crimes committed for benefit of a gang); 609.713 (terroristic threats); 609.235 (use of drugs to injure or to facilitate crime); 609.24 (simple robbery); 609.255 (false imprisonment); 609.562 (arson in the second degree); 609.71 (riot); 609.498, subdivision 1 or 1b (aggravated first degree or first degree tampering with a witness); burglary in the first or second degree under 609.582 (burglary); 609.66 (dangerous weapon); 609.665 (spring guns); 609.67 (machine guns and short-barreled shotguns); 609.749, subdivision 2 (gross misdemeanor harassment; stalking); 152.021 or 152.022 (controlled substance crime in the first or second degree); 152.023, subdivision 1, clause (3) or (4) or subdivision 2, clause (4) (controlled substance crime in the third degree); 152.024, subdivision 1, clause (2), (3), or (4) (controlled substance crime in the fourth degree); 609.224, subdivision 2, paragraph (c) (fifth-degree assault by a caregiver against a vulnerable adult); 609.23 (mistreatment of persons confined); 609.231 (mistreatment of residents or patients); 609.2325 (criminal abuse of a vulnerable adult); 609.233 (criminal neglect of a vulnerable adult); 609.2335 (financial exploitation of a vulnerable adult); 609.234 (failure to report); 609.265 (abduction); 609.2664 to 609.2665 (manslaughter of an unborn child in the first or second degree); 609.267 to 609.2672 (assault of an unborn child in the first, second, or third degree); 609.268 (injury or death of an unborn child in the commission of a crime); repeat offenses under 617.23 (indecent exposure); 617.293 (disseminating

or displaying harmful material to minors); a felony-level conviction involving alcohol or drug use, a gross misdemeanor offense under 609.324, subdivision 1 (other prohibited acts); a gross misdemeanor offense under 609.378 (neglect or endangerment of a child); a gross misdemeanor offense under 609.377 (malicious punishment of a child); 609.72, subdivision 3 (disorderly conduct against a vulnerable adult); or 624.713 (certain persons not to possess firearms).

(b) The commissioner may not set aside the disqualification of an individual if less than ten years have passed since the individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraph (a) as each of these offenses is defined in Minnesota Statutes.

(c) The commissioner may not set aside the disqualification of an individual if less than ten years have passed since the discharge of the sentence imposed for an offense in any other state or country, the elements of which are substantially similar to the elements of any of the offenses listed in paragraph (a).

Sec. 7. Minnesota Statutes 2007 Supplement, section 245C.27, subdivision 1, is amended to read:

Subdivision 1. **Fair hearing when disqualification is not set aside.** (a) If the commissioner does not set aside a disqualification of an individual under section 245C.22 who is disqualified on the basis of a ~~preponderance of~~ clear and convincing evidence that the individual committed an act or acts that meet the definition of any of the crimes listed in section 245C.15; for a determination under section 626.556 or 626.557 of substantiated maltreatment that was serious or recurring under section 245C.15; or for failure to make required reports under section 626.556, subdivision 3; or 626.557, subdivision 3, pursuant to section 245C.15, subdivision 4, paragraph (b), clause (1), the individual may request a fair hearing under section 256.045, unless the disqualification is deemed conclusive under section 245C.29.

(b) The fair hearing is the only administrative appeal of the final agency determination for purposes of appeal by the disqualified individual. The disqualified individual does not have the right to challenge the accuracy and completeness of data under section 13.04.

(c) Except as provided under paragraph (e), if the individual was disqualified based on a conviction or admission to any crimes listed in section 245C.15, subdivisions 1 to 4, or for a disqualification under section 256.98, subdivision 8, the reconsideration decision under section 245C.22 is the final agency determination for purposes of appeal by the disqualified individual and is not subject to a hearing under section 256.045. If the individual was disqualified based on a judicial determination, that determination is treated the same as a conviction for purposes of appeal.

(d) This subdivision does not apply to a public employee's appeal of a disqualification under section 245C.28, subdivision 3.

(e) Notwithstanding paragraph (c), if the commissioner does not set aside a disqualification of an individual who was disqualified based on both a ~~preponderance of~~ clear and convincing evidence and a conviction or admission, the individual may request a fair hearing under section 256.045, unless the disqualifications are deemed conclusive under section 245C.29. The scope of the hearing conducted under section 256.045 with regard to the disqualification based on a conviction or admission shall be limited solely to whether the individual poses a risk of harm, according to section 256.045, subdivision 3b. In this case, the reconsideration decision under section 245C.22 is not the final agency decision for purposes of appeal by the disqualified individual.

Sec. 8. Minnesota Statutes 2006, section 245C.29, subdivision 2, is amended to read:

Subd. 2. **Conclusive disqualification determination.** (a) Unless otherwise specified in statute, a determination that:

(1) the information the commissioner relied upon to disqualify an individual under section 245C.14 was correct based on serious or recurring maltreatment;

(2) ~~a preponderance of the~~ clear and convincing evidence shows that the individual committed an act or acts that meet the definition of any of the crimes listed in section 245C.15. A police report or criminal complaint alone does not meet this standard; or

(3) the individual failed to make required reports under section 626.556, subdivision 3, or 626.557, subdivision 3, is conclusive if:

(i) the commissioner has issued a final order in an appeal of that determination under section 245A.08, subdivision 5, or 256.045, or a court has issued a final decision;

(ii) the individual did not request reconsideration of the disqualification under section 245C.21; or

(iii) the individual did not request a hearing on the disqualification under section 256.045 or chapter 14.

(b) When a licensing action under section 245A.05, 245A.06, or 245A.07 is based on the disqualification of an individual in connection with a license to provide family child care, foster care for children in the provider's own home, or foster care services for adults in the provider's own home, that disqualification shall be conclusive for purposes of the licensing action if a request for reconsideration was not submitted within 30 calendar days of the individual's receipt of the notice of disqualification.

(c) If a determination that the information relied upon to disqualify an individual was correct and is conclusive under this section, and the individual is subsequently disqualified under section 245C.15, the individual has a right to request reconsideration on the risk of harm under section 245C.21. Subsequent determinations regarding the risk of harm shall be made according to section 245C.22 and are not subject to another hearing under section 256.045 or chapter 14.

Sec. 9. Minnesota Statutes 2006, section 256.045, subdivision 3, is amended to read:

Subd. 3. **State agency hearings.** (a) State agency hearings are available for the following: (1) any person applying for, receiving or having received public assistance, medical care, or a program of social services granted by the state agency or a county agency or the federal Food Stamp Act whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid; (2) any patient or relative aggrieved by an order of the commissioner under section 252.27; (3) a party aggrieved by a ruling of a prepaid health plan; (4) except as provided under chapter 245C, any individual or facility determined by a lead agency to have maltreated a vulnerable adult under section 626.557 after they have exercised their right to administrative reconsideration under section 626.557; (5) any person whose claim for foster care payment according to a placement of the child resulting from a child protection assessment under section 626.556 is denied or not acted upon with reasonable promptness, regardless of funding source; (6) any person to whom a right of appeal

according to this section is given by other provision of law; (7) an applicant aggrieved by an adverse decision to an application for a hardship waiver under section 256B.15; (8) an applicant aggrieved by an adverse decision to an application or redetermination for a Medicare Part D prescription drug subsidy under section 256B.04, subdivision 4a; (9) except as provided under chapter 245A, an individual or facility determined to have maltreated a minor under section 626.556, after the individual or facility has exercised the right to administrative reconsideration under section 626.556; or (10) except as provided under chapter 245C, an individual disqualified under sections 245C.14 and 245C.15, on the basis of serious or recurring maltreatment; ~~a preponderance of the clear and convincing evidence that the individual has committed an act or acts that meet the definition of any of the crimes listed in section 245C.15, subdivisions 1 to 4; or for failing to make reports required under section 626.556, subdivision 3, or 626.557, subdivision 3.~~ Hearings regarding a maltreatment determination under clause (4) or (9) and a disqualification under this clause in which the basis for a disqualification is serious or recurring maltreatment, which has not been set aside under sections 245C.22 and 245C.23, shall be consolidated into a single fair hearing. In such cases, the scope of review by the human services referee shall include both the maltreatment determination and the disqualification. The failure to exercise the right to an administrative reconsideration shall not be a bar to a hearing under this section if federal law provides an individual the right to a hearing to dispute a finding of maltreatment. Individuals and organizations specified in this section may contest the specified action, decision, or final disposition before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action, decision, or final disposition, or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause why the request was not submitted within the 30-day time limit.

The hearing for an individual or facility under clause (4), (9), or (10) is the only administrative appeal to the final agency determination specifically, including a challenge to the accuracy and completeness of data under section 13.04. Hearings requested under clause (4) apply only to incidents of maltreatment that occur on or after October 1, 1995. Hearings requested by nursing assistants in nursing homes alleged to have maltreated a resident prior to October 1, 1995, shall be held as a contested case proceeding under the provisions of chapter 14. Hearings requested under clause (9) apply only to incidents of maltreatment that occur on or after July 1, 1997. A hearing for an individual or facility under clause (9) is only available when there is no juvenile court or adult criminal action pending. If such action is filed in either court while an administrative review is pending, the administrative review must be suspended until the judicial actions are completed. If the juvenile court action or criminal charge is dismissed or the criminal action overturned, the matter may be considered in an administrative hearing.

For purposes of this section, bargaining unit grievance procedures are not an administrative appeal.

The scope of hearings involving claims to foster care payments under clause (5) shall be limited to the issue of whether the county is legally responsible for a child's placement under court order or voluntary placement agreement and, if so, the correct amount of foster care payment to be made on the child's behalf and shall not include review of the propriety of the county's child protection determination or child placement decision.

(b) A vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services is not a party and may not request a hearing

under this section, except if assisting a recipient as provided in subdivision 4.

(c) An applicant or recipient is not entitled to receive social services beyond the services prescribed under chapter 256M or other social services the person is eligible for under state law.

(d) The commissioner may summarily affirm the county or state agency's proposed action without a hearing when the sole issue is an automatic change due to a change in state or federal law.

Sec. 10. Minnesota Statutes 2006, section 256.045, subdivision 3b, is amended to read:

Subd. 3b. **Standard of evidence for maltreatment and disqualification hearings.** (a) The state human services referee shall determine that maltreatment has occurred if a preponderance of evidence exists to support the final disposition under sections 626.556 and 626.557. For purposes of hearings regarding disqualification, the state human services referee shall affirm the proposed disqualification in an appeal under subdivision 3, paragraph (a), clause (9), ~~if a preponderance of the evidence shows the individual has:~~

(1) a preponderance of the evidence shows the individual has committed maltreatment under section 626.556 or 626.557, which is serious or recurring;

(2) clear and convincing evidence shows the individual has committed an act or acts meeting the definition of any of the crimes listed in section 245C.15, subdivisions 1 to 4; or

(3) a preponderance of the evidence shows the individual has failed to make required reports under section 626.556 or 626.557, for incidents in which the final disposition under section 626.556 or 626.557 was substantiated maltreatment that was serious or recurring.

(b) If the disqualification is affirmed, the state human services referee shall determine whether the individual poses a risk of harm in accordance with the requirements of section 245C.16, and whether the disqualification should be set aside or not set aside. In determining whether the disqualification should be set aside, the human services referee shall consider all of the characteristics that cause the individual to be disqualified, including those characteristics that were not subject to review under paragraph (a), in order to determine whether the individual poses a risk of harm. A decision to set aside a disqualification that is the subject of the hearing constitutes a determination that the individual does not pose a risk of harm and that the individual may provide direct contact services in the individual program specified in the set aside. If a determination that the information relied upon to disqualify an individual was correct and is conclusive under section 245C.29, and the individual is subsequently disqualified under section 245C.14, the individual has a right to again request reconsideration on the risk of harm under section 245C.21. Subsequent determinations regarding risk of harm are not subject to another hearing under this section.

(c) The state human services referee shall recommend an order to the commissioner of health, education, or human services, as applicable, who shall issue a final order. The commissioner shall affirm, reverse, or modify the final disposition. Any order of the commissioner issued in accordance with this subdivision is conclusive upon the parties unless appeal is taken in the manner provided in subdivision 7. In any licensing appeal under chapters 245A and 245C and sections 144.50 to 144.58 and 144A.02 to 144A.46, the commissioner's determination as to maltreatment is conclusive, as provided under section 245C.29."

Page 55, after line 17, insert:

"Section 1. Minnesota Statutes 2006, section 13.02, subdivision 3a, is amended to read:

Subd. 3a. **Criminal justice agencies.** "Criminal justice agencies" means all state and local prosecution authorities, all state and local law enforcement agencies, the Sentencing Guidelines Commission, the Bureau of Criminal Apprehension, the Department of Corrections, ~~and~~ all probation officers who are not part of the judiciary, and fraud and crime investigation units operated or supervised by the Department of Human Services."

Page 55, line 22, delete "is welfare data under this section but"

Page 55, line 23, delete "collected under this section"

Page 55, line 24, delete "this section" and insert "subdivision 2"

Page 55, line 26, after "education" insert "for purposes of promoting and evaluating school readiness"

Page 55, line 31, delete "this section" and insert "subdivision 2"

Page 56, line 4, after "education" insert "for purposes of promoting and evaluating school readiness"

Page 56, after line 4, insert:

"Sec. 4. Minnesota Statutes 2006, section 13.82, subdivision 1, is amended to read:

Subdivision 1. **Application.** This section shall apply to agencies which carry on a law enforcement function, including but not limited to municipal police departments, county sheriff departments, fire departments, the Bureau of Criminal Apprehension, the Minnesota State Patrol, the Board of Peace Officer Standards and Training, the Department of Commerce, ~~and the program integrity section of, and county human service agency client and provider fraud prevention and control~~ crime investigation units operated or supervised by the Department of Human Services.

Sec. 5. Minnesota Statutes 2006, section 246.13, subdivision 2, is amended to read:

Subd. 2. **Definitions; risk assessment and management.** (a) As used in this section:

(1) "appropriate and necessary medical and other records" includes patient medical records and other protected health information as defined by Code of Federal Regulations, title 45, section 164.501, relating to a patient in a state-operated services facility including, but not limited to, the patient's treatment plan and abuse prevention plan that is pertinent to the patient's ongoing care, treatment, or placement in a community-based treatment facility or a health care facility that is not operated by state-operated services, and includes information describing the level of risk posed by a patient when the patient enters the facility;

(2) "community-based treatment" means the community support services listed in section 253B.02, subdivision 4b;

(3) "criminal history data" means those data maintained or used by the Departments of Corrections and Public Safety and by the supervisory authorities listed in section 13.84, subdivision 1, that relate to an individual's criminal history or propensity for violence, including data in the Corrections Offender Management System (COMS) and Statewide Supervision System (S3)

maintained by the Department of Corrections; the Criminal Justice Information System (CJIS) and the Predatory Offender Registration (POR) system maintained by the Department of Public Safety; and the CriMNet system;

(4) "designated agency" means the agency defined in section 253B.02, subdivision 5;

(5) "law enforcement agency" means the law enforcement agency having primary jurisdiction over the location where the offender expects to reside upon release;

(6) "predatory offender" and "offender" mean a person who is required to register as a predatory offender under section 243.166; and

(7) "treatment facility" means a facility as defined in section 253B.02, subdivision 19.

(b) To promote public safety and for the purposes and subject to the requirements of this paragraph, the commissioner or the commissioner's designee shall have access to, and may review and disclose, medical and criminal history data as provided by this section, as necessary to comply with Minnesota Rules, part 1205.0400:

(1) to determine whether a patient is required under state law to register as a predatory offender according to section 243.166;

(2) to facilitate and expedite the responsibilities of the special review board and end-of-confinement review committees by corrections institutions and state treatment facilities;

(3) to prepare, amend, or revise the abuse prevention plans required under section 626.557, subdivision 14, and individual patient treatment plans required under section 253B.03, subdivision 7;

(4) to facilitate the custody, supervision, and transport of individuals transferred between the Department of Corrections and the Department of Human Services; or

(5) to effectively monitor and supervise individuals who are under the authority of the Department of Corrections, the Department of Human Services, and the supervisory authorities listed in section 13.84, subdivision 1, including to investigate suspected fraudulent or criminal activity, or violations of conditions of probation, supervised release, or conditional release.

(c) The state-operated services treatment facility must make a good faith effort to obtain written authorization from the patient before releasing information from the patient's medical record.

(d) If the patient refuses or is unable to give informed consent to authorize the release of information required above, the chief executive officer for state-operated services shall provide the appropriate and necessary medical and other records. The chief executive officer shall comply with the minimum necessary requirements.

(e) The commissioner may have access to the National Crime Information Center (NCIC) database, through the Department of Public Safety, in support of the law enforcement functions described in paragraph (b).

Sec. 6. Minnesota Statutes 2007 Supplement, section 256.01, subdivision 2, is amended to read:

Subd. 2. **Specific powers.** Subject to the provisions of section 241.021, subdivision 2, the

commissioner of human services shall carry out the specific duties in paragraphs (a) through (cc):

(a) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as are vested in the commissioner. Administration and supervision of human services activities or services includes, but is not limited to, assuring timely and accurate distribution of benefits, completeness of service, and quality program management. In addition to administering and supervising human services activities vested by law in the department, the commissioner shall have the authority to:

(1) require county agency participation in training and technical assistance programs to promote compliance with statutes, rules, federal laws, regulations, and policies governing human services;

(2) monitor, on an ongoing basis, the performance of county agencies in the operation and administration of human services, enforce compliance with statutes, rules, federal laws, regulations, and policies governing welfare services and promote excellence of administration and program operation;

(3) develop a quality control program or other monitoring program to review county performance and accuracy of benefit determinations;

(4) require county agencies to make an adjustment to the public assistance benefits issued to any individual consistent with federal law and regulation and state law and rule and to issue or recover benefits as appropriate;

(5) delay or deny payment of all or part of the state and federal share of benefits and administrative reimbursement according to the procedures set forth in section 256.017;

(6) make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using appropriated funds; and

(7) enter into contractual agreements with federally recognized Indian tribes with a reservation in Minnesota to the extent necessary for the tribe to operate a federally approved family assistance program or any other program under the supervision of the commissioner. The commissioner shall consult with the affected county or counties in the contractual agreement negotiations, if the county or counties wish to be included, in order to avoid the duplication of county and tribal assistance program services. The commissioner may establish necessary accounts for the purposes of receiving and disbursing funds as necessary for the operation of the programs.

(b) Inform county agencies, on a timely basis, of changes in statute, rule, federal law, regulation, and policy necessary to county agency administration of the programs.

(c) Administer and supervise all child welfare activities; promote the enforcement of laws protecting disabled, dependent, neglected and delinquent children, and children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the State Board of Control.

(d) Administer and supervise all noninstitutional service to disabled persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise disabled. The commissioner may provide and contract for the care and treatment of qualified indigent children in

facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(e) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(f) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(g) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(h) Act as designated guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as developmentally disabled. For children under the guardianship of the commissioner or a tribe in Minnesota recognized by the Secretary of the Interior whose interests would be best served by adoptive placement, the commissioner may contract with a licensed child-placing agency or a Minnesota tribal social services agency to provide adoption services. A contract with a licensed child-placing agency must be designed to supplement existing county efforts and may not replace existing county programs or tribal social services, unless the replacement is agreed to by the county board and the appropriate exclusive bargaining representative, tribal governing body, or the commissioner has evidence that child placements of the county continue to be substantially below that of other counties. Funds encumbered and obligated under an agreement for a specific child shall remain available until the terms of the agreement are fulfilled or the agreement is terminated.

(i) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(j) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(k) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by county agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(l) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a

project exceed four years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(1) the secretary of health and human services of the United States has agreed, for the same project, to waive state plan requirements relative to statewide uniformity; and

(2) a comprehensive plan, including estimated project costs, shall be approved by the Legislative Advisory Commission and filed with the commissioner of administration.

(m) According to federal requirements, establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(n) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children program formerly codified in sections 256.72 to 256.87, medical assistance, or food stamp program in the following manner:

(1) one-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. For the medical assistance and the AFDC program formerly codified in sections 256.72 to 256.87, disallowances shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for the AFDC program formerly codified in sections 256.72 to 256.87, and medical assistance programs. For the food stamp program, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for food stamps are to the total of all food stamp administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of food stamp benefits issued are to the total of all benefits issued for all counties. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due; and

(2) notwithstanding the provisions of clause (1), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in clause (1), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to clause (1).

(o) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$1,000,000. When the balance in the account exceeds \$1,000,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(p) Have the authority to make direct payments to facilities providing shelter to women and their children according to section 256D.05, subdivision 3. Upon the written request of a shelter facility

that has been denied payments under section 256D.05, subdivision 3, the commissioner shall review all relevant evidence and make a determination within 30 days of the request for review regarding issuance of direct payments to the shelter facility. Failure to act within 30 days shall be considered a determination not to issue direct payments.

(q) Have the authority to establish and enforce the following county reporting requirements:

(1) the commissioner shall establish fiscal and statistical reporting requirements necessary to account for the expenditure of funds allocated to counties for human services programs. When establishing financial and statistical reporting requirements, the commissioner shall evaluate all reports, in consultation with the counties, to determine if the reports can be simplified or the number of reports can be reduced;

(2) the county board shall submit monthly or quarterly reports to the department as required by the commissioner. Monthly reports are due no later than 15 working days after the end of the month. Quarterly reports are due no later than 30 calendar days after the end of the quarter, unless the commissioner determines that the deadline must be shortened to 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss of federal funding. Only reports that are complete, legible, and in the required format shall be accepted by the commissioner;

(3) if the required reports are not received by the deadlines established in clause (2), the commissioner may delay payments and withhold funds from the county board until the next reporting period. When the report is needed to account for the use of federal funds and the late report results in a reduction in federal funding, the commissioner shall withhold from the county boards with late reports an amount equal to the reduction in federal funding until full federal funding is received;

(4) a county board that submits reports that are late, illegible, incomplete, or not in the required format for two out of three consecutive reporting periods is considered noncompliant. When a county board is found to be noncompliant, the commissioner shall notify the county board of the reason the county board is considered noncompliant and request that the county board develop a corrective action plan stating how the county board plans to correct the problem. The corrective action plan must be submitted to the commissioner within 45 days after the date the county board received notice of noncompliance;

(5) the final deadline for fiscal reports or amendments to fiscal reports is one year after the date the report was originally due. If the commissioner does not receive a report by the final deadline, the county board forfeits the funding associated with the report for that reporting period and the county board must repay any funds associated with the report received for that reporting period;

(6) the commissioner may not delay payments, withhold funds, or require repayment under clause (3) or (5) if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements. If the county board disagrees with an action taken by the commissioner under clause (3) or (5), the county board may appeal the action according to sections 14.57 to 14.69; and

(7) counties subject to withholding of funds under clause (3) or forfeiture or repayment of funds under clause (5) shall not reduce or withhold benefits or services to clients to cover costs incurred due to actions taken by the commissioner under clause (3) or (5).

(r) Allocate federal fiscal disallowances or sanctions for audit exceptions when federal fiscal disallowances or sanctions are based on a statewide random sample for the foster care program under title IV-E of the Social Security Act, United States Code, title 42, in direct proportion to each county's title IV-E foster care maintenance claim for that period.

(s) Be responsible for ~~ensuring~~ the detection, prevention, investigation, and ~~resolution~~ mitigation of possible fraudulent or criminal activities or behavior by applicants, recipients, and other participants in involving the human services programs administered by the department or participants in such programs, including programs and in facilities operated by state operated services. During the course of an active investigation or legal proceedings involving a human services program, state and local law enforcement agencies, local county human services agencies, and other fraud and criminal investigation units under the authority of the commissioner shall coordinate investigative activities and may not share public data without the authorization of a data subject.

(t) Require county agencies to identify overpayments, establish claims, and utilize all available and cost-beneficial methodologies to collect and recover these overpayments in the human services programs administered by the department.

(u) Have the authority to administer a drug rebate program for drugs purchased pursuant to the prescription drug program established under section 256.955 after the beneficiary's satisfaction of any deductible established in the program. The commissioner shall require a rebate agreement from all manufacturers of covered drugs as defined in section 256B.0625, subdivision 13. Rebate agreements for prescription drugs delivered on or after July 1, 2002, must include rebates for individuals covered under the prescription drug program who are under 65 years of age. For each drug, the amount of the rebate shall be equal to the rebate as defined for purposes of the federal rebate program in United States Code, title 42, section 1396r-8. The manufacturers must provide full payment within 30 days of receipt of the state invoice for the rebate within the terms and conditions used for the federal rebate program established pursuant to section 1927 of title XIX of the Social Security Act. The manufacturers must provide the commissioner with any information necessary to verify the rebate determined per drug. The rebate program shall utilize the terms and conditions used for the federal rebate program established pursuant to section 1927 of title XIX of the Social Security Act.

(v) Have the authority to administer the federal drug rebate program for drugs purchased under the medical assistance program as allowed by section 1927 of title XIX of the Social Security Act and according to the terms and conditions of section 1927. Rebates shall be collected for all drugs that have been dispensed or administered in an outpatient setting and that are from manufacturers who have signed a rebate agreement with the United States Department of Health and Human Services.

(w) Have the authority to administer a supplemental drug rebate program for drugs purchased under the medical assistance program. The commissioner may enter into supplemental rebate contracts with pharmaceutical manufacturers and may require prior authorization for drugs that are from manufacturers that have not signed a supplemental rebate contract. Prior authorization of drugs shall be subject to the provisions of section 256B.0625, subdivision 13.

(x) Operate the department's communication systems account established in Laws 1993, First Special Session chapter 1, article 1, section 2, subdivision 2, to manage shared communication costs necessary for the operation of the programs the commissioner supervises. A communications

account may also be established for each regional treatment center which operates communications systems. Each account must be used to manage shared communication costs necessary for the operations of the programs the commissioner supervises. The commissioner may distribute the costs of operating and maintaining communication systems to participants in a manner that reflects actual usage. Costs may include acquisition, licensing, insurance, maintenance, repair, staff time and other costs as determined by the commissioner. Nonprofit organizations and state, county, and local government agencies involved in the operation of programs the commissioner supervises may participate in the use of the department's communications technology and share in the cost of operation. The commissioner may accept on behalf of the state any gift, bequest, devise or personal property of any kind, or money tendered to the state for any lawful purpose pertaining to the communication activities of the department. Any money received for this purpose must be deposited in the department's communication systems accounts. Money collected by the commissioner for the use of communication systems must be deposited in the state communication systems account and is appropriated to the commissioner for purposes of this section.

(y) Receive any federal matching money that is made available through the medical assistance program for the consumer satisfaction survey. Any federal money received for the survey is appropriated to the commissioner for this purpose. The commissioner may expend the federal money received for the consumer satisfaction survey in either year of the biennium.

(z) Designate community information and referral call centers and incorporate cost reimbursement claims from the designated community information and referral call centers into the federal cost reimbursement claiming processes of the department according to federal law, rule, and regulations. Existing information and referral centers provided by Greater Twin Cities United Way or existing call centers for which Greater Twin Cities United Way has legal authority to represent, shall be included in these designations upon review by the commissioner and assurance that these services are accredited and in compliance with national standards. Any reimbursement is appropriated to the commissioner and all designated information and referral centers shall receive payments according to normal department schedules established by the commissioner upon final approval of allocation methodologies from the United States Department of Health and Human Services Division of Cost Allocation or other appropriate authorities.

(aa) Develop recommended standards for foster care homes that address the components of specialized therapeutic services to be provided by foster care homes with those services.

(bb) Authorize the method of payment to or from the department as part of the human services programs administered by the department. This authorization includes the receipt or disbursement of funds held by the department in a fiduciary capacity as part of the human services programs administered by the department.

(cc) Have the authority to administer a drug rebate program for drugs purchased for persons eligible for general assistance medical care under section 256D.03, subdivision 3. For manufacturers that agree to participate in the general assistance medical care rebate program, the commissioner shall enter into a rebate agreement for covered drugs as defined in section 256B.0625, subdivisions 13 and 13d. For each drug, the amount of the rebate shall be equal to the rebate as defined for purposes of the federal rebate program in United States Code, title 42, section 1396r-8. The manufacturers must provide payment within the terms and conditions used for the federal rebate program established under section 1927 of title XIX of the Social Security Act. The rebate program shall utilize the terms and conditions used for the federal rebate program

established under section 1927 of title XIX of the Social Security Act.

Effective January 1, 2006, drug coverage under general assistance medical care shall be limited to those prescription drugs that:

(1) are covered under the medical assistance program as described in section 256B.0625, subdivisions 13 and 13d; and

(2) are provided by manufacturers that have fully executed general assistance medical care rebate agreements with the commissioner and comply with such agreements. Prescription drug coverage under general assistance medical care shall conform to coverage under the medical assistance program according to section 256B.0625, subdivisions 13 to 13g.

The rebate revenues collected under the drug rebate program are deposited in the general fund."

Page 57, line 22, after "private data" insert "on individuals governed by section 13.46, subdivision 2"

Page 57, line 30, after "education" insert "for purposes of implementing, administering, and evaluating the child care practitioner professional development system"

Page 57, line 31, after "implementing" insert "and administering"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

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

S.F. No. 3085: A bill for an act relating to probate; changing certain provisions of the Uniform Probate Code; amending Minnesota Statutes 2006, sections 524.2-301; 524.2-402; 524.3-801; 524.3-803.

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

Page 2, line 7, after "abate" insert "first" and before "provided" insert "otherwise"

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. 1096: A bill for an act relating to civil actions; clarifying and modifying the limitation period for civil actions involving sexual abuse against a minor; amending Minnesota Statutes 2006, section 541.073.

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

Delete everything after the enacting clause and insert:

"Section 1. [541.077] ACTIONS FOR DAMAGES DUE TO SEXUAL ABUSE.

Subdivision 1. **Definition.** As used in this section, "sexual abuse" means conduct described in sections 609.342 to 609.3451.

Subd. 2. **Application.** This section applies to actions based on personal injury caused by sexual abuse committed against an adult or minor.

Subd. 3. **No limitations period in certain cases.** There is no limitations period for an action against the person who committed sexual abuse against the victim.

Subd. 4. **Limitations period.** (a) An action against a person who negligently permitted sexual abuse to occur to an adult must be commenced within six years of the last incident of sexual abuse.

(b) An action against a person who negligently permitted sexual abuse to occur to a minor must be commenced before the victim reaches 35 years of age.

Subd. 5. **Not applicable to vicarious liability or respondeat superior claims.** This section does not apply to a claim based on vicarious liability or liability under the doctrine of respondeat superior. This subdivision does not limit the availability of these claims under other law.

Sec. 2. **REPEALER.**

Minnesota Statutes 2006, section 541.073, is repealed.

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

This act is effective the day following final enactment and applies to actions pending on or commenced on or after that date, regardless of any previous statute of limitations."

Delete the title and insert:

"A bill for an act relating to civil actions; modifying the limitation period for civil actions involving sexual abuse; proposing coding for new law in Minnesota Statutes, chapter 541; repealing Minnesota Statutes 2006, section 541.073."

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. 3099: A bill for an act relating to health care; establishing a statewide health improvement program; monitoring child obesity; establishing a health improvement fund; establishing a public health improvement assessment; establishing health care homes; increasing continuity of care; modifies outreach efforts; establishing primary care education initiatives; increasing affordability and continuity of care with public health care programs; creating a health insurance exchange; establishing Section 125 Plans; creating a Health Care Transformation Commission; restructuring the health care payment system; creating a savings reinvestment fund; establishing a savings recapture assessment; establishing cost containment goals; specifying an affordability standard; providing subsidies for employer-subsidized coverage; requiring providers to list prices; establishing an electronic prescription drug program; requiring mandated reports; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2006, sections 62A.65, subdivision 3; 62E.141; 62L.12, subdivisions 2, 4; 62Q.735, subdivision 1; 256.01, by adding a subdivision; 256B.061; 256B.69, by adding a subdivision; 256D.03, by adding a

subdivision; 256L.05, by adding a subdivision; 256L.06, subdivision 3; 256L.07, subdivision 3; 256L.15, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 13.46, subdivision 2; 62J.496, by adding a subdivision; 62J.81, subdivision 1; 62J.82, subdivision 1; 256.962, subdivisions 5, 6; 256B.056, subdivision 10; 256L.03, subdivisions 3, 5; 256L.04, subdivisions 1, 7; 256L.05, subdivision 3a; 256L.07, subdivision 1; 256L.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 16A; 62J; 145; 256B; proposing coding for new law as Minnesota Statutes, chapter 62U; repealing Minnesota Statutes 2006, sections 62A.63; 62A.64; 62Q.49; 62Q.65; 62Q.736; 256L.15, subdivision 3.

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

Page 6, line 5, after the period, insert "The commissioner must not collect or use data on individuals as defined in section 13.02, subdivision 5."

Page 6, line 13, delete "obesity" and insert "obese"

Page 27, after line 29, insert:

"Section 1. Minnesota Statutes 2006, section 13.3806, is amended by adding a subdivision to read:

Subd. 1b. Health Care Transformation Commission. Use of data collected by the Health Care Transformation Commission is governed by section 62U.10, subdivision 2."

Page 58, line 4, after "(c)" insert "Data on providers collected under this subdivision are private data on individuals or nonpublic data, as defined in section 13.02. Notwithstanding the definition of summary data in section 13.02, subdivision 19, summary data prepared under this section may be derived from nonpublic data."

Page 59, line 28, delete "lost-cost" and insert "low-cost"

Page 64, line 15, delete "about" and insert "on" and delete "without the"

Page 64, line 16, delete "individual's consent" and insert "relating to family size, income, and eligibility for premium discounts" and before "collect" insert "determine and"

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 State and Local Government Operations and Oversight. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1297, 2597, 2936, 3070, 1406, 2265, 2917, 3161, 3311, 3089, 3202, 2804, 2914, 3203, 3378, 2948, 2929, 3364, 3323, 3427, 3286, 3085 and 1096 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Berglin moved that S.F. No. 3290 be withdrawn from the Committee on Health, Housing

and Family Security and re-referred to the Committee on Finance. The motion prevailed.

RECESS

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

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

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

S.F. No. 3049: A bill for an act relating to children's mental health; requiring children's mental health providers to develop a plan for and comply with requirements on the use of restrictive procedures; amending Minnesota Statutes 2006, section 256B.0943, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 245.

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

Page 2, line 17, after the period, insert "The individual treatment plan must be based on a diagnostic assessment, which includes assessments and review of medical conditions and risks of psychological trauma that might be incurred by use of seclusion or restraint."

Page 2, line 18, delete "behavioral management"

Page 2, line 29, delete "used as a behavior management"

Page 2, line 30, delete "technique"

Page 3, line 6, delete everything after "Seclusion" and insert "involves the confining of"

Page 3, line 9, after the period, insert "The room used for seclusion must be well-lighted, well-ventilated, clean, have an observation window that allows staff to directly monitor the child in seclusion, fixtures that are tamperproof, electrical switches located immediately outside the door, and doors that open out and are unlocked or locked with keyless locks that have immediate release mechanisms."

Page 3, line 15, after "restraints" insert "only in emergency situations"

Page 3, line 20, delete the first "Parent" and insert "Parental consent and" and after the third period, insert "Parental consent for use of seclusion and restraint procedures must be obtained when a child begins receiving services; the agreement must be reviewed at least quarterly."

Page 3, line 33, delete "danger" and insert "serious risk of physical harm"

Page 3, line 34, delete everything after "are"

Page 3, line 35, delete "behaviors" and insert "ineffective"

Page 4, line 29, delete "in at least 15-minute intervals" and insert "documentation must occur for each 15-minute interval"

Page 5, delete subdivision 8

Page 6, line 13, delete "Subd. 9." and insert "Subd. 8."

Page 7, line 1, delete "Subd. 10." and insert "Subd. 9."

Page 7, line 8, delete "or"

Page 7, after line 8, insert:

"(3) be used as punishment or for the convenience of staff; or"

Page 7, line 9, delete "(3)" and insert "(4)"

Page 7, line 10, delete "Subd. 11." and insert "Subd. 10."

Page 7, line 16, delete "time out" and insert "restrictive procedures"

Page 7, line 30, delete "Subd. 12." and insert "Subd. 11."

Page 7, line 35, after "procedures" insert ", including techniques to identify events and environmental factors that may trigger behavioral escalation"

Page 8, line 6, after "program" insert ", including simulated experiences of administering and receiving physical restraint"

Page 8, line 13, delete "Subd. 13." and insert "Subd. 12."

Page 8, line 24, delete "Subd. 14." and insert "Subd. 13."

Page 9, line 1, delete "Subd. 15." and insert "Subd. 14."

Page 9, line 4, after the period, insert "Agencies with high use of restrictive procedures will be reviewed by the commissioner to determine needed changes in policies and procedures, including staff training."

Page 9, after line 4, insert:

"Sec. 2. Minnesota Statutes 2007 Supplement, section 254A.19, is amended by adding a subdivision to read:

Subd. 1a. **Emergency room patients.** A county may enter into a contract with a hospital to

provide chemical use assessments under Minnesota Rules, parts 9530.6600 to 9530.6655, for patients admitted to an emergency room when:

- (1) an assessor is not available; and
- (2) detoxification services in the county are at full capacity.

Sec. 3. Minnesota Statutes 2007 Supplement, section 254A.19, subdivision 3, is amended to read:

Subd. 3. **Financial conflicts of interest.** (a) Except as provided in paragraph (b) or (c), an assessor conducting a chemical use assessment under Minnesota Rules, parts 9530.6600 to 9530.6655, may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider.

(b) A county may contract with an assessor having a conflict described in paragraph (a) if the county documents that:

(1) the assessor is employed by a culturally specific service provider or a service provider with a program designed to treat individuals of a specific age, sex, or sexual preference;

(2) the county does not employ a sufficient number of qualified assessors and the only qualified assessors available in the county have a direct or shared financial interest or a referral relationship resulting in shared financial gain with a treatment provider; or

(3) the county social service agency has an existing relationship with an assessor or service provider and elects to enter into a contract with that assessor to provide both assessment and treatment under circumstances specified in the county's contract, provided the county retains responsibility for making placement decisions.

(c) The county may contract with a hospital to conduct chemical assessments if the requirements in subdivision 1a are met.

An assessor under this paragraph may not place clients in treatment. The assessor shall gather required information and provide it to the county along with any required documentation. The county shall make all placement decisions for clients assessed by assessors under this paragraph."

Page 10, line 12, delete everything after the period

Page 10, delete lines 13 and 14

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "modifying chemical use assessments;"

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

H.F. No. 2553: A bill for an act relating to state government; creating a catastrophe survivor compensation fund; appropriating money; amending Minnesota Statutes 2006, section 13.635, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 8A.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

STATE TORT CLAIMS

Section 1. Minnesota Statutes 2006, section 3.736, subdivision 4, is amended to read:

Subd. 4. **Limits.** The total liability of the state and its employees acting within the scope of their employment on any tort claim shall not exceed:

(a) \$300,000 when the claim is one for death by wrongful act or omission and \$300,000 to any claimant in any other case, for claims arising before ~~January~~ August 1, 2008 ~~2007~~;

(b) \$400,000 when the claim is one for death by wrongful act or omission and \$400,000 to any claimant in any other case, for claims arising on or after ~~January~~ August 1, 2008 ~~2007~~, and before July 1, 2009;

(c) \$500,000 when the claim is one for death by wrongful act or omission and \$500,000 to any claimant in any other case, for claims arising on or after July 1, 2009;

(d) \$750,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 1998, and before January 1, 2000;

(e) \$1,000,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 2000, and before January 1, 2008;

(f) \$1,200,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 2008, and before July 1, 2009; or

(g) \$1,500,000 for any number of claims arising out of a single occurrence, for claims arising on or after July 1, 2009.

If the amount awarded to or settled upon multiple claimants exceeds the applicable limit under clause (d), (e), (f), or (g), any party may apply to the district court to apportion to each claimant a proper share of the amount available under the applicable limit under clause (d), (e), (f), or (g). The share apportioned to each claimant shall be in the proportion that the ratio of the award or settlement bears to the aggregate awards and settlements for all claims arising out of the occurrence.

The limitation imposed by this subdivision on individual claimants includes damages claimed for loss of services or loss of support arising out of the same tort.

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

ARTICLE 2

I-35W BRIDGE COLLAPSE

Section 1. **COMPENSATION FOR VICTIMS OF I-35W BRIDGE COLLAPSE.**

Subdivision 1. **Findings.** (a) The legislature finds that the collapse of the Interstate Highway 35W bridge over the Mississippi River in Minneapolis on August 1, 2007, was a catastrophe of historic proportions. The bridge was the third-busiest in the state, carrying over 140,000 cars per day. Its collapse killed 13 people and injured more than 100. No other state-owned structure has ever fallen with such devastating physical and psychological impact on so many.

(b) The establishment of a compensation process for victims of the bridge collapse furthers the public interest by providing a remedy for victims while avoiding the uncertainty and expense of potentially complex and protracted litigation to resolve the issue of the liability of the state, a municipality, or their employees for damages incurred by victims.

(c) These findings are not an admission of liability of the state, a municipality, or their employees for damages caused by the bridge collapse.

Subd. 2. **Definitions.** For purposes of this article:

(a) "Damages" means damages that are compensable under state tort law and damages for wrongful death that are compensable under Minnesota Statutes, section 573.02. Damages do not include punitive damages or attorney fees or other fees incurred by a victim in making a claim under this section or other law.

(b) "Emergency relief fund" means the I-35W bridge emergency relief fund created by the state on November 30, 2007.

(c) "Municipality" has the meaning given in Minnesota Statutes, section 466.01.

(d) "Panel" means the special master panel created under subdivision 3.

(e) "State" has the meaning given in Minnesota Statutes, section 3.732.

(f) "Victim" means a natural person who was present on the I-35W bridge at the time of the collapse. Victim also includes:

(1) the parent or legal guardian of a victim who is under 18 years of age;

(2) a legally appointed representative of a victim; or

(3) the surviving spouse or next of kin of a victim who would be entitled to bring an action under Minnesota Statutes, section 573.02.

Subd. 3. **Special master panel; administration.** (a) The chief justice of the Supreme Court shall establish a special master panel to consider claims, make offers of settlement, and enter into settlement agreements with victims on behalf of the state. The panel must consist of three attorneys, at least one of whom must be a retired judge of the appellate or district courts of this state. Nonjudicial members of the panel must have experience in legal issues involving the settlement of tort claims and the determination of damages. The chief justice shall designate a member of the panel who is a retired judge to serve as chair of the panel. The chief justice shall determine the pay and expenses to be received by the panel.

(b) Within the limits of available appropriations, the state court administrator, in consultation

with the panel, shall hire employees or retain consultants necessary to assist the panel in performing its duties under this section. Employees are in the unclassified state civil service. The panel may also use current state employees or consultants who are under a contract with the state to assist the panel in processing claims under this section.

(c) The panel may adopt procedures, rules, and forms for considering claims, making offers of settlement, and entering into settlement agreements.

(d) The state court administrator shall forward documentation of salaries, expenses, and administrative costs under this subdivision to the commissioner of finance for payment of those amounts.

(e) Members of the panel and employees and consultants acting under the direction of the panel are absolutely immune from civil liability for any act or omission occurring within the scope of the performance of their duties under this section.

Subd. 4. Claims; consideration, settlement, and payment. (a) The panel shall consider claims, make offers of settlement, and enter into settlement agreements with victims as provided in this section. In order to be eligible to receive an offer of settlement or enter into a settlement agreement under this section, a victim must file a claim with the panel by October 1, 2008. Any offer of settlement must be made by April 1, 2009.

(b) The amount of an offer of settlement under this section must be based on the total damages incurred by the victim, less:

(1) a collateral source reduction calculated in the manner provided for in Minnesota Statutes, section 548.36;

(2) any payment made to the victim from the emergency relief fund; and

(3) any payments made or required to be made to the victim by a third-party tortfeasor under the terms of an existing settlement or other agreement with the victim or a final judgment in favor of the victim concerning claims of the victim that relate to, involve, or arise out of the bridge collapse.

The amount of an offer of settlement or payment required by a settlement agreement must not exceed \$400,000 per victim. Notwithstanding Minnesota Statutes, section 3.736, subdivision 4, clause (e), there is no limit on the total amount of payments made to all victims under this section, subject to the availability of appropriations for this purpose.

(c) A victim who accepts an offer of settlement from the panel must agree in writing and in a form developed by the panel to release the state and every municipality of this state and their employees from liability for damages arising from the bridge collapse and to cooperate with the state in pursuing claims the state may have against any other party. The panel shall consult with the attorney general in preparing the form. Execution of the release by the victim extinguishes any claim against or liability of the state, a municipality, and their employees for damages asserted by a spouse or other family member of a victim based on payments made or services provided to or on behalf of the victim for damages or injury that relates to, involves, or arises out of the bridge collapse. The release must also provide that the victim will indemnify the state, a municipality, and their employees for any claim of contribution or indemnity, or both, made by other persons against the state, a municipality, and their employees and the release will satisfy any judgment obtained by the victim in an action against other persons to the extent of the release, if the claim or judgment

relates in any way to a claim of the victim arising from the bridge collapse. The release must provide for the subrogation interest of the state under section 2, subdivision 5.

(d) The panel shall promptly forward to the commissioner of finance documentation of each settlement agreement that has been entered into under this section. The commissioner of finance shall pay the agreed amount within 30 days after receiving the documentation and in the order in which the documentation from the panel was received.

Subd. 5. **Effect and finality of offers and settlement agreements.** (a) An offer of settlement made to a victim under this section is considered for all purposes to be an offer to the victim to settle a legal claim.

(b) A determination by the panel regarding an offer of settlement or settlement agreement is final and not subject to judicial review.

Subd. 6. **Records.** Records of the panel related to a claim filed by a victim, an offer of settlement, or an acceptance or rejection of an offer are not accessible to the public except for:

(1) the name of the victim; and

(2) the terms of any written settlement agreement between the victim and the state.

Subd. 7. **Election to proceed in district court.** (a) A victim may elect not to file a claim with the panel or not to accept an offer of settlement from the panel. A victim who elects not to file a claim with the panel or not to accept an offer of settlement has not waived any legal rights that may be asserted against the state or a municipality or their employees and may proceed with a claim in district court.

(b) If a victim elects not to accept an offer of settlement, the state or a municipality or their employees may not use any data provided by the victim to the panel in a subsequent legal proceeding. The state or a municipality or their employees may obtain information, including data provided to the panel, through discovery or other legal processes.

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

Sec. 2. **EFFECT OF SPECIAL COMPENSATION PROCESS; RELATIONSHIP TO OTHER LAW.**

Subdivision 1. **No state liability or duty created.** The establishment of the special compensation process under section 1 and the emergency relief fund, and an offer of settlement or a settlement agreement, is not an admission of liability by the state or a municipality or their employees and does not establish a duty of the state, a municipality, or their employees to compensate victims. The creation and funding of the compensation process under this act or an offer of settlement or settlement agreement is not admissible in a judicial or administrative proceeding to establish liability or a legal duty.

Subd. 2. **Payments as additional compensation.** Payments made under section 1 or from the emergency relief fund are intended to supplement and be in addition to any payments required to be made by a third party under law or contract. Payments made under section 1 or from the emergency relief fund are not a collateral source for purposes of Minnesota Statutes, section 62A.096 or 548.36 or other law providing for the reduction of a damage award or the amount of benefits recoverable

by a victim from a third party.

Subd. 3. **Payments from other sources.** A person required to make payments, including future payments, to a victim may not eliminate or reduce those payments as a result of compensation paid to the victim under section 1 or from the emergency relief fund or as a result of the victim's release of claims against the state, a municipality, or their employees under section 1. The obligation of any person other than the state to make payments to a victim is primary as compared to any payment made or to be made under section 1 or from the emergency relief fund. The persons referenced in and covered by this subdivision and subdivision 4 include, without limitation:

(1) reparation obligors, as defined in Minnesota Statutes, section 65B.43, subdivision 9, whether they are insurers or self-insurers;

(2) health plan companies, as defined in Minnesota Statutes, section 62Q.01, subdivision 4, including the Minnesota Comprehensive Health Association created under Minnesota Statutes, section 62E.10;

(3) insurance companies, as defined in Minnesota Statutes, section 60A.02, subdivision 4;

(4) self-insured pools of political subdivisions organized under Minnesota Statutes, section 471.617 or 471.981, including service cooperatives pools organized under Minnesota Statutes, section 123A.21;

(5) risk retention groups, as defined in Minnesota Statutes, section 60E.02, subdivision 12;

(6) joint self-insurance plans governed by Minnesota Statutes, chapter 60F;

(7) workers' compensation insurers and private self-insurers, as defined in Minnesota Statutes, section 79.01;

(8) the Minnesota Life and Health Insurance Guaranty Association governed by Minnesota Statutes, chapter 61B;

(9) the Minnesota Insurance Guaranty Association governed by Minnesota Statutes, chapter 60C;

(10) the Minnesota Joint Underwriting Association governed by Minnesota Statutes, chapter 62I;

(11) all insurers providing credit life, credit accident and health, and credit involuntary unemployment insurance under Minnesota Statutes, chapter 62B, but also including those coverages written in connection with real estate mortgage loans and those provided to borrowers at no additional cost;

(12) the Minnesota unemployment insurance program provided under Minnesota Statutes, chapter 268;

(13) coverage offered by the state under medical assistance, general assistance medical care, and MinnesotaCare; and

(14) any other plan providing health, life, disability income, or long-term care coverage.

Subd. 4. **No third-party subrogation or recovery.** (a) A person who has paid benefits or

compensation to or on behalf of a victim does not have a subrogation or other right to recover those benefits or compensation by making a claim, or recovering from payments made, under section 1 or from the emergency relief fund.

(b) Following a settlement agreement under section 1, any person claiming a subrogation interest against the amount to be paid by the state has 60 days in which to provide notice to the state and the victim of its intent to assert its interest, during which time the commissioner of finance must not make the payment. The subrogation claim is waived if the notice is not provided by the deadline. If no notice is received by the deadline, the commissioner of finance shall make the payment. If a notice of claim is received, the funds shall remain in escrow until resolution of the subrogation issue. Any payment to a victim against which a subrogation claim is successfully asserted shall immediately revert to the state, for further deliberation as to the manner in which to distribute the payment to the victim.

Subd. 5. **Reimbursement of state; right of subrogation.** (a) The state is entitled to recover from any third party, including an agent, contractor, or vendor retained by the state, for payments made from the emergency relief fund or under section 1 to the extent the third party caused or contributed to the bridge collapse. The state may seek reimbursement from, or assert subrogation rights against, a victim only to the extent that total payments received by the victim from the emergency relief fund and under section 1 and from third parties for damages that relate to, involve, or arise out of the bridge collapse, exceed the total damages incurred by the victim as determined by the panel under section 1, subdivision 4.

(b) The state is subrogated to all potential claims against third-party tortfeasors of a victim receiving payment from the emergency relief fund or under section 1 to the extent the claims relate to, involve, or arise out of the bridge collapse. The subrogation right of the state under this subdivision is limited to the amount paid to the victim from the emergency relief fund and under section 1. The rights of the state under this subdivision are in addition to other remedies, claims, and rights relating to the bridge collapse that the state may have against other persons for the recovery of money or to obtain other relief.

Subd. 6. **Amounts not considered for purposes of limit on government tort liability.** Payments made to victims under section 1 or from the emergency relief fund are not to be considered in calculating the limit on tort claims in civil actions against the state arising out of the bridge collapse for purposes of Minnesota Statutes, section 3.736, subdivision 4, clause (e), or a municipality arising out of the bridge collapse for purposes of Minnesota Statutes, section 466.04, subdivision 1, clause (5).

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

Sec. 3. **APPROPRIATIONS.**

(a) \$25,000,000 is appropriated from the general fund to the commissioner of finance to make payments under settlement agreements entered into by the panel under section 1. This appropriation is available until June 30, 2010. The legislature intends to fully fund the settlement agreements. If it appears to the commissioner of finance that this appropriation may be insufficient to pay all agreed upon settlement amounts, the commissioner shall promptly report to the chairs of the senate Committee on Finance and the house of representatives Committee on Ways and Means the estimated amount of the insufficiency and the estimated date when the appropriation will be exhausted.

(b) \$750,000 is appropriated from the general fund to the commissioner of finance to pay salaries, expenses, and administrative costs associated with making offers of settlement and entering into settlement agreements under section 1. This appropriation is available until June 30, 2009.

(c) \$680,000 is appropriated from the general fund to the commissioner of finance for a grant to Pillsbury United Communities in Minneapolis, to allow Waite House in Minneapolis to provide comprehensive services to youth and families of youth who were on a school bus on the I-35W bridge when the bridge collapsed. The commissioner must make \$235,000 of this appropriation available immediately, must make \$215,000 available on August 1, 2008, and must make the remainder of the appropriation available on August 1, 2009. The appropriation is available until spent.

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

Delete the title and insert:

"A bill for an act relating to transportation; providing an alternative compensation and settlement process for victims of the I-35W bridge collapse; changing the effective date of an increase in individual damage caps for state tort claims; appropriating money; amending Minnesota Statutes 2006, section 3.736, subdivision 4."

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 re-referred

S.F. No. 2926: A bill for an act relating to construction professions; modifying provisions relating to the electrical, plumbing, water conditioning, boiler, and high-pressure piping professions; amending Minnesota Statutes 2006, sections 299F.011, subdivision 3; 326.244, subdivision 1; 327A.04, subdivision 2; 327A.07; Minnesota Statutes 2007 Supplement, sections 16B.64, subdivision 8; 183.60, subdivision 2; 326.01, subdivisions 4b, 5; 326.2415, subdivisions 2, 6; 326.242, subdivisions 2, 3d, 5, 12, by adding subdivisions; 326.244, subdivision 5; 326.37, subdivision 1a; 326.3705, subdivision 1; 326.40, subdivisions 2, 3; 326.47, subdivision 2; 326.48, subdivisions 1, 2, 2a, 2b, 5; 326.50; 326.505, subdivisions 1, 2, 8; 326.62; 326.84, subdivision 1; 326.93, subdivision 4; 326.94, subdivision 2; 326B.082, subdivisions 8, 10, 11, 12, 13; 326B.083, subdivision 3; 326B.89, subdivisions 5, 6, 12, 14; 327B.04, subdivision 4; Laws 2007, chapter 140, article 4, section 12; repealing Minnesota Statutes 2006, section 16B.69; Minnesota Statutes 2007 Supplement, sections 326.2411; 326.372; 326.471; Laws 2007, chapter 9, section 1; Laws 2007, chapter 135, article 4, sections 2, 8; article 6, section 3; Laws 2007, chapter 140, article 12, section 9; Minnesota Rules, part 3800.3510.

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

Page 28, after line 6, insert:

"Sec. 34. Minnesota Statutes 2007 Supplement, section 326.86, subdivision 1, is amended to read:

Subdivision 1. **Licensing fee.** The licensing fee for persons licensed pursuant to sections 326.83 to 326.98, except for manufactured home installers, is \$100 per year. The licensing fee for

manufactured home installers under section 326.841 is \$300 for a three-year period.

Sec. 35. Minnesota Statutes 2007 Supplement, section 326.87, subdivision 5, is amended to read:

Subd. 5. **Content.** (a) Continuing education consists of approved courses that impart appropriate and related knowledge in the regulated industries pursuant to sections 326.83 to 326.98. Courses may include relevant materials that are included in licensing exams subject to the limitations imposed in paragraph (e). The burden of demonstrating that courses impart appropriate and related knowledge is upon the person seeking approval or credit.

(b) Course examinations will not be required for continuing education courses unless they are required by the sponsor.

(c) Textbooks are not required to be used for continuing education courses. If textbooks are not used, the coordinator must provide students with a syllabus containing, at a minimum, the course title, the times and dates of the course offering, the names and addresses or telephone numbers of the course coordinator and instructor, and a detailed outline of the subject materials to be covered. Any written or printed material given to students must be of readable quality and contain accurate and current information.

(d) Upon completion of an approved course, licensees shall earn one hour of continuing education credit for each hour approved by the commissioner. Each continuing education course must be attended in its entirety in order to receive credit for the number of approved hours. Courses may be approved for full or partial credit, and for more than one regulated industry.

Continuing education credit in an approved course shall be awarded to presenting instructors on the basis of one credit for each hour of preparation for the initial presentation, which may not exceed three hours total credit for each approved course. Continuing education credit may not be earned if the licensee has previously obtained credit for the same course as a licensee or as an instructor within the three years immediately prior.

(e) The following courses will not be approved for credit:

(1) courses designed solely to prepare students for a license examination;

(2) courses in mechanical office or business skills, including typing, speed reading, or other machines or equipment. Computer courses are allowed, if appropriate and related to the regulated industry of the licensee;

(3) courses in sales promotion, including meetings held in conjunction with the general business of the licensee;

(4) courses in motivation, salesmanship, psychology, time management, or communication; or

(5) courses that are primarily intended to impart knowledge of specific products of specific companies, if the use of the product or products relates to the sales promotion or marketing of one or more of the products discussed."

Page 28, delete section 35 and insert:

"Sec. 37. Minnesota Statutes 2007 Supplement, section 326.94, subdivision 2, is amended to read:

Subd. 2. **Insurance.** ~~Licenses must have public liability insurance with limits of at least \$300,000 per occurrence, which must include at least \$10,000 property damage coverage. Each licensee shall have and maintain in effect commercial general liability insurance, which includes premises and operations insurance and products and completed operations insurance, with limits of at least \$100,000 per occurrence, \$300,000 aggregate limit for bodily injury, and property damage insurance with limits of at least \$25,000 or a policy with a single limit for bodily injury and property damage of \$300,000 per occurrence and \$300,000 aggregate limits. The insurance must be written by an insurer licensed to do business in this state. Each licensee shall maintain on file with the commissioner a certificate evidencing the insurance which provides that the insurance shall not be canceled without the insurer first giving 15 days' written notice of cancellation to the commissioner. The commissioner may increase the minimum amount of insurance required for any licensee or class of licensees if the commissioner considers it to be in the public interest and necessary to protect the interests of Minnesota consumers.~~

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

Sec. 38. Minnesota Statutes 2007 Supplement, section 326.97, subdivision 1a, is amended to read:

Subd. 1a. **Annual renewal.** Any license issued or renewed after August 1, 1993, must be renewed annually except for a manufactured home installers license which shall have a renewal period of three years, effective for all renewals and new licenses issued after December 31, 2008."

Page 35, after line 15, insert

"Sec. 45. **[326B.46] LICENSING, BOND, AND INSURANCE.**

Persons licensed as manufactured home installers under chapter 327B are not required to be licensed under sections 326B.42 to 326B.46 when connecting the exterior building drain sewer outlets to the above ground building sewer system and when connecting the exterior water line to the above ground water system to the manufactured home as described in National Manufactured Housing Construction and Safety Standards Act of 1974, United States Code, title 42, section 5401 et seq. No additional licensure, bond, or insurance related to the scope of work permitted under this section may be required of a licensed manufactured home installer by any unit of government.

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

Page 37, after line 32, insert:

"Sec. 50. Minnesota Statutes 2006, section 327.32, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** No person shall sell, or offer for sale, in this state, any manufactured home manufactured after July 1, 1972, manufacture any manufactured home in this state or ~~park~~ install for occupancy any manufactured home manufactured after July 1, 1972, in any manufactured home park in this state unless the manufactured home complies with the Manufactured Home Building Code and:

(a) Bears a seal issued by the commissioner, and is, whenever possible, accompanied by a certificate by the manufacturer or dealer, both evidencing that it complies with the Manufactured Home Building Code; or

(b) If manufactured after June 14, 1976, bears a label as required by the secretary.

Sec. 51. Minnesota Statutes 2006, section 327.33, as amended by Laws 2007 chapter 140, article 4, sections 36 to 38, is amended to read:

327.33 ADMINISTRATION.

Subdivision 1. **Inspections.** The commissioner shall, through the department's inspectors or through a designated recognized inspection service acting as authorized representative of the commissioner perform sufficient inspections of manufacturing premises and manufactured homes to ensure compliance with sections 327.31 to 327.35. The commissioner shall have the exclusive right to conduct inspections, except for the inspections conducted or authorized by the secretary.

Subd. 2. **Fees.** The commissioner shall by rule establish reasonable fees for seals, installation seals and inspections which are sufficient to cover all costs incurred in the administration of sections 327.31 to 327.35. The commissioner shall also establish by rule a monitoring inspection fee in an amount that will comply with the secretary's fee distribution program. This monitoring inspection fee shall be an amount paid by the manufacturer for each manufactured home produced in Minnesota. The monitoring inspection fee shall be paid by the manufacturer to the secretary. The rules of the fee distribution program require the secretary to distribute the fees collected from all manufactured home manufacturers among states approved and conditionally approved based on the number of new manufactured homes whose first location after leaving the manufacturer is on the premises of a distributor, dealer or purchaser in that state.

Subd. 2a. **Construction seal fees.** Replacement manufactured home or accessory structure construction seal fees, including certificates, are \$30 per seal.

Subd. 2b. **Installation seal fees.** Manufactured home installation seal, including anchoring and support fees, including certificates, are \$80.

Subd. 2c. **Temporary installation certificate fees.** A temporary certificate fee is \$2 per certificate.

Subd. 2d. **Label fee.** The United States Department of Housing and Urban Development label fee shall be paid by the manufacturer to the secretary.

Subd. 2e. **Seal order shipping and handling fee.** The shipping and handling fee for each order of seals is the current postage rate plus a \$3 handling fee.

Subd. 3. **Administration and enforcement rules.** The commissioner may adopt other rules as may be necessary to administer and enforce sections 327.31 to 327.35. The rules shall, to the extent practicable, be uniform with those adopted by other states. All rules shall be adopted in the manner prescribed by sections 14.001 to 14.69.

Subd. 4. **Installation rules.** The commissioner shall adopt rules governing the installation of manufactured homes, and shall include them in the State Building Code. The rules may include a list of specific safety items to be inspected at the time of installation.

Subd. 5. **Accessory structures rules.** The commissioner shall adopt rules governing the construction and installation of manufactured home accessory structures including, but not limited to, rules relating to the certification of prefabricated manufactured home accessory structures.

Upon showing that another state provides for certification of prefabricated manufactured home accessory structures manufactured in compliance with standards at least equal to those established by the commissioner, the commissioner may by rule provide that any structure bearing certification affixed under the authority of that state shall not be required to bear the certification of this state.

Subd. 6. **Authorization as agency.** The commissioner shall apply to the secretary for approval of the commissioner as the administrative agency for the regulation of manufactured homes under the rules of the secretary. The commissioner may make rules for the administration and enforcement of department responsibilities as a state administrative agency including, but not limited to, rules for the handling of citizen's complaints. All money received for services provided by the commissioner or the department's authorized agents as a state administrative agency shall be deposited in the construction code fund. The commissioner is charged with the adoption, administration, and enforcement of the Manufactured Home Construction and Safety Standards, consistent with rules and regulations promulgated by the United States Department of Housing and Urban Development. The commissioner may adopt the rules, codes, and standards necessary to enforce the standards promulgated under this section. The commissioner is authorized to conduct hearings and presentations of views consistent with regulations adopted by the United States Department of Housing and Urban Development and to adopt rules in order to carry out this function.

Subd. 7. **Employees.** The commissioner may appoint such employees within the Department of Labor and Industry as deemed necessary for the administration of sections 327.31 to 327.35."

Page 39, after line 23, insert:

"Sec. 55. Minnesota Statutes 2006, section 327B.06, subdivision 1, is amended to read:

Subdivision 1. **Retention.** A dealer shall retain for ~~three~~ five years copies of all listings, deposit receipts, credit applications, contracts, disclosure forms, canceled checks, trust account records and other documents reasonably related to carrying on the business of a dealer. The retention period shall run from the date of the closing of the transaction or from the date of the listing if the transaction is not consummated."

Renumber the sections in sequence

Amend the title accordingly

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

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

S.F. No. 3099: A bill for an act relating to health care; establishing a statewide health improvement program; monitoring child obesity; establishing a health improvement fund; establishing a public health improvement assessment; establishing health care homes; increasing continuity of care; modifies outreach efforts; establishing primary care education initiatives; increasing affordability and continuity of care with public health care programs; creating a health insurance exchange; establishing Section 125 Plans; creating a Health Care Transformation Commission; restructuring the health care payment system; creating a savings reinvestment fund;

establishing a savings recapture assessment; establishing cost containment goals; specifying an affordability standard; providing subsidies for employer-subsidized coverage; requiring providers to list prices; establishing an electronic prescription drug program; requiring mandated reports; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2006, sections 13.3806, by adding a subdivision; 62A.65, subdivision 3; 62E.141; 62L.12, subdivisions 2, 4; 62Q.735, subdivision 1; 256.01, by adding a subdivision; 256B.061; 256B.69, by adding a subdivision; 256D.03, by adding a subdivision; 256L.05, by adding a subdivision; 256L.06, subdivision 3; 256L.07, subdivision 3; 256L.15, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 13.46, subdivision 2; 62J.496, by adding a subdivision; 62J.81, subdivision 1; 62J.82, subdivision 1; 256.962, subdivisions 5, 6; 256B.056, subdivision 10; 256L.03, subdivisions 3, 5; 256L.04, subdivisions 1, 7; 256L.05, subdivision 3a; 256L.07, subdivision 1; 256L.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 16A; 62J; 145; 256B; proposing coding for new law as Minnesota Statutes, chapter 62U; repealing Minnesota Statutes 2006, sections 62A.63; 62A.64; 62Q.49; 62Q.65; 62Q.736; 256L.15, subdivision 3.

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

Page 11, delete lines 9 to 36

Page 12, delete lines 1 to 10 and insert:

"Subd. 3. **Care Coordination Advisory Committee.** (a) The commissioners, by July 1, 2008, shall establish a Care Coordination Advisory Committee to assist the Departments of Human Services and Health in administering the health care home model, developing the criteria and standards required under subdivision 1, collecting data, and measuring and evaluating health outcomes and cost savings. The commissioners may satisfy this requirement by designating the advisory committee established for the provider-directed care coordination (primary care coordination) program as the committee meeting the requirements of this subdivision. If the commissioners make this designation, they must notify the chairs of the legislative committees with jurisdiction over health care policy and finance within ten days following the determination.

(b) If the commissioners elect to establish a new committee, they must select representatives from: primary care and specialist physicians, advanced practice registered nurses, patients and their families, health plans, the Institute for Clinical Systems Improvement, Minnesota Community Measurement, and other relevant entities.

(c) The commissioners, or their designee, must convene the first meeting of the Care Coordination Advisory Committee within 30 days after the completion of the appointments under paragraph (b) or designating the existing provider-directed Care Coordination Committee under paragraph (a).

(d) The members of the Care Coordination Advisory Committee may not receive compensation or expenses under section 15.059 for their service on the committee.

(e) The commissioners must provide the committee with necessary staff support and meeting space for the operation of the committee.

(f) Notwithstanding section 15.059, the committee expires June 30, 2013.

Subd. 4. **Health care home collaborative.** The commissioners, by July 1, 2009, shall establish a health care home collaborative to provide an opportunity for health care homes and state agencies

to exchange information related to quality improvement and best practices.

Subd. 5. **Patient-directed, decision-making process.** By January 1, 2009, the commissioners, in consultation with the Care Coordination Advisory Committee and the Institute of Clinical Systems Improvement, shall develop a patient-directed, decision-making support model to be used by health care homes. The commissioners shall:

(1) establish protocols that include identifying the use of a patient-directed, decision-making process and incorporating effectively the use of patient-decision aids, when appropriate;

(2) ensure the quality of the patient-decision aids available to the patient;

(3) ensure accessibility of the patient-decision aids, including the use of translators, when necessary; and

(4) ensure that providers are trained to use patient-decision aids effectively.

Subd. 6. **Annual reports.** Beginning January 15, 2009, and each January 15 thereafter, the commissioners shall report to the chairs of the legislative committees with jurisdiction over health care policy and finance regarding the implementation and administration of the health care home model for state health care program enrollees in both the fee-for-service and managed care sectors. The report must include information on the number of state health care program enrollees in health care homes, the number and characteristics of enrollees with complex or chronic conditions, the number and geographic distribution of health care home providers, the performance and quality of care of health care homes, measures of preventive care, costs related to implementation and payment of care coordination fees, health care home payment arrangements for managed care plans, and estimates of savings from implementation of the health care home model for both the fee-for-service and managed care sectors relative to the health care spending baseline calculated under section 62U.13."

Page 47, delete lines 3 to 36

Page 48, delete lines 1 to 15 and insert:

"Subd. 12. **Board of directors.** The exchange shall be governed by a board of directors with 11 members. Except as specifically provided in this section, the board of directors is subject to section 15.0575. The commissioner of commerce shall convene the first meeting of the board on or before July 1, 2008, after the initial board members have been selected. Notwithstanding section 15.0575, subdivision 2, the initial board membership consists of the following:

(1) the commissioner of commerce;

(2) the commissioner of human services;

(3) the commissioner of health; and

(4) eight public members with knowledge and experience related to health insurance and health insurance markets, appointed to serve three-year terms expiring June 30, 2011, as follows: two members appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate; two members appointed by the speaker of the house of representatives; and four members appointed by the governor. The appointments required under this section must be completed by June 15, 2008.

Subd. 13. **Subsequent board membership.** (a) Notwithstanding section 15.0575, subdivision 2, ongoing membership of the exchange consists of the following effective July 1, 2011:

(1) the commissioner of commerce;

(2) the commissioner of human services;

(3) the commissioner of health;

(4) two public members appointed to serve two-year terms as follows: one member appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate; and one member appointed by the speaker of the house of representatives; and

(5) four public members elected by the membership of the exchange. The board must designate two of the elected members to serve a two-year term and two of the elected members to serve a three-year term.

(b) Elected members may serve more than one term. The board must ensure that at least one of the elected members represents a small employer, and at least one member is a person who purchases an individual market health plan through the exchange.

Subd. 14. **Operations of the board.** Officers of the board of directors are elected by members of the board and serve one-year terms. Six members of the board constitute a quorum, and the affirmative vote of six members of the board is necessary and sufficient for any action taken by the board. Board members serve without compensation, but shall be reimbursed for actual expenses incurred in the performance of their duties, as provided in section 15.0575.

Subd. 15. **Operations of the exchange.** The board of directors shall appoint an exchange director who shall:

(1) be a full-time employee of the exchange;

(2) administer all of the activities and contracts of the exchange; and

(3) hire and supervise the staff of the exchange.

Subd. 16. **Insurance producers.** An individual has the right to choose any insurance producer licensed in accident and health insurance under chapter 60K to assist them in purchasing an individual market health plan through the exchange. When a producer licensed in accident and health insurance under chapter 60K enrolls an eligible individual in the exchange, the health plan company chosen by the individual may pay the producer a commission.

Subd. 17. **Implementation.** Health plan coverage through the exchange begins on July 1, 2009. The exchange must be operational to assist employers and individuals by January 1, 2009, and be prepared for enrollment by June 1, 2009."

Page 50, delete section 16 and insert:

"Sec. 16. **[62U.04] HEALTH CARE TRANSFORMATION COMMISSION.**

Subdivision 1. **Creation.** The Health Care Transformation Commission is created for the purpose of coordinating the health care transformation activities within Minnesota.

Subd. 2. **Members.** (a) The Health Care Transformation Commission shall consist of ten members who are appointed as follows:

(1) three members appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate, including two public members and one senator;

(2) three members appointed by the speaker of the house of representatives, including two public members and one member of the house; and

(3) four members appointed by the governor, two of whom shall be state commissioners from the agencies listed in section 15.01.

(b) The appointing authorities must ensure that the appointed members who are not legislators or commissioners:

(1) have expertise in health care financing, health care delivery, health care quality improvement, health economics, actuarial science, or business operations;

(2) are not state employees or employees of a political subdivision; and

(3) do not have a direct financial interest in the outcome of the commission's business, other than as an individual consumer of health care services.

(c) Section 15.0575, subdivision 4, governs the removal of members.

Subd. 3. **Operations of the commission.** (a) The commissioner of health shall convene the first meeting of the commission on or before July 1, 2008, following the initial appointment of the members.

(b) The commission shall elect a chair from its membership.

(c) The commission members shall not be compensated for commission activities except for actual expenses incurred in the performance of their duties. Expenses shall be compensated in accordance with section 15.0575.

Subd. 4. **Responsibilities of the commission.** (a) The commission shall develop a design and implementation plan for a health care payment restructuring system within the parameters described in this chapter. The plan must provide for the full implementation of the payment restructuring system by January 1, 2011. The design and plan must include:

(1) uniform definitions for the baskets of care and a comprehensive set of services as required under section 62U.10;

(2) a mechanism for soliciting and accepting payment bids from health care providers and health care systems as required under section 62U.10. The mechanism must ensure that the bids from different providers and care systems can be compared by consumers on both quality and cost;

(3) procedures to facilitate providers in participating in the payment system and, if needed, provide technical assistance to providers in assembling bids, contracting with other providers in order to assemble or submit bids, or otherwise participate in the payment system; and

(4) a method for monitoring, measuring, and evaluating the effectiveness of the payment restructuring system and for making adjustments, as necessary, to address any barriers or

unintended consequences.

(b) In developing the payment restructuring system described in this chapter, the commission shall consult and coordinate with the commissioners of health and human services, health care providers, health plan companies, organizations that work to improve health care quality in Minnesota, consumers, and employers.

(c) By July 1, 2009, the commission must make recommendations to the governor and the legislative committees with jurisdiction on health care policy and finance on how to incorporate Medicare into the payment restructuring system. In developing these recommendations, the commission shall negotiate with the Centers for Medicare and Medicaid Services and with the Minnesota congressional delegation and explore participation in a demonstration project or advocate for changes in federal law to enable the transformation of the health care system to succeed.

(d) The commission may contract with other organizations and entities to carry out any of the duties described in this chapter, including evaluating the effectiveness of the payment restructuring system.

Subd. 5. **Standard benefit set and design.** (a) Based on the recommendations submitted by the Health Benefit Set and Design Advisory Committee, the commission shall establish a standard benefit set and design by July 1, 2009.

(b) The standard health benefit set and design must meet the requirements described in section 62U.06.

(c) Prior to establishing the standard benefit set and design, the commission shall convene public hearings throughout the state.

Subd. 6. **Reports.** The commission shall submit a report on January 15 of each year to the governor and legislature, beginning in 2010, on the following:

- (1) the extent to which health care providers have reduced their costs and fees;
- (2) the extent to which costs and cost growth are likely to be maintained or reduced in future years;
- (3) the extent to which the quality of health care services has improved;
- (4) the extent to which all Minnesotans have access to quality, affordable health care; and
- (5) recommendations on additional actions that are needed in order to successfully achieve health care transformation in Minnesota.

Subd. 7. **Sunset.** The commission shall expire June 30, 2012. Upon expiration, the duties of the commission shall transfer to the Health Care Value Reporting Committee."

Page 52, line 13, delete "ORGANIZATION" and insert "COMMITTEE"

Page 52, delete subdivision 1 and insert:

"Subdivision 1. **Creation.** The Health Care Value Reporting Committee is created for the purpose of collecting, analyzing, and disseminating data on health care quality.

Subd. 2. **Members.** (a) The Health Care Value Reporting Committee shall consist of seven members who shall be appointed by the Health Care Transformation Commission. The members must have expertise and knowledge in health care quality improvement and measurement.

(b) Upon the expiration of the Health Care Transformation Commission, the members shall be appointed as follows:

(1) three members appointed by the governor;

(2) two members appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate; and

(3) two members appointed by the speaker of the house of representatives.

(c) Membership terms shall be for four years.

Subd. 3. **Operation of the committee.** (a) The governor's designee shall convene the committee following the initial appointment of the members.

(b) The committee shall elect a chair among its members at the initial meeting.

(c) The committee shall be governed under section 15.0575 except that the members shall not be compensated and the committee shall not expire."

Page 52, line 18, delete "2" and insert "4" and delete "Organization" and insert "Committee"

Page 52, lines 20 and 24, delete "Organization" and insert "Committee"

Page 52, after line 32, insert:

"(c) The Health Care Value Reporting Committee may contract with organizations and collaborations of organizations such as the Minnesota Community Measurement or Stratis Health to carry out any of the duties described in this section."

Page 52, delete section 18 and insert:

"Sec. 18. [62U.06] STANDARD BENEFIT SET AND DESIGN; HEALTH BENEFIT AND DESIGN ADVISORY COMMITTEE.

Subdivision 1. **Creation.** The Health Care Transformation Commission established in section 62U.04 shall convene a Health Benefit and Design Advisory Committee to make recommendations to the commission on a standard benefit set and design. The advisory committee shall consist of seven members. The members shall be appointed by the commission by August 15, 2008, and must have expertise in benefit design and development, actuarial analysis, or knowledge relating to the analysis of the cost impact of coverage of specified benefits.

Subd. 2. **Operations of the committee.** (a) The chair of the Health Care Transformation Commission shall convene the first meeting of the advisory committee on or before September 1, 2008. The committee must meet at least once a year, and at other times as necessary.

(b) The commission shall provide office space, equipment and supplies, and technical support to the committee.

(c) The committee shall be governed by section 15.059, except the committee shall not expire.

Upon the expiration of the Health Care Transformation Commission, the Health Benefit and Design Advisory Committee shall continue to exist under the oversight of the Health Care Value Reporting Committee.

Subd. 3. **Duties of the committee.** (a) By January 15, 2009, the committee shall develop and submit to the commission an initial cost-effective benefit set and design that provides individuals access to a broad range of health care services, including preventive health care, including dental care, comprehensive mental health services, chemical dependency treatment, vision care, language interpreter services, emergency transportation, and prescription drugs without incurring severe financial loss as a result of serious illness or injury. The benefit set must include necessary evidence-based health care services, procedures, and diagnostic tests that are scientifically proven to be both clinically effective and cost-effective. In establishing the initial benefit set, the committee may contract with the Institute for Clinical Systems Improvement (ICSI) to assemble existing scientifically based practice standards. The committee shall consider cultural, ethnic, and religious values and beliefs to ensure that the health care needs of all Minnesota residents will be addressed in the benefit set.

(b) The benefit set must identify and include preventive services, chronic care coordination services, and early diagnostic tests, that, if included in the benefit set, with minimal or no cost-sharing requirements, would result in savings that are equal to or greater than the cost of providing the services.

(c) The benefit set must include ICSI-designated evidence-based outpatient care for asthma, heart disease, diabetes, and depression with no cost-sharing requirements, or with minimal cost-sharing requirements that would not impose an economic barrier to accessing the care.

(d) The benefit design must establish a maximum deductible for in-network benefits and for prescription drugs coverage and a maximum for out-of-pocket costs.

Subd. 4. **Continued review.** The committee shall review the benefit set and design on an ongoing periodic basis and shall adjust the benefit set and design, as necessary to ensure that the benefit set and design continues to be safe, effective, and scientifically based."

Page 54, delete section 19 and insert:

"Sec. 19. **[62U.07] HEALTH TECHNOLOGY ASSESSMENT.**

Subdivision 1. **Technology Advisory Committee.** (a) The Health Care Transformation Commission shall appoint an advisory committee to make recommendations to the commission regarding the inclusion of new and existing health technologies to the standard benefit set and design.

(b) The advisory committee shall be made up of 11 members appointed by the commission, in consultation with the Institute for Clinical Systems Improvement, the Health Services Advisory Council, and the University of Minnesota. The membership shall include:

(1) six practicing physicians licensed under chapter 147; and

(2) five other practicing health care professionals who use health technology in their scope of practice.

The commission must complete the appointments required by this paragraph by September 1, 2008. The chair of the commission shall convene the first meeting of the Technology Advisory Committee within 30 days following the completion of the appointments to the committee.

(c) A member of the advisory committee may not:

(1) have a substantial financial interest in a health technology company; or

(2) be employed by or under contract with a health technology manufacturer during their term or for 18 months before their appointment.

(d) The advisory committee is subject to section 15.059, except that the committee shall not expire. Upon the expiration of the Health Care Transformation Commission, the Health Technology Assessment Committee shall continue to exist under the oversight of the Health Care Value Reporting Committee.

Subd. 2. **Technology selection process.** The commission, in consultation with the advisory committee, shall select existing and new health technologies to be reviewed by the committee. In making a selection, priority shall be given to any technology for which:

(1) there are concerns about its safety, efficacy, or cost-effectiveness;

(2) actual or expected expenditures are high due to demand for the technology, its cost or both; and

(3) there is adequate evidence available to conduct a complete review.

Subd. 3. **Technology review.** (a) Upon the selection of a health technology for review, the committee shall contract for a systematic evidence-based assessment of the technology's safety, efficacy, and cost-effectiveness. The contract shall be with an evidence-based practice center designated as such by the federal agency for health care research and quality, or another appropriate entity as designated by the committee.

(b) The committee shall provide notification to the public when a health technology has been selected for review. The notification must indicate when that review is to be initiated and how an interested party may submit evidence or provide public comment for consideration during the review.

Subd. 4. **Committee determination.** (a) Upon reviewing the completed assessment and any other evidence submitted regarding the safety, efficacy, and cost effectiveness of the technology, the committee shall recommend to the commission:

(1) the conditions, if any, under which the health technology should be included as a covered benefit; and

(2) if covered, the criteria to be used to decide whether the technology is medically necessary, or proper and necessary treatment.

(b) The commissioners of human services, employee relations, and corrections may use the committee's recommendation in making coverage and reimbursement decisions unless the recommendation conflicts with an applicable federal statute or regulation."

Amend the title accordingly

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

SECOND READING OF SENATE BILLS

S.F. No. 3049 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 2553 was read the second time.

MEMBERS EXCUSED

Senators Johnson, Limmer, Moua and Murphy were excused from the Session of today. Senator Doll was excused from the Session of today from 11:00 to 11:25 a.m. Senators Higgins and Pappas were excused from the Session of today from 11:00 a.m. to 12:00 noon. Senator Langseth was excused from the Session of today from 11:10 a.m. to 12:30 p.m. Senator Bakk was excused from the Session of today at 11:30 a.m.

ADJOURNMENT

Senator Pogemiller moved that the Senate do now adjourn until 11:00 a.m., Tuesday, March 11, 2008. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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