

## NINETY-FIRST DAY

St. Paul, Minnesota, Monday, March 17, 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. Kevin McDonough.

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

The President declared a quorum present.

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

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

The following communication was received.

February 28, 2008

The Honorable James P. Metzen  
President of the Senate

Dear Senator Metzen:

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

**BOARD OF ANIMAL HEALTH**

Dr. Holly Jane Neaton, 11549 Hwy. 25, Watertown, in the county of Wright, effective March 3, 2008, for a term that expires on January 2, 2012.

(Referred to the Committee on Agriculture and Veterans.)

Sincerely,  
Tim Pawlenty, Governor

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 2471.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned March 13, 2008

**MOTIONS AND RESOLUTIONS**

Senator Prettner Solon moved that the name of Senator Skogen be added as a co-author to S.F. No. 1918. The motion prevailed.

Senator Wiger moved that his name be stricken as a co-author to S.F. No. 3043. The motion prevailed.

Senator Dille moved that the name of Senator Koering be added as a co-author to S.F. No. 3651. The motion prevailed.

Senator Scheid moved that the name of Senator Wiger be added as a co-author to S.F. No. 3688. The motion prevailed.

Senator Doll moved that the name of Senator Pogemiller be added as a co-author to S.F. No. 3707. The motion prevailed.

**Senators Sieben, Saltzman and Metzen introduced –**

**Senate Resolution No. 154:** A Senate resolution honoring Woodbury Police Officer Scott Melander for his quick-thinking, safety-conscious, and heroic efforts that ended a high-speed chase on Highway 494.

Referred to the Committee on Rules and Administration.

**Senators Sieben, Wiger, Stumpf and Metzen introduced –**

**Senate Resolution No. 155:** A Senate resolution honoring Hastings educator Lynette Wayne.

Referred to the Committee on Rules and Administration.

**Senator Saltzman introduced –**

**Senate Resolution No. 156:** A Senate resolution congratulating Oak-Land Junior High School in Lake Elmo on the celebration of its 40th anniversary.

Referred to the Committee on Rules and Administration.

**Senator Saltzman introduced –**

**Senate Resolution No. 157:** A Senate resolution honoring the Lake Elmo Fire Department for 50 years of dedicated service.

Referred to the Committee on Rules and Administration.

**Senators Higgins and Murphy introduced –**

**Senate Resolution No. 158:** A Senate resolution honoring Bea Hasselmann of Minneapolis for her years of service and dedication to the residents at the Minnesota Correctional Facility-Red Wing.

Referred to the Committee on Rules and Administration.

Senator Higgins moved that S.F. No. 2790, No. 87 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time.

**Senators Pariseau and Hann introduced–**

**S.F. No. 3745:** A bill for an act relating to state government; making changes to continuing care; agency management; state-operated services; children and family services; health care programs; Department of Health provisions; appropriating money; amending Minnesota Statutes 2006, sections 144.1222, subdivision 1a, by adding subdivisions; 157.16, as amended; 256.741, subdivisions 2, 2a, 3; 256.969, subdivisions 2b, 20; 256B.0571, subdivisions 8, 9; 256B.0621, subdivisions 2, 6, 10; 256B.0625, subdivisions 3c, 13e; 256B.0924, subdivisions 4, 6; 256B.19, subdivision 1d; 256B.431, subdivision 23; 256B.434, by adding a subdivision; 256B.441, by adding a subdivision; 256B.69, subdivisions 5a, 6; 256D.44, subdivisions 2, 5; 256L.12, subdivision 9; 518A.50; 518A.53, subdivision 5; Minnesota Statutes 2007 Supplement, sections 16A.724, subdivision 2; 256.01, subdivision 2; 256.741, subdivision 1; 256B.0625, subdivision

20; 256B.0631, subdivisions 1, 3; 256B.199; 256J.621; 256L.04, subdivisions 1, 7; 256L.07, subdivision 1; Laws 2006, chapter 282, article 20, section 37, as amended; Laws 2007, chapter 147, article 2, section 21; article 19, sections 3, subdivisions 1, 4, 6; 4, subdivisions 2, 4; proposing coding for new law in Minnesota Statutes, chapters 246B; 256B; repealing Minnesota Statutes 2006, sections 62J.58; 256.741, subdivision 15; 256B.441, subdivision 25; Minnesota Statutes 2007 Supplement, sections 256.962, subdivision 5; 256.969, subdivision 27; 256B.057, subdivision 2c; 256B.441, subdivisions 1, 14a, 30, 31, 48, 49, 50, 51, 52, 53, 54, 55, 56, 58; 256L.07, subdivision 7.

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

**Senator Dibble introduced—**

**S.F. No. 3746:** A bill for an act relating to metropolitan government; directing the Metropolitan Airports Commission to enforce certain covenants.

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

**Senator Dahle introduced—**

**S.F. No. 3747:** A bill for an act relating to energy; authorizing school boards to form business entity solely for wind energy project; providing exemption from production tax; amending Minnesota Statutes 2006, sections 123B.02, subdivision 21; 272.029, subdivision 7.

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

**Senator Limmer introduced—**

**S.F. No. 3748:** A bill for an act relating to local government aids; changing the definition of small city for aid purposes; amending Minnesota Statutes 2006, sections 477A.011, subdivision 34; 477A.013, subdivision 9.

Referred to the Committee on Taxes.

**Senator Limmer introduced—**

**S.F. No. 3749:** A bill for an act relating to taxation; requiring the commissioner of revenue to test and certify all software preparation services that participate in electronic filing; proposing coding for new law in Minnesota Statutes, chapter 270C.

Referred to the Committee on Taxes.

**Senator Larson introduced—**

**S.F. No. 3750:** A bill for an act relating to public employment; changing the definition of a confidential employee; amending Minnesota Statutes 2006, section 179A.03, subdivision 4.

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

**Senator Dibble introduced—**

**S.F. No. 3751:** A bill for an act relating to natural resources; providing standards for prevention of water contamination by nonferrous metallic mineral mining operations; specifying financial assurance instruments required of nonferrous metallic mineral mining owners; proposing coding for new law in Minnesota Statutes, chapter 93.

Referred to the Committee on Environment and Natural Resources.

**Senator Robling introduced—**

**S.F. No. 3752:** A bill for an act relating to education; modifying Internet access equity aid; amending Minnesota Statutes 2006, section 125B.26, subdivision 4.

Referred to the Committee on Finance.

**Senator Dibble introduced—**

**S.F. No. 3753:** A bill for an act relating to mental health; creating a mental health fatality review team; appropriating money.

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

**Senators Koch, Murphy and Sparks introduced—**

**S.F. No. 3754:** A bill for an act relating to the military; prohibiting discrimination in employment against the immediate family member of any service member; permitting civil actions; providing penalties; amending Minnesota Statutes 2006, section 192.34.

Referred to the Committee on Agriculture and Veterans.

**Senator Koch introduced—**

**S.F. No. 3755:** A bill for an act relating to the military; repealing authorization for the state Persian Gulf War ribbon; repealing Minnesota Statutes 2006, section 190.17.

Referred to the Committee on Agriculture and Veterans.

**Senators Koch, Rosen, Sparks, Murphy and Gerlach introduced—**

**S.F. No. 3756:** A bill for an act relating to the military; changing eligibility for brevet promotion; amending Minnesota Statutes 2006, section 192.20.

Referred to the Committee on Agriculture and Veterans.

**Senators Moua and Larson introduced—**

**S.F. No. 3757:** A bill for an act relating to public safety; creating a gross misdemeanor for assaulting a utility employee or contractor; amending Minnesota Statutes 2006, section 609.2231, by adding a subdivision.

Referred to the Committee on Judiciary.

**Senators Doll, Dibble, Koch, Carlson and Rummel introduced—**

**S.F. No. 3758:** A bill for an act relating to energy; modifying provisions relating to power transmission lines, renewable energy obligations, and related activities and costs; amending Minnesota Statutes 2006, sections 216B.16, subdivision 7b; 216B.1645, subdivisions 1, 2; 216B.2425, subdivisions 2, 3; 216B.243, subdivision 8; Minnesota Statutes 2007 Supplement, section 216B.1645, subdivision 2a.

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

**Senators Erickson Ropes, Hann, Sheran and Lynch introduced—**

**S.F. No. 3759:** A bill for an act relating to veterans; increasing the per semester and annual grant amount for veterans receiving Minnesota GI Bill educational assistance for higher education; amending Minnesota Statutes 2007 Supplement, section 197.791, subdivision 5.

Referred to the Committee on Agriculture and Veterans.

**Senator Berglin introduced—**

**S.F. No. 3760:** A bill for an act relating to public safety; establishing a petty misdemeanor offense of damaging property with graffiti and addressing how liability may be established; requiring local approval; amending Minnesota Statutes 2006, section 617.90, by adding a subdivision.

Referred to the Committee on Judiciary.

**Senator Berglin introduced—**

**S.F. No. 3761:** A bill for an act relating to health; modifying the prescription electronic reporting system; amending Minnesota Statutes 2007 Supplement, section 152.126.

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

**Senator Skoe introduced—**

**S.F. No. 3762:** A bill for an act relating to taxation; allowing for payment of property tax refunds to counties when property taxes are delinquent; amending Minnesota Statutes 2006, section 290A.10.

Referred to the Committee on Taxes.

**Senator Pogemiller introduced—**

**S.F. No. 3763:** A bill for an act relating to education finance; clarifying implementation of superintendent's report on anticipated expenditures and passage rates; making technical adjustments; amending Minnesota Statutes 2007 Supplement, section 123B.143, subdivision 1.

Referred to the Committee on Finance.

**Senators Rosen, Doll, Metzen, Skoe and Wergin introduced—**

**S.F. No. 3764:** A bill for an act relating to taxation; income taxes; increasing the long-term care insurance credit; amending Minnesota Statutes 2006, section 290.0672, subdivision 2.

Referred to the Committee on Taxes.

**Senators Gerlach, Koch, Gimse, Hann and Ingebrigtsen introduced—**

**S.F. No. 3765:** A bill for an act relating to the military; changing certain election provisions; amending Minnesota Statutes 2006, sections 203B.17; 203B.21, subdivisions 1, 2; 203B.22; 203B.24, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 203B.

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

**Senator Gerlach introduced—**

**S.F. No. 3766:** A bill for an act relating to education finance; modifying the calculation of extended time revenue; amending Minnesota Statutes 2006, sections 126C.05, subdivision 8; 126C.10, subdivision 2a.

Referred to the Committee on Finance.

**Senator Sparks introduced—**

**S.F. No. 3767:** A bill for an act relating to health; establishing a health coverage subsidy program for eligible small employers and employees and dependents; proposing coding for new law as Minnesota Statutes, chapter 62U.

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

**Senator Saxhaug introduced—**

**S.F. No. 3768:** A bill for an act relating to state government; appropriating money for the legislators' forum.

Referred to the Committee on Finance.

**Senator Saxhaug introduced—**

**S.F. No. 3769:** A bill for an act relating to accountants; reducing hours required for continuing education; amending Minnesota Statutes 2006, section 326A.02, subdivision 5.

Referred to the Committee on Commerce and Consumer Protection.

**Senator Wiger introduced—**

**S.F. No. 3770:** A bill for an act relating to education; modifying safe schools levy; amending Minnesota Statutes 2007 Supplement, section 126C.44.

Referred to the Committee on Finance.

**Senators Hann, Ortman, Gerlach and Koch introduced—**

**S.F. No. 3771:** A bill for an act relating to health; proposing an amendment to the Minnesota Constitution, article XIII, by adding a section, providing for freedom of choice in health care.

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

**Senators Torres Ray, Marty and Higgins introduced—**

**S.F. No. 3772:** A bill for an act relating to health; appropriating money for demonstration grants to prevent sexual violence.

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

**Senators Moua, Anderson, Cohen and Pappas introduced—**

**S.F. No. 3773:** A bill for an act relating to taxation; authorizing the city of St. Paul to extend the duration of a tax increment financing district in the city; providing that the district is exempt from certain requirements.

Referred to the Committee on Taxes.

**Senators Bakk, Johnson and Sparks introduced—**

**S.F. No. 3774:** A bill for an act relating to commerce; regulating franchise agreements between outdoor sport equipment dealers, manufacturers, and distributors; proposing coding for new law as Minnesota Statutes, chapter 80G.

Referred to the Committee on Commerce and Consumer Protection.

**Senators Doll and Sieben introduced—**

**S.F. No. 3775:** A bill for an act relating to solid waste; establishing a pilot program to collect and process used paint.

Referred to the Committee on Environment and Natural Resources.

**Senators Tomassoni and Saxhaug introduced—**

**S.F. No. 3776:** A bill for an act relating to Iron Range Resources; defining the Giants Ridge Recreation Area; amending Minnesota Statutes 2006, section 298.22, subdivision 7.

Referred to the Committee on Business, Industry and Jobs.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate



proceeded to the Order of Business of the Calendar.

### CALENDAR

**H.F. No. 2827:** A bill for an act relating to local government; amending county historical society funding; amending Minnesota Statutes 2006, section 138.053.

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 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**H.F. No. 2907:** A bill for an act relating to Yellow Medicine County; providing a process for making certain offices appointive in Yellow Medicine County.

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 10, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dille	Ingebrigtsen	Koch	Ortman	Vandever
Gerlach	Jungbauer	Koering	Sparks	Wergin

So the bill passed and its title was agreed to.

**H.F. No. 3368:** A bill for an act relating to utilities; setting filing deadline for certain reports; regulating customer payment arrangements during cold weather period; regulating payment

agreements for certain utility services; amending Minnesota Statutes 2006, section 216B.098, subdivision 3; Minnesota Statutes 2007 Supplement, sections 216B.091; 216B.096, subdivisions 5, 10.

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 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**H.F. No. 2816:** A bill for an act relating to Nicollet County; providing a process for making certain offices appointive in Nicollet County.

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 47 and nays 10, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Lourey	Pogemiller	Sieben
Berglin	Erickson Ropes	Lynch	Prettner Solon	Skogen
Betzold	Foley	Marty	Rest	Stumpf
Bonoff	Frederickson	Metzen	Rosen	Tomassoni
Carlson	Gimse	Michel	Rummel	Torres Ray
Chaudhary	Higgins	Murphy	Saltzman	Vickerman
Clark	Jungbauer	Olseen	Saxhaug	Wiger
Dahle	Langseth	Olson, G.	Scheid	
Day	Larson	Olson, M.	Senjem	
Dibble	Latz	Pappas	Sheran	

Those who voted in the negative were:

Dille	Hann	Koch	Ortman	Vandever
Gerlach	Ingebrigtsen	Koering	Sparks	Wergin

So the bill passed and its title was agreed to.

**S.F. No. 1918:** A bill for an act relating to telecommunications; creating the Ultra High-Speed Broadband Task Force.

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 55 and nays 2, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Jungbauer                      Vandever

So the bill passed and its title was agreed to.

**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.

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 56 and nays 3, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Foley                      Ingebrigtsen                      Vandever

So the bill passed and its title was agreed to.

**S.F. No. 457:** A bill for an act relating to elections; providing for establishment of single-member school board election districts in Independent School District No. 271, Bloomington.

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 41 and nays 18, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Day	Gimse	Koch	Ortman	Vandevveer
Dille	Hann	Koering	Prettner Solon	Wergin
Frederickson	Ingebrigtsen	Michel	Rosen	
Gerlach	Jungbauer	Olson, G.	Senjem	

So the bill passed and its title was agreed to.

**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.

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 57 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Larson	Pogemiller	Skogen
Bakk	Foley	Latz	Prettner Solon	Sparks
Berglin	Frederickson	Lourey	Rest	Stumpf
Betzold	Gerlach	Lynch	Rosen	Tomassoni
Bonoff	Gimse	Marty	Rummel	Torres Ray
Carlson	Hann	Metzen	Saltzman	Vandevveer
Chaudhary	Higgins	Michel	Saxhaug	Vickerman
Clark	Ingebrigtsen	Murphy	Scheid	Wergin
Dahle	Jungbauer	Olseen	Senjem	Wiger
Day	Koch	Olson, G.	Sheran	
Dibble	Kubly	Olson, M.	Sieben	
Doll	Langseth	Pappas	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 Consent Calendar. The motion prevailed.

### CONSENT CALENDAR

**S.F. No. 3147:** A bill for an act relating to communications; repealing a sunset provision;

repealing Laws 2005, chapter 81, section 7.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**S.F. No. 3443:** A bill for an act relating to veterans; designating July 27 as Korean War Veterans Day; proposing coding for new law in Minnesota Statutes, chapter 197.

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

So the bill passed and its title was agreed to.

**S.F. No. 2830:** A bill for an act relating to payroll card accounts; repealing a sunset; repealing Laws 2005, chapter 158, section 4, as amended.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Vandev eer

So the bill passed and its title was agreed to.

**S.F. No. 3084:** A bill for an act relating to the city of Duluth; correcting the legal description of the boundaries of the tracts of land administered by the Spirit Mountain Recreation Area Authority; amending Laws 1973, chapter 327, section 2, subdivision 1, as amended.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

### GENERAL ORDERS

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

After some time spent therein, the committee arose, and Senator Metzen reported that the committee had considered the following:

S.F. Nos. 3564, 1965, 2786, 2390, 2653 and H.F. Nos. 1546, 3099, 2636, which the committee recommends to pass.

S.F. No. 2369, which the committee recommends to pass with the following amendment offered by Senator Rest:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 123B.03, subdivision 1, is amended to read:

Subdivision 1. **Background check required.** (a) A school hiring authority, ~~as defined in subdivision 3,~~ shall request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on all the following individuals:

(1) those who are offered employment in the school, ~~as defined in subdivision 3;~~ and

(2) those who on a regular and consistent basis of a minimum of once per week during the school year provide athletic coaching services or other extracurricular or cocurricular services to the school regardless of whether the individual receives compensation.

In order for an individual to be eligible for employment or to provide the services, ~~an~~ the individual ~~who is offered employment~~ must provide an executed criminal history consent form and a money order or check payable to either the Bureau of Criminal Apprehension or the school hiring authority, at the election of the school hiring authority, in an amount equal to the actual cost to the Bureau of Criminal Apprehension and the school district of conducting the criminal history background check. A school hiring authority electing to receive payment may, at its discretion, accept payment in the form of a negotiable instrument other than a money order or check and shall pay the superintendent of the Bureau of Criminal Apprehension directly to conduct the background check. The superintendent of the Bureau of Criminal Apprehension shall conduct the background check by retrieving criminal history data maintained in the criminal justice information system computers. A school hiring authority, at its discretion, may elect not to request a criminal history background check on an individual who holds an initial entrance license issued by the State Board of Teaching or the commissioner of education within the 12 months preceding an offer of employment.

(b) A school hiring authority may use the results of a criminal background check conducted at the request of another school hiring authority if:

(1) the results of the criminal background check are on file with the other school hiring authority or otherwise accessible;

(2) the other school hiring authority conducted a criminal background check within the previous 12 months;

(3) the individual who is the subject of the criminal background check executes a written consent form giving a school hiring authority access to the results of the check; and

(4) there is no reason to believe that the individual has committed an act subsequent to the check that would disqualify the individual for employment.

(c) Unless already required under paragraph (a), a school hiring authority may, at its discretion, request a criminal history background check from the superintendent of the Bureau of Criminal

Apprehension on any individual who seeks to enter a school or its grounds for the purpose of serving as a school volunteer or working as an independent contractor or student employee. In order for an individual to enter a school or its grounds under this paragraph when the school hiring authority elects to request a criminal history background check on the individual, the individual first must provide an executed criminal history consent form and a money order, check, or other negotiable instrument payable to the school district in an amount equal to the actual cost to the Bureau of Criminal Apprehension and the school district of conducting the criminal history background check. Notwithstanding section 299C.62, subdivision 1, the cost of the criminal history background check under this paragraph is the responsibility of the individual.

(d) For all nonstate residents who are offered employment in a school, a school hiring authority shall request a criminal history background check on such individuals from the superintendent of the Bureau of Criminal Apprehension and from the government agency performing the same function in the resident state or, if no government entity performs the same function in the resident state, from the Federal Bureau of Investigation. Such individuals must provide an executed criminal history consent form and a money order, check, or other negotiable instrument payable to the school hiring authority in an amount equal to the actual cost to the government agencies and the school district of conducting the criminal history background check. Notwithstanding section 299C.62, subdivision 1, the cost of the criminal history background check under this paragraph is the responsibility of the individual.

**EFFECTIVE DATE.** This section is effective August 1, 2008."

The motion prevailed. So the amendment was adopted.

S.F. No. 2688, which the committee recommends to pass with the following amendment offered by Senator Tomassoni:

Page 1, after line 3, insert:

"Section 1. Minnesota Statutes 2007 Supplement, section 268.035, subdivision 25b, is amended to read:

Subd. 25b. **Trucking industry/independent contractors.** In the trucking industry, an owner-operator of a vehicle that is licensed and registered as a truck, tractor, or truck-tractor by a governmental motor vehicle regulatory agency is an independent contractor, and is not considered an employee, while performing services in the operation of the truck only if each of the following factors is present:

- (1) the individual owns the equipment or holds it under a bona fide lease arrangement;
- (2) the individual is responsible for the maintenance of the equipment;
- (3) the individual bears the principal burdens of the operating costs, including fuel, repairs, supplies, vehicle insurance, and personal expenses while on the road;
- (4) the individual is responsible for supplying the necessary personal services to operate the equipment;
- (5) the individual's compensation is based on factors related to the work performed, such as a percentage of any schedule of rates, and not on the basis of the hours or time expended; and



(6) the individual enters into a written contract that specifies the relationship to be that of an independent contractor and not that of an employee.

This subdivision does not apply to parcel delivery drivers who deliver shipments less than 250 pounds per parcel.

**EFFECTIVE DATE.** This section is effective October 1, 2008."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 3158, which the committee recommends to pass with the following amendment offered by Senator Limmer:

Page 1, line 14, after "chairs" insert "and ranking minority members"

The motion prevailed. So the amendment was adopted.

S.F. No. 2941, which the committee recommends to pass with the following amendment offered by Senator Erickson Ropes:

Page 4, after line 21, insert:

"Sec. 5. Minnesota Statutes 2007 Supplement, section 151.56, is amended to read:

**151.56 COUNTY RETURN OF UNUSED DRUGS OR MEDICAL DEVICES.**

Notwithstanding Minnesota Rules, part 6800.2700, pharmacies may accept returns of ~~unused drugs~~ and redispense unopened, unused drugs in board-approved unit dose packaging and medical devices from county jails and juvenile correctional facilities. In order to return unused drugs and medical devices, the county jail or juvenile correctional facility must have a ~~trained medication technician~~ correctional employee trained in the delivery and storage of medications on hand 24 hours a day, seven days a week, and the medication must be stored in a secured locked storage locker.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

On motion of Senator Pogemiller, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate revert to the Orders of Business of Reports of Committees and Second Reading of

Senate Bills. The motion prevailed.

### REPORTS OF COMMITTEES

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

#### **Senator Scheid from the Committee on Commerce and Consumer Protection, to which was re-referred**

**S.F. No. 3061:** A bill for an act relating to environment; modifying Petrofund program; amending Minnesota Statutes 2006, sections 115C.04, subdivision 3; 115C.09, subdivision 3h, by adding a subdivision; repealing Minnesota Statutes 2006, section 115C.09, subdivision 3j.

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

Page 2, line 30, delete "\$400" and insert "\$250" and after the second period, insert "The maximum expenditure from the fund may not exceed \$1,500,000."

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. 3672:** A bill for an act relating to alcohol; making technical changes to State Fair provisions; amending Minnesota Statutes 2007 Supplement, section 340A.412, subdivision 4.

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

Page 1, after line 4, insert:

"Section 1. Minnesota Statutes 2006, section 340A.315, is amended by adding a subdivision to read:

Subd. 7. **Cognac and brandy permitted.** Farm wineries licensed under this section are permitted to manufacture distilled spirits as defined under section 340A.101, subdivision 9, including brandies and cognacs which may exceed 25 percent alcohol by volume, made from Minnesota produced or grown grapes, grape juice, other fruit bases, or honey. The distilled spirits authorized under this subdivision may be sold by the farm winery at on-sale or off-sale, in retail, or in wholesale lots. The following conditions pertain:

(1) no farm winery or firm owning multiple farm wineries may manufacture more than 5,000 gallons of distilled spirits in a given year, and this 5,000 gallon limit is part of the 50,000 gallon limit found in section 340A.315, subdivision 2;

(2) farm wineries must pay an additional annual fee of \$500 to the commissioner before beginning production of distilled spirits; and

(3) farm wineries may not sell or produce distilled spirits for direct sale to manufacturers licensed under section 340A.301, subdivision 6, paragraph (a)."

Page 2, after line 18, insert:

"Sec. 3. **ST. LOUIS COUNTY; LIQUOR LICENSE.**

Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, paragraph (a), clause (8), St. Louis County may issue an off-sale intoxicating liquor license to an establishment located at 9702 Highway 37 adjacent to the Cherry Corner Store. The provisions of Minnesota Statutes, chapter 340A, apply to the license issued under this section.

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

Sec. 4. **SPECIAL LICENSE; MINNEAPOLIS.**

Notwithstanding any law, local ordinance, or charter provision, the city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant located at 1367 Willow Street South. The provisions of Minnesota Statutes, chapter 340A, apply to licenses issued under this section. The license authorizes sales on all days of the week.

**EFFECTIVE DATE.** This section is effective upon approval by the Minneapolis city council in the manner provided by Minnesota Statutes, section 645.021, notwithstanding Minnesota Statutes, section 645.023, subdivision 1, paragraph (a)."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to relating to liquor; permitting farm wineries to manufacturer and sell distilled spirits under certain conditions; authorizing liquor licenses; making technical corrections; amending Minnesota Statutes 2006, section 340A.315, by adding a subdivision; Minnesota Statutes 2007 Supplement, section 340A.412, subdivision 4."

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

**Senator Prettnr Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred**

**S.F. No. 2996:** A bill for an act relating to energy and the environment; extending the definition of biomass with respect to renewable energy objectives, distributed energy resources, and renewable energy resource planning; extending the expiration date for the Metropolitan Area Water Supply Advisory Committee; amending Minnesota Statutes 2006, sections 216B.2411, subdivision 2; 216B.2422, subdivision 1; 473.1565, subdivision 2; Minnesota Statutes 2007 Supplement, section 216B.1691, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2007 Supplement, section 216B.1691, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) Unless otherwise specified in law, "eligible energy technology" means an energy technology that generates electricity from the following renewable energy

sources: (1) solar; (2) wind; (3) hydroelectric with a capacity of less than 100 megawatts; (4) hydrogen, provided that after January 1, 2010, the hydrogen must be generated from the resources listed in this clause; or (5) biomass, which includes, without limitation, landfill gas; an anaerobic digester system; the predominantly organic components of wastewater effluent, sludge, or related byproducts from publicly owned treatment works, but not including incineration of wastewater sludge to produce electricity; and an energy recovery facility used to capture the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste as a primary fuel.

(b) "Electric utility" means a public utility providing electric service, a generation and transmission cooperative electric association, a municipal power agency, or a power district.

(c) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year by an electric utility to retail customers of the electric utility or to a distribution utility for distribution to the retail customers of the distribution utility.

Sec. 2. Minnesota Statutes 2006, section 216B.2411, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision and section 216B.241, subdivision 1, have the meanings given them.

(b) "Eligible renewable energy sources" means fuels and technologies to generate electricity through the use of any of the resources listed in section 216B.1691, subdivision 1, paragraph (a), ~~clause (1)~~, except that the incineration of wastewater sludge is not an eligible renewable energy source, and the term "biomass" has the meaning provided under paragraph (c).

(c) "Biomass" includes:

- (1) methane or other combustible gases derived from the processing of plant or animal material;
- (2) alternative fuels derived from soybean and other agricultural plant oils or animal fats;
- (3) combustion of barley hulls, corn, soy-based products, or other agricultural products;
- (4) wood residue from the wood products industry in Minnesota or other wood products such as short-rotation woody or fibrous agricultural crops; ~~and~~
- (5) landfill gas;
- (6) the predominantly organic components of wastewater effluent, sludge, or related byproducts from publicly owned treatment works; and
- (7) mixed municipal solid waste, and refuse-derived fuel from mixed municipal solid waste.

Sec. 3. Minnesota Statutes 2006, section 216B.2422, subdivision 1, is amended to read:

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

(b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more of electric power and serving, either directly or indirectly, the needs of 10,000 retail customers in Minnesota. Utility does not include federal power agencies.

(c) "Renewable energy" means electricity generated through use of any of the following resources:

- (1) wind;
- (2) solar;
- (3) geothermal;
- (4) hydro;
- (5) trees or other vegetation; ~~or~~
- (6) landfill gas; or

(7) predominantly organic components of wastewater effluent, sludge, or related byproducts from publicly owned treatment works, but not including incineration of wastewater sludge.

(d) "Resource plan" means a set of resource options that a utility could use to meet the service needs of its customers over a forecast period, including an explanation of the supply and demand circumstances under which, and the extent to which, each resource option would be used to meet those service needs. These resource options include using, refurbishing, and constructing utility plant and equipment, buying power generated by other entities, controlling customer loads, and implementing customer energy conservation.

(e) "Refurbish" means to rebuild or substantially modify an existing electricity generating resource of 30 megawatts or greater.

Sec. 4. Minnesota Statutes 2006, section 473.1565, subdivision 2, is amended to read:

Subd. 2. **Advisory committee.** (a) A Metropolitan Area Water Supply Advisory Committee is established to assist the council in its planning activities in subdivision 1. The advisory committee has the following membership:

- (1) the commissioner of agriculture or the commissioner's designee;
- (2) the commissioner of health or the commissioner's designee;
- (3) the commissioner of natural resources or the commissioner's designee;
- (4) the commissioner of the Pollution Control Agency or the commissioner's designee;
- (5) two officials of counties that are located in the metropolitan area, appointed by the governor;
- (6) five officials of noncounty local governmental units that are located in the metropolitan area, appointed by the governor; and
- (7) the chair of the Metropolitan Council or the chair's designee, who is chair of the advisory committee.

A local government unit in each of the seven counties in the metropolitan area must be represented in the seven appointments made under clauses (5) and (6).

- (b) Members of the advisory committee appointed by the governor serve at the pleasure of the

governor. Members of the advisory committee serve without compensation but may be reimbursed for their reasonable expenses as determined by the Metropolitan Council. The advisory committee expires December 31, ~~2008~~ 2010.

(c) The council must consider the work and recommendations of the advisory committee when the council is preparing its regional development framework.

**Sec. 5. APPLICATION.**

Section 4 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

**Sec. 6. EFFECTIVE DATE.**

Sections 1 to 5 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to energy and the environment; extending the definition of biomass with respect to renewable energy objectives, distributed energy resources, and renewable energy resource planning; extending the expiration date for the Metropolitan Area Water Supply Advisory Committee; amending Minnesota Statutes 2006, sections 216B.2411, subdivision 2; 216B.2422, subdivision 1; 473.1565, subdivision 2; Minnesota Statutes 2007 Supplement, section 216B.1691, subdivision 1."

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. 3520:** A bill for an act relating to energy; regulating certain property rights related to wind energy; amending Minnesota Statutes 2007 Supplement, section 500.30, subdivision 2.

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

Page 1, line 19, delete "the day following final enactment" and insert "June 1, 2009"

Page 1, after line 19, insert:

"Sec. 2. **REPEALER.**

Minnesota Statutes 2007 Supplement, section 216C.051, subdivision 8a, is repealed.

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

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert "eliminating certain duties of the Legislative Electric Energy Task Force;"

Amend the title numbers accordingly

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. 2866:** A bill for an act relating to telecommunications; requiring the commissioner of commerce to contract for a statewide inventory of broadband service; appropriating money.

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

Delete everything after the enacting clause and insert:

"Section 1. **BROADBAND INVENTORY PROJECT.**

Subdivision 1. **Project.** The Department of Commerce must, by November 1, 2008, produce a comprehensive statewide inventory of existing broadband service and capability.

Subd. 2. **Inventory.** The inventory must include, at a minimum, the availability of broadband to residential and business users:

- (1) including minimum and maximum upload and download speeds; and
- (2) provided at a local government unit or level.

Subd. 3. **Mapping.** The inventory data shall also be used to produce maps that, for the state of Minnesota, clearly convey:

- (1) areas unserved by any broadband provider;
- (2) areas served by a single broadband provider;
- (3) areas served by multiple broadband providers;
- (4) available upstream and downstream transmission speeds at the county level of detail; and
- (5) the types of technology used to provide broadband service.

For purposes of this subdivision, "technology" means different methods of connecting to the Internet, including, but not limited to, cable modem, DSL, ADSL, VDSL, and fiber optics.

Subd. 4. **Data.** All providers of broadband in the state of Minnesota must provide the information requested by the department for the preparation of the inventory and maps. Data provided by a broadband provider to the department under this subdivision is nonpublic data under Minnesota Statutes, section 13.02, subdivision 9. The inventory and mapping information compiled by the department are public data under Minnesota Statutes, section 13.03.

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

Delete the title and insert:

"A bill for an act relating to telecommunications; requiring the Department of Commerce to produce a statewide inventory of broadband service."

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

**Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred**

**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.

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 216C.051, as amended by Laws 2007 chapter 57, article 2, sections 24 and 25, is amended to read:

**216C.051 LEGISLATIVE ELECTRIC ENERGY TASK FORCE COMMISSION.**

Subd. 2. **Establishment.** (a) There is established a Legislative Electric Energy Task Force Commission to study future electric energy sources and costs and to make recommendations for legislation for an environmentally and economically sustainable and advantageous electric energy supply concerning issues related to its duties under subdivision 3.

(b) The task force commission consists of:

(1) ten members of the house of representatives including the chairs of the Environment and Natural Resources Committee and the Energy Finance and Policy Division and eight members to be appointed by the speaker of the house, four of whom must be from the minority caucus; and

(2) ten members of the senate including the chairs of the Environment, Energy and Natural Resources Budget Division and Energy, Utilities, Technology and Communications committees and eight members to be appointed by the Subcommittee on Committees, four of whom must be from the minority caucus.

(c) The task force commission may employ staff, contract for consulting services, and may reimburse the expenses of persons requested to assist it in its duties other than state employees or employees of electric utilities. The director of the Legislative Coordinating Commission shall assist the task force commission in administrative matters. The task force commission shall elect cochairs, one member of the house and one member of the senate from among the committee and subcommittee chairs named to the committee commission. The task force commission members from the house shall elect the house cochair, and the task force commission members from the senate shall elect the senate cochair.

Subd. 3. **Technical and economic considerations, analyses, and recommendations Duties.** (a) In light of the electric energy guidelines established in subdivision 7 and utility resource plans and competitive bidding dockets before the commission, the task force shall gather information and make recommendations to the legislature regarding potential electric energy resources. The task force may contract with one or more energy policy experts and energy economists to assist it in its analysis. The task force may not contract for service nor employ any person who was involved in any capacity in any portion of any proceeding before the Public Utilities Commission, the administrative law judge, the state Court of Appeals, or the United States Nuclear Regulatory Commission related



to the dry cask storage proposal on Prairie Island. The task force must gather information on at least the following electric energy resources, but may expand its inquiry as warranted by the information collected:

- (1) wind energy;
- (2) hydrogen as a fuel carrier produced from renewable and fossil fuel resources;
- (3) biomass;
- (4) decomposition gases produced by solid waste management facilities;
- (5) solid waste as a direct fuel or refuse derived fuel; and
- (6) clean coal technology.

(b) In evaluating these electric energy resources, the task force must consider at least the following:

(1) to the best of forecasting abilities, how much electric generation capacity and demand for electric energy is necessary to maintain a strong economy and a high quality of life in the state over the next 15 to 20 years; how is this demand level affected by achievement of the maximum reasonably feasible and cost effective demand side management and generation and distribution efficiencies;

(2) what alternative forms of energy can provide a stable supply of energy and are producible and sustainable in the state and at what cost;

(3) what are the costs to the state and ratepayers to ensure that new electric energy generation utilizes less environmentally damaging sources; how do those costs change as the time frame for development and implementation of new generation sources is compressed;

(4) what are the implications for delivery systems for energy produced in areas of the state that do not now have high volume transmission capability; are new transmission technologies being developed that can address some of the concerns with transmission; can a more dispersed electric generation system lessen the need for long distance transmission;

(5) what are the actual costs and benefits of purchasing electricity and fuel to generate electricity from outside the state; what are the present costs to the state's economy of exporting a large percentage of the state's energy dollars and what is the future economic impact of continuing to do so;

(6) are there benefits to be had from a large immediate investment in quickly implementing alternative electric energy sources in terms of developing an exportable technology and/or commodity; is it feasible to turn around the flow of dollars for energy so that the state imports dollars and exports energy and energy technology; what is a reasonable time frame for the shift if it is possible;

(7) are there taxation or regulatory barriers to developing more sustainable and less problematic electric energy generation; what are they specifically and how can they be specifically addressed;

(8) can an approach be developed that moves quickly to development and implementation

~~of alternative energy sources that can be forgiving of interim failures but that is also sufficiently deliberate to ensure ultimate success on a large scale; and~~

~~(9) in what specific ways can the state assist regional energy suppliers to accelerate phasing out energy production processes that produce wastes or emissions that must necessarily be carefully controlled and monitored to minimize adverse effects on the environment and human health and to assist in developing and implementing base load energy production that both prevents or minimizes by its nature adverse environmental and human health effects and utilizes resources that are available or producible in the state.~~

~~(c) The task force must study issues related to the transportation of spent nuclear fuel from this state to interim or permanent repositories outside this state. The task force must also gather information on at least the following factors, but may expand its inquiry as warranted by the information collected:~~

~~(1) Minnesota's actual and projected electricity demand;~~

~~(2) electricity export potential;~~

~~(3) inventory of energy resources currently used to generate all electricity sold in Minnesota and an analysis of the social, economic, and environmental benefits and burdens associated with each energy resource;~~

~~(4) electricity demand savings from greater efficiency; and~~

~~(5) job growth and economic development potential.~~

~~(d)~~

The commission shall study, analyze, and make legislative recommendations from among the following issues:

(1) the generation, transmission, and distribution of electricity;

(2) the reduction of greenhouse gas emissions;

(3) the conservation of energy;

(4) alternative energy sources available to replace dwindling fossil fuel and other nonrenewable fuel sources;

(5) the development of renewable energy supplies;

(6) the economic development possibilities associated with issues described in clauses (1) to (5); and

(7) other energy-related subjects the commission finds significant.

Subd. 3a. **Nuclear report.** The public utility that owns the Prairie Island and Monticello nuclear generation facilities shall update the reports required under section 116C.772, subdivisions 3 to 5, and shall submit those updates periodically to the Public Utilities Commission with the utility's resource plan filing under section 216B.2422 and to the ~~task force~~ commission.

Subd. 4a. **Report and recommendations.** By January 15, 2005, and every two years thereafter,

~~the task force shall submit a report to the chairs of the committees in the house of representatives and the senate that have responsibility for energy and for environmental and natural resources issues that contains an overview of information gathered and analyses that have been prepared, and specific recommendations, if any, for legislative action that will ensure development and implementation of electric energy policy that will provide the state with adequate, renewable, and economic electric power for the long term. The report shall also identify issues that must be addressed to provide Minnesotans with adequate electricity from in-state renewable energy sources for the long term and export to adjacent states.~~

Subd. 6. **Assessment; appropriation.** On request by the cochairs of the ~~Legislative Task Force~~ commission and after approval of the Legislative Coordinating Commission, the commissioner of commerce shall assess from all public utilities, generation and transmission cooperative electric associations, and municipal power agencies providing electric or natural gas services in Minnesota, in addition to assessments made under section 216B.62, the amount requested for the operation of the ~~task force commission~~ not to exceed \$250,000 in a fiscal year. The amount assessed under this section is appropriated to the director of the Legislative Coordinating Commission for those purposes, and is available until expended. The department shall apportion those costs among all energy utilities in proportion to their respective gross operating revenues from the sale of gas or electric service within the state during the last calendar year. For the purposes of administrative efficiency, the department shall assess energy utilities and issue bills in accordance with the billing and assessment procedures provided in section 216B.62, to the extent that these procedures do not conflict with this subdivision.

Subd. 7. **Guidelines; preferred electric generation sources; definitions.** (a) ~~The Legislative Task Force on Electric Energy shall undertake its responsibilities in light of the guidelines specified in this subdivision.~~

(b) ~~The highest priority in electric energy production and consumption is conservation of electric energy and management of demand by all segments of the community.~~

(c) ~~The following energy sources for generating electric power distributed in the state, listed in their descending order of preference, based on minimizing long term negative environmental, social, and economic burdens imposed by the specific energy sources, are:~~

~~(1) wind and solar;~~

~~(2) biomass and low head or refurbished hydropower;~~

~~(3) decomposition gases produced by solid waste management facilities, natural gas fired cogeneration, and waste materials or byproducts combined with natural gas;~~

~~(4) natural gas, hydropower that is not low head or refurbished hydropower, and solid waste as a direct fuel or refuse derived fuel; and~~

~~(5) coal and nuclear power.~~

(d) ~~For the purposes of paragraph (c) within each clause, the more efficient an energy source is in generating electricity or the more efficient a technology is that utilizes an energy source, the more preferred it is for use in generating electricity for distribution and consumption in the state.~~

~~(e) For the purposes of paragraph (c), clauses (3) and (4), the use of waste materials and~~

~~byproducts for generating electric power must be limited to those waste materials and byproducts that are necessarily generated or produced by efficient processes and systems. Preventing and minimizing waste and byproducts are preferred in every situation to relying on the continued generation or production of waste materials and byproducts.~~

~~(f) For the purposes of this section, "preferred" or "renewable" energy sources are those described in paragraph (c), clauses (1) to (3), and "subordinate" or "traditional" energy sources are those described in paragraph (c), clauses (4) and (5).~~

~~(g) For the purposes of this section:~~

~~(1) "biomass" means herbaceous crops, trees, agricultural waste, and aquatic plant matter, excluding mixed municipal solid waste, as defined in section 115A.03, used to generate electricity; and~~

~~(2) "low-head hydropower" means a hydropower facility that has a head of less than 66 feet.~~

Subd. 8. **Subpoena power.** The task force commission may issue a subpoena under section 3.153 to any person for production of information held by that person that is relevant to the work of the task force commission.

Subd. 8a. **Manitoba Hydro information.** ~~(a) By January 1, 2008, and each year thereafter, the task force shall request the Manitoba Hydro Electric Board to provide the following information for each community that is a signatory to the Northern Flood Agreement, including South Indian Lake:~~

~~(1) median household income and number of residents employed full time and part time;~~

~~(2) the number of outstanding claims filed against Manitoba Hydro by individuals and communities and the number of claims settled by Manitoba Hydro; and~~

~~(3) the amount of shoreline damaged by flooding and erosion and the amount of shoreline restored and cleaned.~~

~~(b) Nothing in this section shall be construed as a directive to the government of Canada or the province of Manitoba.~~

~~(c) For the purposes of this subdivision, "Northern Flood Agreement" means the agreement entered into by the Northern Flood Committee, Incorporated, the Manitoba Hydro Electric Board, the province of Manitoba, and the government of Canada on December 16, 1977.~~

Subd. 9. **Expiration.** This section is repealed June 30, 2010.

**EFFECTIVE DATE.** This section is effective January 6, 2009.

## Sec. 2. **AUTHORIZATION.**

The director of the Legislative Coordinating Commission may expend funds appropriated for the use of the Legislative Electric Energy Task Force for the purposes of section 1 and those funds are available until expended.

**EFFECTIVE DATE.** This section is effective January 6, 2009."

Delete the title and insert:

"A bill for an act relating to energy; renaming the Legislative Electric Energy Task Force and clarifying its duties; amending Minnesota Statutes 2006, section 216C.051, as amended."

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

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

**S.F. No. 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.

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

Page 1, line 10, after "sex" insert "offense"

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

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

**S.F. No. 3350:** A bill for an act relating to human services; changing the standard of evidence in a disqualification to clear and convincing evidence; amending Minnesota Statutes 2006, sections 245C.29, subdivision 2; 256.045, subdivisions 3, 3b; Minnesota Statutes 2007 Supplement, sections 245C.14, subdivision 1; 245C.15, subdivisions 2, 3, 4; 245C.24, subdivision 3; 245C.27, subdivision 1.

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

Page 1, lines 21 to 23, delete the new language

Page 9, line 7, delete the new language

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. 3441:** A bill for an act relating to courts; limiting testimony of domestic abuse advocates without consent of victims; amending Minnesota Statutes 2007 Supplement, section 595.02, subdivision 1.

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

Page 4, line 10, before the period, insert "and by order by the court"

Page 4, line 18, delete the semicolon

Page 4, line 20, after the first "by" insert "or under the direct supervision of"

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. 3322:** A bill for an act relating to human services; improving management of state health care programs; modifying managed care contracting; limiting managed care administrative expenses; modifying county-based purchasing; requiring mandated reports; amending Minnesota Statutes 2006, sections 13.461, by adding a subdivision; 256B.69, subdivision 5a, by adding subdivisions; 256B.692, subdivision 2, by adding a subdivision; 256L.12, subdivision 9; Laws 2005, First Special Session chapter 4, article 8, section 84, as amended.

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

Page 3, line 33, after "providers" insert "and vendors for administrative services"

Page 5, line 25, after the comma, insert "to increase payments to providers"

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

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

**S.F. No. 3182:** A bill for an act relating to marriage; family therapists; imposing duty to warn of violent patient behavior; limiting liability; proposing coding for new law in Minnesota Statutes, chapter 148B.

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

Page 2, line 18, delete everything after "No" and insert "disciplinary action by the board, monetary liability, or cause of action"

Page 2, line 19, delete "disciplinary action by the board"

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. 3129:** A bill for an act relating to the judiciary; including appellate court appointments in the Commission on Judicial Selection process; amending Minnesota Statutes 2006, section 480B.01, subdivisions 1, 6, 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. 3002:** A bill for an act relating to civil law; extending civil immunity to municipalities that donate public safety equipment; amending Minnesota Statutes 2006, section 466.03, 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 466.03, is amended by adding a subdivision to read:

Subd. 23. **Used public safety equipment.** (a) Any tort claim against a municipality resulting from the use of public safety equipment donated by the municipality, unless the claim is a direct result of the intentional misconduct, gross negligence, or ordinary negligence of the municipality including, but not limited to, the failure to disclose known defects or mechanical failures.

(b) As used in this subdivision, "public safety equipment" means any equipment purchased or obtained through gifts or grants by a municipality for use in responding to or training for emergencies.

**EFFECTIVE DATE.** This section is effective August 1, 2008, and applies to actions arising from incidents occurring on or after that date."

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

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

**S.F. No. 2930:** A bill for an act relating to commerce; regulating debt management services; repealing an obsolete criminal provision; amending Minnesota Statutes 2007 Supplement, sections 332A.02, subdivision 2; 332A.04, subdivisions 1, 2, 4; 332A.06; 332A.10, subdivision 5; 332A.12, by adding a subdivision; 332A.13, subdivision 8; repealing Minnesota Statutes 2006, section 609B.163.

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

Page 2, line 32, delete "midnight" and insert "11:59 p.m."

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. 833:** A bill for an act relating to telecommunications; enacting the Minnesota Wireless Telephone Consumer Protection Act; changing certain existing requirements; proposing coding for new law in Minnesota Statutes, chapter 325F; repealing Minnesota Statutes 2006, section 325F.695.

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

Page 2, line 15, delete ", in at least"

Page 2, line 16, delete "12-point font"

Page 3, line 33, delete "in at least 14-point font"

Page 4, line 4, delete "in at least 14-point font"

Page 4, line 16, delete "in at"

Page 4, line 17, delete "least 14-point font"

Page 4, delete subdivision 6 and insert:

"Subd. 6. **Private remedies.** This section does not create a private right of action, or form the predicate for a right of action under any other state law, or create a liability that would not exist

absent this section.

Subd. 7. **Limitation of actions.** Any action brought under this section must be commenced within six months of the alleged violation."

Page 4, line 33, delete "Subd. 7." and insert "Subd. 8."

Page 4, delete lines 35 and 36

Page 5, delete lines 1 to 3

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

**S.F. No. 3728:** A bill for an act relating to agriculture; providing requirements for cattle herds within certain areas; providing for control of bovine tuberculosis; appropriating money to the Board of Animal Health for the buyout of cattle herds in certain areas; proposing coding for new law in Minnesota Statutes, chapter 35.

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

Page 1, line 18, delete "indemnity to euthanize the herd" and insert "payments to remove the herd from the farm and keep off the farm until the modified accredited area achieves tuberculosis-free status"

Page 1, after line 22, insert:

"Sec. 2. Minnesota Statutes 2007 Supplement, section 35.244, is amended to read:

**~~35.244 RULES FOR CONTROL OF BOVINE TUBERCULOSIS.~~**

Subdivision 1. **Designation of zones.** The board has the authority to control tuberculosis and the movement of cattle, bison, and farmed cervidae within and between tuberculosis zones in the state. Zones within the state may be designated as accreditation preparatory, modified accredited, modified accredited advanced, or accredited free as those terms are defined in Code of Federal Regulations, title 9, part 77. The board may designate tuberculosis zones that contain not more than 201 herds.

Subd. 2. **Control within modified accredited zone.** In a modified accredited zone, the board has the authority to:

(1) require owners of cattle, bison, or farmed cervidae to report personal contact information and location of livestock to the board;

(2) require a permit or movement certificates for all cattle, bison, and farmed cervidae moving between premises within the zone or leaving or entering the zone;

(3) require official identification of all cattle, bison, and farmed cervidae within the zone or leaving or entering the zone;

(4) require a negative tuberculosis test within 60 days prior to movement for any individual



cattle, bison, or farmed cervidae leaving the zone with the exception of cattle moving under permit directly to a slaughter facility under state or federal inspection;

(5) require a whole-herd tuberculosis test within 12 months prior to moving breeding cattle out of the zone;

(6) require annual herd inventories on all cattle, bison, or farmed cervidae herds; and

(7) require that a risk assessment be performed to evaluate the interaction of free-ranging deer with cattle, bison, and farmed cervidae herds and require the owner to implement the recommendations of the risk assessment.

**Subd. 3. Authority to adopt rules.** The board may adopt rules to provide for the control of tuberculosis in cattle. The rules may include provisions for quarantine, tests, and such other measures as the board deems appropriate. Federal regulations, as provided by Code of Federal Regulations, title 9, part 77, and the Bovine Tuberculosis Eradication Uniform Methods and Rules, are incorporated as part of the rules in this state."

Page 2, line 2, delete "indemnity" and insert "payments" and delete "euthanize" and insert "remove"

Page 2, after line 4, insert:

"Sec. 4. **APPROPRIATION; PASTURE RESEARCH.**

\$400,000 is appropriated in fiscal year 2009 from the general fund to the Board of Animal Health for a grant to North Central Research Center at Grand Rapids for a study of the lifecycle of bovine tuberculosis in pasture."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing for control of bovine tuberculosis;"

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

**S.F. No. 2724:** A bill for an act relating to motor fuels; modifying definition of biodiesel; increasing minimum biodiesel content; creating tiered biodiesel content goal; establishing B20 panel with authority to increase minimum content; requiring a proposal; appropriating money; amending Minnesota Statutes 2006, section 239.77, as amended; Minnesota Statutes 2007 Supplement, section 296A.01, subdivision 8a.

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 239.77, as amended by Laws 2007, chapter 62, sections 3 and 4, is amended to read:

**239.77 BIODIESEL CONTENT MANDATE.**

Subdivision 1. **Biodiesel fuel.** "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible liquid fuel that is derived from agricultural and other plant oils or animal fats and; that meets American Society For Testing and Materials specification D6751-07 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels; and that is manufactured by a person certified by the BQ-9000 National Biodiesel Accreditation Program.

Subd. 2. **Minimum content.** (a) Except as otherwise provided in this section, all diesel fuel sold or offered for sale in Minnesota for use in internal combustion engines must contain at least 2.0 percent the stated percentage of biodiesel fuel oil by volume, on and after the following dates:

<u>(1)</u>	<u>September 29, 2005</u>	<u>2 percent</u>
<u>(2)</u>	<u>May 1, 2009</u>	<u>5 percent</u>
<u>(3)</u>	<u>May 1, 2012</u>	<u>10 percent</u>
<u>(4)</u>	<u>May 1, 2015</u>	<u>20 percent</u>

The minimum content levels in clauses (3) and (4) are effective during the months of April, May, June, July, August, September, October only. The minimum content for the remainder of the year is five percent. However, if the commissioners of agriculture, commerce, and pollution control determine, after consultation with the biodiesel task force and other technical experts, that an American Society for Testing and Materials specification or equivalent federal standard exists for the specified biodiesel blend level in those clauses that adequately addresses technical issues associated with Minnesota's cold weather and publish a notice in the State Register to that effect, the commissioners may allow the specified biodiesel blend level in those clauses to be effective year-round.

(b) The minimum content levels in paragraph (a), clauses (3) and (4), become effective on the date specified only if the commissioners of agriculture, commerce, and pollution control publish notice in the State Register and provide written notice to the chairs of the house and senate committees with jurisdiction over agriculture, commerce, and transportation policy and finance, at least 270 days prior to the date of each scheduled increase, that all of the following conditions have been met and the state is prepared to move to the next scheduled minimum content level:

(1) an American Society for Testing and Materials specification or equivalent federal standard exists for the next minimum diesel-biodiesel blend;

(2) a sufficient supply of biodiesel is available and the amount of biodiesel produced in this state is equal to at least 50 percent of anticipated demand at the next minimum content level; and

(3) adequate blending infrastructure and regulatory protocol are in place in order to promote biodiesel quality and avoid any potential economic disruption.

(c) The commissioners of agriculture, commerce, and pollution control must consult with the biodiesel task force when assessing and certifying conditions in paragraph (b), and in general must

seek the guidance of the biodiesel task force regarding biodiesel labeling, enforcement, and other related issues.

(d) During a period of biodiesel fuel shortage or a problem with biodiesel quality that negatively affects the availability of biodiesel fuel, the commissioner of commerce may temporarily suspend the minimum content requirement in subdivision 2 until there is sufficient biodiesel fuel, as defined in subdivision 1, available to fulfill the minimum content requirement.

(e) By February 1, 2012, and periodically thereafter, the commissioner of commerce shall determine the wholesale diesel price at various pipeline and refinery terminals in the region, and the biodiesel price determined after credits and incentives are subtracted at biodiesel plants in the region. The commissioner shall report wholesale price differences to the governor who, after consultation with the commissioners of commerce and agriculture, may by executive order adjust the biodiesel mandate if a price disparity reported by the commissioner will cause economic hardship to retailers of diesel fuel in this state. Any adjustment must be for a specified period of time, after which the percentage of biodiesel fuel to be blended into diesel fuel returns to the amount required in subdivision 2. The biodiesel mandate must not be adjusted to less than five percent.

Subd. 3. **Exceptions.** (a) The minimum content ~~requirement~~ requirements of subdivision 2 ~~does~~ do not apply to fuel used in the following equipment:

(1) motors located at an electric generating plant regulated by the Nuclear Regulatory Commission;

(2) railroad locomotives; and

(3) off-road taconite and copper mining equipment and machinery.

(b) The exemption in paragraph (a), clause (1), expires 30 days after the Nuclear Regulatory Commission has approved the use of biodiesel fuel in motors at electric generating plants under its regulation.

Subd. 4. **Disclosure.** A refinery or terminal shall provide, at the time diesel fuel is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the fuel. For biodiesel-blended products, the bill of lading or shipping manifest must disclose biodiesel content, stating volume percentage, gallons of biodiesel per gallons of petroleum diesel base-stock, or an ASTM "Bxx" designation where "xx" denotes the volume percent biodiesel included in the blended product. This subdivision does not apply to sales or transfers of biodiesel blend stock between refineries, between terminals, or between a refinery and a terminal.

Subd. 5. **Annual report.** Beginning in 2009, the commissioner of agriculture must report by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance regarding the implementation of the minimum content requirements in subdivision 2, including information about the price and supply of biodiesel fuel. The report must include any written comments received from members of the biodiesel fuel task force by January 1 of that year designated by them for inclusion in the report.

Sec. 2. Minnesota Statutes 2007 Supplement, section 296A.01, subdivision 8a, is amended to read:

Subd. 8a. **Biodiesel fuel.** "Biodiesel fuel" ~~means a renewable, biodegradable, mono-alkyl ester~~

~~combustible liquid fuel derived from agricultural plant oils or animal fats and that meets American Society for Testing and Materials specification D6751-07 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels~~ has the meaning given in section 239.77, subdivision 1.

**Sec. 3. PROPOSAL; PETROLEUM INSPECTION FEE REVENUE.**

The commissioners of finance, commerce, and pollution control must develop and submit to the legislature as part of their next biennial budget request a proposal for eliminating, to the extent feasible, redundant fuel inspections and dedicating, to the extent feasible, all revenue from the petroleum inspection fee levied on petroleum products under Minnesota Statutes, section 239.101, subdivision 3, to the Weights and Measures Division of the Department of Commerce. All additional funding appropriated to the Weights and Measures Division under this proposal must be used for increased and enhanced fuel quality assurance enforcement activities and equipment and for educational activities focused on the handling, distribution and use of biodiesel fuel.

**Sec. 4. TECHNICAL COLD WEATHER ISSUES.**

The commissioners of agriculture and commerce shall consult with stakeholders who are technical experts in cold weather biodiesel and petroleum diesel issues to consider and make recommendations regarding improvements in the production, blending, handling, and distribution of biodiesel blends to further ensure the performance of these fuels in cold weather. The commissioners shall issue a report on these issues by January 15, 2009, to the chairs and ranking minority members of the legislature with jurisdiction over agriculture and commerce policy and finance.

**Sec. 5. APPROPRIATION.**

Of the amounts appropriated from the renewable development fund to the commissioner of commerce for renewable energy research under Laws 2007, chapter 57, article 2, section 3, subdivision 6, clause (7), up to \$500,000 may be used for cold weather biodiesel blending infrastructure grants to facilities that serve Minnesota, and an additional \$500,000 shall be used to support the algae-to-biofuels research project at the University of Minnesota and the Metropolitan Council."

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

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

**S.F. No. 2983:** A bill for an act relating to agriculture; authorizing certain administrative actions related to pesticide and fertilizer regulation; amending Minnesota Statutes 2006, section 18D.305, subdivision 2.

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

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

**S.F. No. 3326:** A bill for an act relating to agriculture; changing certain payment provisions for

certain agricultural chemical corrective action costs; amending Minnesota Statutes 2006, section 18E.04, subdivision 2.

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

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

**S.F. No. 3327:** A bill for an act relating to agriculture; authorizing waiver of certain fees and expedited food handler plan review in certain declared disaster areas; changing certain embargo and condemnation provisions; changing certain food sanitary provisions; changing certain fee provisions; defining certain terms; regulating egg sales and handling; amending Minnesota Statutes 2006, sections 28A.03, by adding a subdivision; 28A.08; 28A.082, by adding a subdivision; 28A.09, subdivision 1; 29.23; 31.05; 31.171; Minnesota Statutes 2007 Supplement, section 31.175.

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

Page 9, line 13, delete "horses, equines," and insert "equines"

Page 11, after line 14, insert:

"Sec. 9. [32.416] SOMATIC CELL COUNT, GOAT MILK.

Notwithstanding any federal standard incorporated by reference in this chapter, the maximum allowable somatic cell count for raw goat milk is 1,500,000 cells per milliliter."

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "increasing the somatic cell count limit for goat milk;"

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. 1931:** A bill for an act relating to human services; restoring funding for certain long-term care programs; expanding home and community-based long-term care services for older adults and family caregivers; establishing new grant programs; establishing a statewide priority to enhance the mobility of older adults; establishing demonstration projects; requiring a study of adult protection and ombudsman services; requiring a study of access by older adults to services under the elderly waiver; requiring a study of service adequacy across long-term care waivers; requiring a study of access to hospice services; establishing a tax credit for family caregivers of adults of all ages; appropriating money; amending Minnesota Statutes 2006, sections 256.975, by adding subdivisions; 256B.0917, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 256; 290.

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 256.975, is amended by adding a subdivision to read:

Subd. 10. **Home modification.** The Minnesota Board on Aging, in cooperation with the area agencies on aging and local service providers, shall establish a home modification program for low-to-moderate income adults age 60 and older who do not qualify for or whose needs cannot be met under the alternative care program, elderly waiver, or other publicly funded programs. The program shall provide for physical remodeling and accessibility accommodations of existing single-family dwellings to enable frail older persons to remain in their current home. The program shall also pay for general repairs when an accessibility modification makes the repair necessary. The program must deliver services at the local level, include outreach and education to the target population, and allow reasonable expenditures for materials and labor. The maximum amount of assistance provided in any one household shall not exceed \$10,000. The board, in consultation with area agencies on aging and local services providers, shall establish cost-sharing arrangements for program participants based on a sliding scale.

Sec. 2. Minnesota Statutes 2006, section 256.975, is amended by adding a subdivision to read:

Subd. 11. **Volunteer transportation.** The Minnesota Board on Aging, in cooperation with the area agencies on aging and local service providers, shall establish a transportation program for low-to-moderate income adults age 60 and older who do not qualify for or whose needs cannot be met under other publicly funded programs. Program services must be delivered at the local level with primary, but not exclusive, emphasis on volunteer drivers, and shall include escort services for frail and/or cognitively challenged older adults. The board, in consultation with area agencies on aging and local service providers, shall establish cost-sharing arrangements for program participants based on a sliding scale.

Sec. 3. Minnesota Statutes 2006, section 256.975, is amended by adding a subdivision to read:

Subd. 12. **Evidence-based caregiver support.** The Minnesota Board on Aging, in cooperation with the area agencies on aging and local service providers, shall establish a caregiver support program for family caregivers of older adults, based on evidence-based models that extend the family caregiver's ability to provide care, improve the quality of family care, or reduce caregiver burden. Program services must be targeted to low and moderate-income caregivers of low and moderate-income adults age 60 and older who do not qualify for or whose needs cannot be met under other publicly funded programs. The board, in consultation with area agencies on aging and local service providers, shall establish cost-sharing arrangements for program participants based on a sliding scale.

Sec. 4. **[256.9755] BEST PRACTICES TO ENHANCE MOBILITY.**

The commissioner shall establish a statewide priority to enhance the mobility of older adults. The commissioner, in consultation with the commissioner of transportation, shall gather and disseminate best practices in road and sidewalk design, community development policy, innovative transportation services, and coordination models, and research to increase and extend the community mobility of older adults.

Sec. 5. Minnesota Statutes 2006, section 256B.0911, subdivision 3, is amended to read:

Subd. 3. **Long-term care consultation team.** (a) A long-term care consultation team shall be

established by the county board of commissioners. Each local consultation team shall consist of at least one social worker and at least one public health nurse from their respective county agencies. The board may designate public health or social services as the lead agency for long-term care consultation services. If a county does not have a public health nurse available, it may request approval from the commissioner to assign a county registered nurse with at least one year experience in home care to participate on the team. Two or more counties may collaborate to establish a joint local consultation team or teams.

(b) The team is responsible for providing long-term care consultation services to all persons located in the county who request the services, regardless of eligibility for Minnesota health care programs.

(c) For applicants for a credit under section 290.0678, the team must certify in accordance with procedures established by the commissioner that the care provided by the caregiver:

- (1) qualifies as personal care assistant services under section 256B.0655, subdivision 2;
- (2) is needed and provided in person on a daily basis; and
- (3) is appropriate based on the service recipient's needs and is likely to delay or avoid transferring the person to an out-of-home placement.

**Sec. 6. [290.0678] MINNESOTA HOME CARE CREDIT.**

Subdivision 1. **Definitions.** The terms used in this section have the following meanings unless otherwise provided for by text.

Subd. 2. **Caregiver.** "Caregiver" means an individual who provides unpaid assistance on a daily basis that qualifies as personal care assistant services under section 256B.0655, subdivision 2, to a service recipient in either the individual's principal residence or the service recipient's principal residence.

Subd. 3. **Service recipient.** "Service recipient" means an individual who:

- (1) is the spouse, parent, stepparent, sibling, stepsibling, child, stepchild, grandparent, or stepgrandparent of the taxpayer;
- (2) does not reside in a setting licensed or registered by the commissioner of health or human services; and
- (3) has been screened by a county long-term care consultation team and determined by that team to be eligible for placement in a nursing home or other long-term care facility.

Subd. 4. **Credit allowed.** (a) An individual is allowed a credit against the tax imposed by this chapter equal to \$200 for each month during the tax year that the individual is a caregiver for a service recipient. The maximum credit in a tax year shall be \$2,400.

(b) The commissioner shall require individuals claiming the credit to certify that the individual and the service recipient satisfy all the requirements of this section.

(c) Only one credit may be claimed for each service recipient in any tax year.

(d) For a nonresident or part-year resident, the credit must be allocated based on the percentage

calculated under section 290.06, subdivision 2c, paragraph (e).

Subd. 5. **Credit limitations.** (a) Eligibility for the credit in subdivision 4 is limited to persons with total household income, as defined in section 290A.03, subdivision 5, that does not exceed the maximum household income level eligible for a refund under section 290A.04, subdivision 2.

(b) Eligibility for the credit in subdivision 4 is limited to persons who have been certified by a long-term care consultation team under section 256B.0911, subdivision 3, paragraph (c).

(c) The credit in subdivision 4 is reduced to \$100 for any month in which a service recipient receives more than four hours per day on average of federal, state, or county-funded home care services as specified in section 256B.0651, subdivision 2.

Subd. 6. **Credit refundable.** If the amount of the credit under this section exceeds the individual's tax liability under this chapter, the commissioner shall refund the excess amount to the claimant.

Subd. 7. **Caregiver training.** For each year in which a credit is claimed under this section, the caregiver must participate in at least eight hours of (1) caregiver training, education, or counseling, or (2) caregiver support group sessions.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2007.

#### Sec. 7. **ELDER ABUSE AND NEGLECT STUDY.**

The commissioner of human services, in cooperation with the Minnesota Board on Aging and in conjunction with stakeholders, shall develop a statewide evaluation and make recommendations for quality improvement to the elder abuse prevention program. The commissioner shall report to the chairs of the legislative committees with jurisdiction over health and human services policy and finance on the long-term care ombudsman program, adult protection common entry point units and adult protection lead agencies. Lead agencies are counties, Department of Human Services licensing, and the Minnesota Department of Health Office of Health Facility Complaints. The report shall evaluate and provide recommendations on the administration of elder abuse prevention plans, adult protection and long-term care ombudsman services, and the adequacy of service capacity. The study shall include a statewide survey to collect information to analyze whether desired outcomes have been achieved for persons receiving adult protection services or long-term care ombudsman services in community and institutional settings. The commissioner shall provide a preliminary report by February 15, 2009, and a final report by December 15, 2009.

#### Sec. 8. **ACCESS STUDIES; SERVICE ADEQUACY OF LONG-TERM CARE WAIVERS.**

(a) The commissioner of human services shall identify and evaluate issues of service development, including technical assistance for contract development, business planning, and licensing requirements; network maintenance, including training, problem resolution, and coordination; and quality assurance under alternative care and under the long-term care waiver programs, including elderly waiver, community alternatives for disabled individuals, community alternative care, traumatic brain injury, and developmental disabilities or related conditions waiver programs.



(b) Evaluation elements shall include, but are not limited to:

(1) current status of and future responsibility for development of additional home and community-based services to meet the needs of waiver enrollees;

(2) current status of and future responsibility for maintenance of the home and community-based service provider network;

(3) current status of and future responsibility for strategies to assure quality of care provided by home and community-based service providers; and

(4) source and adequacy of funding for clauses (1) to (3).

(c) The commissioner shall establish an advisory group of consumers, managed care organizations, county agencies, centers for independent living, area agencies on aging, service providers, and other stakeholders. The commissioner shall submit the evaluation report and recommendations to the legislature by January 15, 2009.

#### **Sec. 9. HOSPICE SERVICES.**

(a) The commissioner of health, in consultation with the commissioner of human services and a stakeholder group established by the commissioner of health, shall identify and evaluate the barriers that limit access by persons of all ages to Medicare-certified hospice services. The evaluation shall include, but is not limited to:

(1) coverage of services by private and publicly funded health plan companies;

(2) urban/rural factors; and

(3) issues of cultural appropriateness and cultural competency.

(b) The commissioner shall submit the evaluation report to the legislature by January 15, 2009, with the commissioner of human services' comments and recommendations, including, but not limited to, recommendations on funding issues related to training and development costs to serve unserved or underserved populations, inclusion of hospice services in the benefit sets of private and publicly funded health plan companies, and coverage of hospice services for persons who are uninsured.

#### **Sec. 10. PILOT MOBILITY CENTER.**

The commissioner of human services shall conduct a competitive selection process to establish a pilot mobility center in a region or community to support older drivers and assist with transition to nonauto travel, and offer education, assessment, driver retraining, and transit travel training.

#### **Sec. 11. BUDGET REQUEST; AGING AND ADULT SERVICES GRANTS.**

The commissioner of human services shall include in each biennial budget, beginning with the budget for the biennium beginning July 1, 2009, an estimate of the cost of providing funding increases for aging and adult services grants that are necessary to meet the service needs of older adults and family caregivers based on the increase in number of Minnesotans age 75 and older.

#### **Sec. 12. APPROPRIATIONS.**

(a) \$..... is appropriated from the general fund to the commissioner of human services for the fiscal year beginning July 1, 2008, for the following purposes:

(1) \$..... for the home modification program authorized by Minnesota Statutes, section 256.975, subdivision 10;

(2) \$..... for the volunteer transportation program authorized by Minnesota Statutes, section 256.975, subdivision 11;

(3) \$..... for the caregiver support program authorized by Minnesota Statutes, section 256.975, subdivision 12;

(4) \$..... for an innovation specialist responsible for seeking and disseminating best practice and innovative models related to the new services and programs authorized by this act;

(5) \$..... for the elder abuse and neglect study under section 7;

(6) \$..... for the evaluation of service development of long-term care waiver services under section 8;

(7) \$..... for the evaluation of hospice services under section 9; and

(8) \$..... for the pilot mobility center under section 10 and the enhancement of best practices to enhance mobility under Minnesota Statutes, section 256.9755.

(b) \$..... is appropriated from the general fund to the commissioner of revenue for the fiscal year biennium beginning July 1, 2008, to provide tax credits under Minnesota Statutes, section 290.0678."

Delete the title and insert:

"A bill for an act relating to human services; expanding home and community-based long-term care services for older adults and family caregivers; establishing new grant programs; establishing a statewide priority to enhance the mobility of older adults; establishing demonstration projects; requiring a study of elder abuse prevention programs; requiring a study of service adequacy across long-term care waivers; requiring a study of access to hospice services; establishing a tax credit for family caregivers of adults of all ages; appropriating money; amending Minnesota Statutes 2006, sections 256.975, by adding subdivisions; 256B.0911, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 256; 290."

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

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

**S.F. No. 3673:** A bill for an act relating to human services; promoting community-based care for older adults through the establishment of a community consortium demonstration project; establishing a community consortium account in the general fund to distribute pooled resources; requiring an evaluation of the demonstration project.

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

Delete everything after the enacting clause and insert:

"Section 1. **OLDER ADULT SERVICES COMMUNITY CONSORTIUMS.**

Subdivision 1. **Establishment.** (a) The commissioner of human services, in cooperation with the commissioners of health and housing finance, shall develop and implement, beginning July 1, 2009, a three-year demonstration project for older adult services community consortiums. An older adult services community consortium may consist of health care and social service providers, county agencies, health plan companies, and other community stakeholders within a demonstration site that have established a process for joint decision making. Demonstration sites may include a portion of a county, an entire county, or multiple counties.

(b) Each community consortium seeking to participate as a demonstration site must submit an application to the commissioner. The application must include:

(1) a description of the entities participating in the consortium, the scope of collaboration, and the process to be used for joint-decision making;

(2) the methods by which the consortium plans to achieve the goals specified in subdivision 2;

(3) a description of the proposed demonstration site; and

(4) other information the commissioner determines to be necessary to evaluate proposals.

(c) The commissioner of human services shall establish a process to review and consider applicants. The commissioner shall designate up to three community consortiums as demonstration projects.

(d) Each community consortium selected to participate shall establish a local group to assist in planning, designing, implementing, and evaluating the coordinated service delivery system within the demonstration site. Planning for each consortium shall build upon current planning processes developed by county gaps analyses and Elder Care Development Partnerships under Minnesota Statutes, section 256B.0917.

Subd. 2. **Goals.** The community consortium demonstration projects are intended to accelerate the development of community based services to fill in gaps identified within communities by using a pool of funds and providing flexibility in the use and distribution of these funds within each demonstration site. These projects must be designed to:

(1) ensure consumer access to a continuum of older adult services;

(2) create an adequate supply of affordable home-based alternatives to care for persons currently using nursing facilities or likely to need nursing facility services in the future;

(3) establish and achieve measurable performance targets for care delivered throughout the continuum of care; and

(4) support the management of chronic and complex conditions through greater coordination of all services needed by older adults.

Subd. 3. **Priority for other grants.** The commissioner of health shall give priority to community consortiums selected under subdivision 1 when awarding technology-related grants, if

the consortiums are using technology as a part of their proposal. To the extent that the commissioner of the Minnesota Housing Finance Agency funds projects to create or preserve affordable housing options for older adults, the commissioner shall give priority to financially feasible projects proposed or supported by community consortiums selected under subdivision 1. The commissioner of transportation shall give priority to community consortiums selected under subdivision 1 when distributing transportation-related funds to create transportation options for older adults.

Subd. 4. **Federal approval.** The commissioner of human services shall request any federal approvals or waivers necessary to implement the community consortiums under the medical assistance program and include medical assistance funding as specified in subdivision 6 in the community consortium account.

Subd. 5. **Quality measures.** (a) Community consortiums participating in the demonstration project shall report information to the commissioner of human services necessary to evaluate the demonstration project, in the form and manner specified by the commissioners. The information collected by the commissioner must include both process and outcome measures, including, but not limited to, measures related to enrollee satisfaction, service delivery, service coordination, service access, use of technology, individual outcomes, and costs.

(b) Participating consortiums shall identify state policies that limit the extent to which project goals can be achieved and recommend necessary changes to the appropriate state agencies.

Subd. 6. **Community consortium account; financing.** (a) The commissioner of finance shall establish a community consortium account as a special revenue account for the purpose of collecting funds for distribution to the selected community consortiums. Funds must be collected from the following existing grant programs within the Departments of Health and Human Services and must be transferred as follows to the community consortium account prior to awarding of the demonstration grants:

(1) ten percent of any funds appropriated for the biennium ending June 30, 2011, for the nursing home moratorium exceptions process under Minnesota Statutes, section 144A.073;

(2) ten percent of the funds appropriated for the biennium ending June 30, 2011, for community service grants under Minnesota Statutes, section 256B.0917, subdivision 13, and community services development grants under Minnesota Statutes, section 256.9754, subdivision 3; and

(3) ten percent of the funds appropriated for the biennium ending June 30, 2011, for nursing facility performance grants under Minnesota Statutes, section 256B.434, subdivision 4, paragraph (d).

(b) Money in the community consortium account may be used by the commissioner of human services to provide grants to participating community consortiums.

(c) Funds available from closure of nursing facility beds within a demonstration site may be used by the consortium to fund consortium-related activities if the closed beds have not been claimed as a planned closure rate adjustment under Minnesota Statutes, section 256B.437.

(d) The commissioner of health, in consultation with the commissioner of human services, may approve moratorium exception projects that are part of the original applications submitted by the participating consortiums, using any funding made available under paragraph (a), clause (1), and subject to the limits of that funding. Nursing facilities receiving approval for moratorium

exception projects under this paragraph shall receive a rate increase calculated in the same manner as facilities receiving exceptions under Minnesota Statutes, section 144A.073, and the rate increase shall continue to apply after the expiration of the demonstration project grant under this section. Once grants under this section are no longer made, any funds made available under paragraph (a), clause (1), that are not being used by participating consortiums shall be transferred to the Department of Health to be used for moratorium exception projects approved under Minnesota Statutes, section 144A.073.

Subd. 7. **Evaluation and report.** The commissioner of human services, in cooperation with the commissioners of health and housing finance, shall evaluate the demonstration project, and report findings and recommendations to the legislature by November 15, 2011, on whether the demonstration project should be continued and whether the number of demonstration project sites increased. The evaluation and report must include:

(1) a comparison of the performance of demonstration sites relative to nonconsortium communities on the quality measures specified in subdivision 5;

(2) an assessment of the extent to which the demonstration project can be successfully expanded to other parts of the state; and

(3) legislative changes necessary to improve the effectiveness of the demonstration project and to expand the projects to other parts of the state.

The commissioner of human services may withhold up to \$50,000 of the funding provided to each participating community consortium under this section to fund the evaluation and report."

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. 3300:** A bill for an act relating to workers' health; directing the University of Minnesota to study workers' health including lung health; appropriating money.

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

Page 1, delete lines 7 and 8 and insert:

"(a) \$4,900,000 in fiscal year 2008 is appropriated from the workers' compensation special fund under Minnesota Statutes, section 176.129, to the Board of Regents of the University of Minnesota for the purposes of this section. Notwithstanding Minnesota Statutes, section 176.129, subdivision 6, the appropriation must be used for a study of workers' health. The study"

Page 1, after line 23, insert:

"Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment."

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. 3315:** A bill for an act relating to health; modifying regulation of certain home care service providers; amending Minnesota Statutes 2006, section 144A.45, subdivision 1, by adding a subdivision.

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. 3699:** A bill for an act relating to health; requiring prescription information be kept confidential; proposing coding for new law in Minnesota Statutes, chapter 151.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Judiciary without recommendation. Report adopted.

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

**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.

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

Delete everything after the enacting clause and insert:

"Section 1. **GLOBAL MODELING OF HEALTH CARE REFORMS.**

Subdivision 1. **Reform modeling tool.** To the extent of available appropriations, the commissioner of health shall award a grant to the University of Minnesota School of Public Health, health policy and management division, to develop a model that will assess the impact of proposed health care reforms or major health care-related legislation on all sectors of the health care system, including access to the full range of health care, public health, public and private health insurance coverage, long-term and continuing care, programs for persons with disabilities, social services and other sectors related to Minnesotans' health. The model must be:

(1) developed with safeguards to make sure that the model and its assumptions and formulas are based on valid and objective data, research, and expert opinions;

(2) designed to enable policy makers and state agencies to enter into the model and study each component of health care reform, including access to all aspects of health care services, health care homes, payment reforms, population-wide prevention, health status of Minnesotans, and incidence of chronic disease;

(3) capable of assessing the interaction of different legislative and policy changes to determine the net effect on costs, access, and health status within sectors of the health care system, and the net overall impact across all sectors;

(4) designed to identify risks of unpredictable or unintended consequences, cost shifting between or within sectors of the health care system, and opportunities to make changes in one sector that will produce a benefit to other sectors; and

(5) capable of being adjusted based on both the proposed changes and the resulting impact in the following areas:

(i) access to all aspects of health care services;

(ii) health status of Minnesotans, including the incidence of chronic disease, health disparities, and risk factors such as obesity and smoking;

(iii) utilization of preventive care services such as screenings, immunizations, and physical examinations; and

(iv) costs and cost distribution, including costs to individuals and families, businesses, and government, including for total cost of health care, health-related services, and social services.

Subd. 2. **Fiscal notes on health care reform legislation.** (a) The University of Minnesota model shall be available to state agencies and the legislature to:

(1) conduct a global impact assessment of major health policy changes proposed in legislation;

(2) measure the impact of the proposed legislation on health and well-being; and

(3) quantify the costs and savings in every part of the state's budget, in local government budgets, and for individuals and businesses.

(b) The commissioners of human services, finance, and health, in consultation with the chairs of the senate and house health care policy and finance committees, shall develop recommendations for the governor and the legislature on changes to state budgeting approaches and legislative processes that will bridge across traditional budget boundaries in order to both assess the impact of proposed legislative changes across these boundaries and to allow the reallocation of resources across boundaries. These approaches shall also cover a time period longer than the existing two-year budgeting cycle so that longer term return-on-investment projections can be considered when making short-term budget decisions.

## Sec. 2. **ECONOMIC ANALYSIS OF HEALTH CARE REFORM PLANS.**

(a) To the extent of available appropriations, the commissioner of health shall award a grant to the University of Minnesota School of Public Health, health policy and management division, to conduct a study and economic analysis of costs and benefits of various health care reform proposals, including an analysis of the recommendations of the Legislative Health Care Access Commission, the governor's transformation task force, and a single statewide plan.

(b) The analysis of each proposal should measure the impact on total public and private health care spending in Minnesota that would result from each proposal, including whether there are savings or additional costs due to:

(1) increased or reduced insurance, billing, underwriting, marketing, and other administrative functions;

- (2) timely and appropriate use of medical care;
  - (3) market-driven or negotiated prices on medical services and products, including pharmaceuticals;
  - (4) a shortage or excess capacity of medical facilities and equipment;
  - (5) increased utilization, better health outcomes, increased wellness due to prevention, early intervention, and health-promoting activities;
  - (6) increases or decreases in administrative expenses and health care expenses due to payment reforms;
  - (7) increases or decreases in administrative expenses and health care expenses due to coordination of care;
  - (8) increases or decreases in up-front and long-term utilization due to access to comprehensive medically necessary benefits, including dental care, mental health care, prescription drugs, and other health care; and
  - (9) nonhealth care impacts on state and local expenditures such as reduced out-of-home placement or crime costs due to mental health or chemical dependency coverage.
- (c) The study should also analyze for each proposal the number of Minnesotans without access to health care, including those lacking access to certain types of medical care, such as dental care, mental health care, and prescription drugs.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective the day following final enactment."

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

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

**S.F. No. 2990:** A bill for an act relating to transit; removing restrictions on Dan Patch commuter rail line planning and development; repealing Laws 2002, chapter 393, section 85.

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

Delete everything after the enacting clause and insert:

"Section 1. Laws 2002, chapter 393, section 85, is amended to read:

Sec. 85. **DAN PATCH COMMUTER RAIL LINE; PROHIBITIONS.**

Subdivision 1. **Definition.** For purposes of this section, "Dan Patch commuter rail line" means the commuter rail line between Northfield and Minneapolis identified in the metropolitan council's transit 2020 master plan as the Dan Patch line.

Subd. 2. **Metropolitan council; prohibitions.** The metropolitan council must not take any action or spend any money for ~~study, planning,~~ preliminary engineering, final design, or construction for the Dan Patch commuter rail line. ~~The council must remove all references, other than references for~~



~~historical purposes, to the Dan Patch commuter rail line from any future revisions to the council's transportation development guide and the council's regional transit master plan.~~

Subd. 3. **Commissioner of transportation.** The commissioner of transportation must not expend any money for ~~study, planning,~~ preliminary engineering, final design, or construction for the Dan Patch commuter rail line. ~~The commissioner must remove all references, other than references for historical purposes, to the Dan Patch commuter rail line from any future revisions to the state transportation plan and the commissioner's commuter rail system plan.~~

Subd. 4. **Regional rail authorities.** No regional rail authority may expend any money for ~~study, planning,~~ preliminary engineering, final design, or construction for the Dan Patch commuter rail line.

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

Delete the title and insert:

"A bill for an act relating to transit; modifying restrictions on Dan Patch commuter rail line to allow study and planning; amending Laws 2002, chapter 393, section 85."

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

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

**S.F. No. 3549:** A bill for an act relating to traffic regulations; authorizing operation of certain combinations with gross vehicle weight up to 105,000 pounds on certain highways with permit; prescribing allocation of permit fee; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 169.

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

Page 1, line 11, after "semitrailer" insert ", and no semitrailer used in the three-vehicle combination has an overall length in excess of 28 1/2 feet"

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

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

**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.

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

Page 2, line 8, delete everything after "(a)" and insert "Walkways by main and secondary track switches must be constructed with materials set forth in section 219.372."

Page 2, delete lines 9 to 14

Page 3, line 15, delete "repaired,"

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 Murphy from the Committee on Transportation, to which was re-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, as amended; 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)~~ (e). 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~~ \$50 surcharge on a reinstatement under paragraph ~~(f)~~ (e) 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)~~ (e) 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 \$50 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 the surcharge and 50 percent of the total and an additional \$25 fee, the driver's license must expire after two years. The person must pay an additional 50 percent less \$25 of the total of the fee 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)~~ (f) Any person making installment payments under paragraph ~~(f)~~ (e), 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)~~ (e). "

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

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

**S.F. No. 3545:** A bill for an act relating to transportation; requiring commissioner of transportation to consider insurance standards in road construction; reclassifying certain trucks and vans for vehicle registration purposes; prescribing method of registration of spotter trucks; modifying provisions relating to registration of special mobile equipment; requiring study of complete streets policy; amending Minnesota Statutes 2006, sections 162.02, by adding a subdivision; 168.011, subdivisions 7, 22, by adding a subdivision; 168.013, subdivision 1e; 168.28; 168A.01, subdivision 21; proposing coding for new law in Minnesota Statutes, chapter 169.

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 162.02, is amended by adding a subdivision to read:

Subd. 3b. **Insurance standards.** When reviewing data and information for the development of safety improvements for trunk highways and state-aid projects, the commissioner of transportation shall consider, among other things, the Insurance Institute for Highway Safety's findings in addition to standards contained in Department of Transportation manuals, the American Association of State Highway and Transportation Officials' manual on design of highways and streets, and other applicable federal publications.

Sec. 2. Minnesota Statutes 2006, section 168.011, subdivision 7, is amended to read:

Subd. 7. **Passenger automobile.** (a) "Passenger automobile" means any motor vehicle designed and used for carrying not more than 15 individuals, including the driver.

(b) "Passenger automobile" does not include motorcycles, motor scooters, buses, school buses, or commuter vans as defined in section 168.126. A pickup truck or a van with a gross vehicle weight rating of 9,000 pounds or more is not a passenger automobile, except as provided in paragraph (c), clause (1).

(c) "Passenger automobile" includes, but is not limited to:

(1) ~~pickup trucks and vans, including those vans designed to carry passengers, with a manufacturer's nominal rated carrying capacity of one ton~~ a pickup truck or a van with a gross vehicle weight rating of 9,000 to 12,500 pounds, that is not used in furtherance of a commercial enterprise and is not subject to state or federal regulation as a commercial motor vehicle; and

(2) neighborhood electric vehicles, as defined in section 169.01, subdivision 91.

Sec. 3. Minnesota Statutes 2006, section 168.011, subdivision 22, is amended to read:

Subd. 22. **Special mobile equipment.** (a) "Special mobile equipment" means every vehicle not designed or used ~~primarily~~ for the transportation of persons or property and only incidentally operated or moved over a highway, ~~including~~ except vehicles described in paragraph (b). Special mobile equipment includes, but is not limited to: ditch-digging apparatuses, moving dollies, pump hoists and other water well-drilling equipment registered and licensed under chapter 103I, street-sweeping vehicles, and other road construction or road maintenance machinery such as asphalt spreaders, bituminous mixers, bucket loaders, tractors other than truck tractors, ditchers,

leveling graders, finishing machines, motor graders, road rollers, scarifiers, truck-mounted log loaders, earth-moving carryalls, scrapers, power shovels, draglines, self-propelled cranes, and earth-moving equipment that are used exclusively for commercial logging and self-propelled cranes. The term

(b) "Special mobile equipment" does not include ~~travel trailers~~; (1) machinery that has been temporarily or permanently mounted on a commercial motor vehicle chassis that is used only to provide a service and is not able to haul goods for resale; or (2) dump trucks, truck-mounted transit mixers, truck-mounted feed grinders, or other motor vehicles designed for the transportation of persons or property to which machinery has been attached.

Sec. 4. Minnesota Statutes 2006, section 168.012, is amended by adding a subdivision to read:

Subd. 2c. **Spotter trucks.** Spotter trucks, as defined in section 169.01, subdivision 7a, shall not be taxed as motor vehicles using the public streets and highways, and shall be exempt from the provisions of this chapter.

**EFFECTIVE DATE.** This section is effective the day following final enactment and expires on June 30, 2013.

Sec. 5. Minnesota Statutes 2006, section 168.013, is amended by adding a subdivision to read:

Subd. 2l. **Permanently or temporarily mounted mobile equipment.** The tax on mobile equipment that has been permanently or temporarily mounted to a commercial motor vehicle chassis and that is used only to provide a service and is not able to haul goods for resale is 15 percent of the Minnesota base rate schedule. The mounted apparatus must perform an off-road or off-pavement function.

Sec. 6. Minnesota Statutes 2006, section 168.28, is amended to read:

#### **168.28 VEHICLES SUBJECT TO TAX; EXCEPTIONS.**

Every motor vehicle (except those exempted in section 168.012, and except those which are being towed upon the streets ~~and highways~~ and which shall not be deemed to be using the streets ~~and highways~~ within the meaning of this section) shall be deemed to be one using the public streets ~~and highways~~ and hence as such subject to taxation under this chapter if such motor vehicle has since April 23, 1921, used such public streets ~~or highways~~, or shall actually use them, or if it shall come into the possession of an owner other than as a manufacturer, dealer, warehouse operator, mortgagee or pledgee. New and unused motor vehicles in the possession of a dealer solely for the purpose of sale, and used ~~or secondhand~~ motor vehicles which have not theretofore used the public streets ~~or highways~~ of this state which are in the possession of a dealer solely for the purpose of sale and which are duly listed as herein provided, shall not be deemed to be vehicles using the public streets ~~or highways~~. The driving or operating of a motor vehicle upon the public streets ~~or highways~~ of this state by a motor vehicle dealer or any employee of such motor vehicle dealer for demonstration purposes or for any purpose incident to the usual and customary conduct and operation of the business in which licensed under section 168.27 to engage, or solely for the purpose of moving it from points outside or within the state to the place of business or storage of a licensed dealer within the state or solely for the purpose of moving it from the place of business of a manufacturer, or licensed dealer within the state to the place of business or residence of a purchaser outside the state, shall not be deemed to be using the public streets ~~or highways~~ in the state within the meaning of this

chapter or of the Constitution of the state of Minnesota, article XIV, and shall not be held to make the motor vehicle subject to taxation under this chapter as one using the public streets ~~or highways~~, if during such driving or moving the dealer's plates herein provided for shall be duly displayed upon such vehicle. Any dealer or distributor may register a motor vehicle prior to its assessment or taxation as personal property, and pay the license fee and tax thereon for the full calendar year as one using the public streets ~~and highways~~, and thereafter such vehicle shall be deemed to be one using the public streets ~~and highways~~ and shall not be subject to assessment or taxation as personal property during the calendar year for which it is so registered, whether or not such vehicle shall actually have used the streets ~~or highways~~. Special mobile equipment is subject to a penalty equal to the tax due under this chapter for the full registration year if it is used to transport persons or property at any time using the public streets.

Sec. 7. Minnesota Statutes 2006, section 168A.01, subdivision 21, is amended to read:

Subd. 21. **Special mobile equipment.** (a) "Special mobile equipment" means every vehicle not designed or used ~~primarily~~ for the transportation of persons or property and only incidentally operated or moved over a highway, ~~including except vehicles described in paragraph (b).~~ Special mobile equipment includes, but is not limited to: ditch-digging apparatuses, well-boring apparatuses, moving dollies, sawing machines, corn shellers, and road construction and or road maintenance machinery such as asphalt spreaders, bituminous mixers, bucket loaders, tractors other than truck tractors, ditchers, leveling graders, finishing machines, motor graders, road rollers, scarifiers, earth moving carryalls and scrapers, power shovels and draglines, and self-propelled cranes and earth moving equipment. The term does not include travel trailers, dump trucks, truck mounted transit mixers, truck mounted feed grinders, or other vehicles designed for the transportation of persons or property to which machinery has been attached.

(b) "Special mobile equipment" does not include: (1) machinery that has been temporarily or permanently mounted on a commercial motor vehicle chassis that is used only to provide a service and is not able to haul goods for resale; or (2) dump trucks.

Sec. 8. Minnesota Statutes 2006, section 168A.03, subdivision 1, is amended to read:

Subdivision 1. **No certificate issued.** The registrar shall not issue a certificate of title for:

- (1) a vehicle owned by the United States;
- (2) a vehicle owned by a nonresident and not required by law to be registered in this state;
- (3) a vehicle owned by a nonresident and regularly engaged in the interstate transportation of persons or property for which a currently effective certificate of title has been issued in another state;
- (4) a vehicle moved solely by animal power;
- (5) an implement of husbandry;
- (6) special mobile equipment;
- (7) a self-propelled wheelchair or invalid tricycle;
- (8) a trailer (i) having a gross weight of 4,000 pounds or less unless a secured party holds an interest in the trailer or a certificate of title was previously issued by this state or any other state or (ii) designed primarily for agricultural purposes except a recreational vehicle or a manufactured

home, both as defined in section 168.011, subdivisions 8 and 25;

(9) a snowmobile; and

(10) a spotter truck, as defined in section 169.01, subdivision 7a.

**EFFECTIVE DATE.** This section is effective the day following final enactment and expires on June 30, 2013.

Sec. 9. Minnesota Statutes 2006, section 169.01, is amended by adding a subdivision to read:

Subd. 7a. **Spotter truck.** "Spotter truck" means a truck-tractor with a manufacturer's certification of origin "not for on-road use" specification, used exclusively for staging or shuttling trailers in the course of a truck freight operation or freight shipping operation.

**EFFECTIVE DATE.** This section is effective the day following final enactment and expires on June 30, 2013.

Sec. 10. [169.228] SPOTTER TRUCKS.

Notwithstanding any other law, a spotter truck may be operated on public streets and highways if:

(1) the operator has a valid class B, C, or A driver's license;

(2) the vehicle complies with the size, weight, and load restrictions under this chapter;

(3) the vehicle meets all inspection requirements under section 169.781; and

(4) the vehicle is operated within a zone of two air miles from the truck freight operation or freight shipping operation where the vehicle is housed.

**EFFECTIVE DATE.** This section is effective the day following final enactment and expires on June 30, 2013.

Sec. 11. Minnesota Statutes 2006, section 169.781, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of sections 169.781 to 169.783:

(a) "Commercial motor vehicle" means:

(1) a commercial motor vehicle as defined in section 169.01, subdivision 75, paragraph (a); and

(2) each vehicle in a combination of more than 26,000 pounds; and

(3) a spotter truck.

"Commercial motor vehicle" does not include (1) a school bus or Head Start bus displaying a certificate under section 169.451, (2) a bus operated by the Metropolitan Council or by a local transit commission created in chapter 458A, or (3) a motor vehicle that is required to be placarded under Code of Federal Regulations, title 49, parts 100-185.

(b) "Commissioner" means the commissioner of public safety.

(c) "Owner" means a person who owns, or has control, under a lease of more than 30 days'

duration, of one or more commercial motor vehicles.

(d) "Storage semitrailer" means a semitrailer that (1) is used exclusively to store property at a location not on a street or highway, (2) does not contain any load when moved on a street or highway, (3) is operated only during daylight hours, and (4) is marked on each side of the semitrailer "storage only" in letters at least six inches high.

(e) "Building mover vehicle" means a vehicle owned or leased by a building mover as defined in section 221.81, subdivision 1, paragraph (a), and used exclusively for moving buildings.

**EFFECTIVE DATE.** This section is effective the day following final enactment and expires on June 30, 2013.

Sec. 12. Minnesota Statutes 2006, section 169.781, subdivision 2, is amended to read:

Subd. 2. **Inspection required.** It is unlawful for a person to operate or permit the operation of:

(1) a commercial motor vehicle registered in Minnesota or a spotter truck; or

(2) special mobile equipment as defined in section 168.011, subdivision 22, and which is self-propelled, if it is mounted on a commercial motor vehicle chassis,

unless the vehicle displays a valid safety inspection decal issued by an inspector certified by the commissioner, or the vehicle carries (1) proof that the vehicle complies with federal motor vehicle inspection requirements for vehicles in interstate commerce, and (2) a certificate of compliance with federal requirements issued by the commissioner under subdivision 9.

**EFFECTIVE DATE.** This section is effective the day following final enactment and expires on June 30, 2013.

Sec. 13. **COMPLETE STREETS.**

The commissioner of transportation, in cooperation with the Metropolitan Council and representatives of counties, statutory and home rule charter cities, and towns, shall study the benefits, feasibility, and cost of adopting a complete streets policy applicable to plans to construct, reconstruct, and relocate streets and roads that includes the following elements:

(1) safe access for all users, including pedestrians, bicyclists, motorists, and transit riders;

(2) bicycle and pedestrian ways in urbanized areas except where bicyclists and pedestrians are prohibited by law, where costs would be excessively disproportionate, and where there is no need for bicycle and pedestrian ways;

(3) paved shoulders on rural roads;

(4) safe pedestrian travel, including for people with disabilities, on sidewalks and street crossings;

(5) utilization of the latest and best design standards; and

(6) consistency of complete streets plan with community context.

The commissioner shall report findings, conclusions, and recommendations to the senate Transportation Budget and Policy Division and the house of representatives Transportation Finance



Division and Transportation and Transit Policy Subcommittee by January 15, 2010."

Amend the title numbers accordingly

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

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

**S.F. No. 3369:** A bill for an act relating to drivers' licenses; requiring commissioner of public safety to include information and questions relating to pupil transportation safety in driver's manual and examination; amending Minnesota Statutes 2006, section 171.13, subdivision 1, by adding a subdivision.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2006, section 169.21, is amended by adding a subdivision to read:

Subd. 6. **Driver education curriculum.** The class D curriculum, in addition to driver education classroom curriculum prescribed in rules or statutes for class D motor vehicles, must include instruction on the duties of a driver when encountering a bicycle, other nonmotorized vehicles, or a pedestrian.

Sec. 2. Minnesota Statutes 2006, section 169.446, subdivision 2, is amended to read:

Subd. 2. **Driver training programs.** The commissioner of public safety shall adopt rules requiring a minimum of 30 minutes of thorough instruction concerning section 169.444 for persons enrolled in driver training programs offered at public, private and parochial schools, and commercial driver training schools. The instruction must encompass at least the responsibilities of drivers, the content and requirements of section 169.444, and the penalties for violating that section."

Page 2, lines 3 and 4, delete the new language

Page 2, after line 8, insert:

"Sec. 5. **REPEALER.**

Minnesota Statutes 2006, section 169.446, subdivision 3, is repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "driver's" insert "training"

Amend the title numbers accordingly

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

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

**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.

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 171.18, subdivision 1, is amended to read:

Subdivision 1. **Offenses.** (a) The commissioner may suspend the license of a driver without preliminary hearing upon a showing by department records or other sufficient evidence that the licensee:

(1) has committed an offense for which mandatory revocation of license is required upon conviction;

(2) has been convicted by a court for violating a provision of chapter 169 or an ordinance regulating traffic, other than a conviction for a petty misdemeanor, and department records show that the violation contributed in causing an accident resulting in the death or personal injury of another, or serious property damage;

(3) is an habitually reckless or negligent driver of a motor vehicle;

(4) is an habitual violator of the traffic laws;

(5) is incompetent to drive a motor vehicle as determined in a judicial proceeding;

(6) has permitted an unlawful or fraudulent use of the license;

(7) has committed an offense in another state that, if committed in this state, would be grounds for suspension;

(8) has committed a violation of section 169.444, subdivision 2, paragraph (a), within five years of a prior conviction under that section;

(9) has committed a violation of section 171.22, except that the commissioner may not suspend a person's driver's license based solely on the fact that the person possessed a fictitious or fraudulently altered Minnesota identification card;

(10) has failed to appear in court as provided in section 169.92, subdivision 4;

(11) has failed to report a medical condition that, if reported, would have resulted in cancellation of driving privileges;

(12) has been found to have committed an offense under section 169A.33; ~~or~~

(13) has paid or attempted to pay a fee required under this chapter for a license or permit by means of a dishonored check issued to the state or a driver's license agent, which must be continued until the registrar determines or is informed by the agent that the dishonored check has been paid in full; or

(14) who, as owner of a vehicle whose taxes or fees required under chapter 168, 168A, or 297B were due, paid or attempted to pay, or had another person pay or attempt to pay, the vehicle taxes or fees required under chapter 168, 168A, or 297B by means of a dishonored personal check issued to the state or a deputy registrar, which must be continued until the registrar determines or is informed by the deputy registrar that the dishonored check has been paid in full.

However, an action taken by the commissioner under clause (2) or (5) must conform to the recommendation of the court when made in connection with the prosecution of the licensee.

(b) The commissioner may not suspend the driver's license of an individual under paragraph (a) who was convicted of a violation of section 171.24, subdivision 1, whose license was under suspension at the time solely because of the individual's failure to appear in court or failure to pay a fine."

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. 3001:** A bill for an act relating to education; providing for general education, education excellence, special programs, state agencies, self-sufficiency and lifelong learning; amending Minnesota Statutes 2006, sections 13.32, by adding a subdivision; 120A.03; 120A.05, subdivision 10a; 120A.22, subdivision 5; 120A.24, subdivisions 1, 2; 120B.02; 120B.023, subdivision 2; 120B.131, subdivision 2; 120B.31, as amended; 120B.35, as amended; 120B.36, as amended; 120B.362; 121A.035, subdivision 2; 121A.037; 122A.06, subdivision 4; 122A.07, subdivisions 2, 3; 122A.09, subdivision 4; 122A.14, by adding subdivisions; 122A.18, subdivisions 2, 2a, by adding subdivisions; 122A.60; 122A.61, subdivision 1; 122A.75, subdivision 1; 123B.14, subdivision 7; 123B.36, subdivision 1; 123B.37, subdivision 1; 123B.51, by adding a subdivision; 123B.59, subdivision 1; 123B.77, subdivision 3; 123B.81, subdivisions 3, 5; 123B.83, subdivision 3; 123B.88, subdivision 3; 124D.09, subdivisions 3, 5, 7, 16, 24; 124D.095, subdivision 10; 124D.10, subdivisions 2a, 4a, 6, 6a, 7, 8, 20, 23; 124D.522; 124D.55; 124D.60, subdivision 1; 124D.68, subdivision 2; 125A.02, subdivision 1; 125A.15; 125A.51; 125A.65, subdivision 4, by adding a subdivision; 125A.744, subdivision 3; 125B.07, by adding a subdivision; 126C.17, subdivision 9; 126C.40, subdivision 6; 134.31, subdivision 6, by adding a subdivision; 205A.03, subdivision 1; 205A.06, subdivision 1a; 260C.007, subdivision 19; 299F.30, subdivision 1; Minnesota Statutes 2007 Supplement, sections 120B.021, subdivision 1; 120B.30; 123B.81, subdivision 4; 124D.095, subdivisions 3, 4, 7; 124D.10, subdivisions 4, 23a; 124D.531, subdivision 1; 126C.05, subdivision 1; 126C.10, subdivision 34; 127A.49, subdivisions 2, 3; 134.31, subdivision 4a; Laws 2007, chapter 146, article 2, section 46, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 4; 120A; 120B; 121A; 123B; 124D; 125B; 126C; 127A; 134; repealing Minnesota Statutes 2006, sections 120A.22, subdivision 8; 121A.67; 126C.21, subdivision 1; Laws 2006, chapter 263, article 3, section 16.

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

Page 34, line 27, delete "June 30, 2011" and insert "August 1, 2008"

Page 34, line 32, delete "....., 20.." and insert "June 30, 2011"

Page 51, line 17, reinstate the stricken "(a)"

Page 51, after line 32, insert:

"(b) Notwithstanding section 15.059, subdivision 5, the council expires June 30, 2013."

Page 61, line 10, delete "convene" and insert "consult with"

Page 61, line 19, before "education" insert "chairs and ranking minority members of the"

Page 61, line 28, delete "convene" and insert "consult with"

Page 63, line 24, before the semicolon, insert ", or the commissioner's designee"

Page 63, line 31, after "education" insert ", or the commissioner's designee,"

Page 68, line 9, after "must" insert "select a chair from their membership at the first meeting and"

Page 69, line 9, delete the period and insert ", except that" and after "members" insert "for expenses"

Page 69, line 10, delete "compensate" and insert "provide compensation to"

Page 69, line 12, after "proposal" insert ", including draft legislation," and after the first "the" insert "chairs and ranking minority members of the" and after "committees" insert "and divisions"

Page 69, line 14, before the period, insert ", or on the date the report required under this section is submitted, whichever is later"

Page 70, line 20, after "one" insert "employee of the" and delete "staff"

Page 70, line 22, after "programs" insert "that are designated by the commissioner"

Page 70, line 23, delete "Minnesota House of Representatives selected by the house" and insert "house of representatives selected by the"

Page 70, line 24, delete "state senator selected by the senate" and insert "member of the senate selected by the"

Page 70, line 26, after "members" insert "for expenses"

Page 70, line 27, delete "compensate" and insert "provide compensation to"

Page 70, line 32, after "(a)" insert "By February 1 of each proximate school year,"

Page 70, line 33, delete "annually" and delete "to the education policy"

Page 70, delete line 34

Page 70, delete line 35 and insert "a longitudinal report to the chairs and ranking minority members of the legislative committees with jurisdiction over education policy and finance. The report must detail the efforts and success of program participants"

Page 84, line 11, delete "Upon"

Page 84, delete line 12 and insert "The initial membership of the partnership includes the members serving on the"

Page 84, line 13, delete "plus" and insert "and" and after "legislators" insert "appointed"

Page 84, line 19, before "Prospective" insert "The chair of the P-16 education partnership must convene the first meeting of the P-20 partnership."

Page 85, line 5, delete "legislature" and insert "chairs and ranking minority members of the legislative committees and divisions with jurisdiction over P-20 education policy and finance"

Page 85, after line 7, insert:

"Subd. 3. **Expiration.** Notwithstanding section 15.059, subdivision 5, the partnership is permanent and does not expire."

Page 85, line 29, delete "it" and insert "its"

Page 86, line 11, before "The" insert "Within 30 days after the completion of appointments required under this section,"

Page 86, line 13, after "caucus" insert "and one member of the majority caucus"

Page 86, line 14, after the comma, insert "including" and after "one" insert "member"

Page 86, line 15, after "one" insert "member"

Page 86, line 19, after "The" insert "appointing authorities must use their best efforts to ensure that"

Page 86, line 20, delete "shall include" and insert "includes"

Page 86, line 29, after the period, insert "The appointments required under this section must be completed by August 1, 2008."

Page 87, line 2, delete "December 15, 2008" and insert "January 15, 2009"

Page 87, after line 3, insert:

"The advisory council expires after submission of the report by the commissioner of education."

Page 87, line 4, delete "TASK FORCE ON" and after "CERTIFICATION" insert "STUDY; DAKOTA AND OJIBWE LANGUAGE IMMERSION"

Page 87, line 6, delete "develop a task force in collaboration" and insert "collaborate"

Page 87, line 9, delete "task force" and insert "commissioner"

Page 87, line 13, delete everything after "(b)"

Page 87, delete lines 14 to 16

Page 87, lines 17 and 19, delete "task force" and insert "commissioner"

Page 87, line 20, delete "legislature by December 15, 2008" and insert "chairs and ranking minority members of the legislative committees and divisions with jurisdiction over education policy and finance and the Indian Affairs Council by January 15, 2009"

Page 87, line 21, delete "task force" and insert "commissioner" and delete "to the"

Page 87, line 22, delete "legislature on" and insert "regarding the" and after "law" insert ", including any necessary draft legislation,"

Page 91, delete lines 24 to 28 and insert:

"Subdivision 1. **Establishment.** A 12-member State Advisory Board on School Readiness is established. The director of the Office of Early Learning must:

(1) convene the first meeting of the advisory board within 30 days after completion of the appointments; and

(2) assist the board in developing a proposal for a coordinated, efficient, and cost-effective system for delivering early childhood programs throughout Minnesota that focus on early care and education, health care, and family support."

Page 92, delete lines 1 to 4 and insert:

"(5) four public members who are recognized experts in early care and education, including one member appointed by the speaker of the house, one appointed by the minority leader of the house, one appointed by the majority leader of the senate, and one appointed by the minority leader of the senate;

(6) two public members who are community or business leaders, including one appointed by the speaker of the house and one appointed by the majority leader of the senate; and"

Page 92, line 7, delete "staggered"

Page 92, line 8, delete everything after the period

Page 92, delete lines 9 and 10

Page 92, line 11, delete everything before "Meetings"

Page 92, line 13, delete ". Notwithstanding section 15.059," and insert ", except that"

Page 92, line 16, after "(c)" insert "Appointing authorities must use their best efforts to ensure that" and delete the second "must"

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. 3709:** A bill for an act relating to the city of Crystal; authorizing creation of a housing development account.

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

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

**S.F. No. 2651:** A bill for an act relating to natural resources; creating a Minnesota forests for the future program; establishing a revolving account; providing for expedited exchanges of public land; modifying the sustainable forest incentive program; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 84; 94.

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

Page 2, delete subdivision 8

Page 3, line 1, delete "9" and insert "8"

Page 3, line 6, delete "10" and insert "9"

Page 3, line 11, delete "11" and insert "10"

Page 3, line 14, delete "12" and insert "11"

Page 3, line 26, delete "13" and insert "12"

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

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

**S.F. No. 3439:** A bill for an act relating to taxes; exempting certain motor vehicles from the motor vehicle sales tax; amending Minnesota Statutes 2006, section 297B.03.

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

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

**S.F. No. 2462:** A bill for an act relating to railroads; forgiving state loans made to Rock and Nobles Counties.

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

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

**S.F. No. 3402:** A bill for an act relating to transportation; transferring highway right-of-way to state rail bank.

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. 3314:** A bill for an act relating to motor carriers; reallocating proceeds of fees collected since 2005 under the International Fuel Tax Agreement compact; amending Minnesota Statutes 2006, sections 168D.06; 168D.07; 299A.705, subdivision 1.

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

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

**S.F. No. 2580:** A bill for an act relating to motor vehicles; exempting certain disaster response vehicles from registration tax and fees; amending Minnesota Statutes 2006, section 168.012, subdivision 1.

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

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

**S.F. No. 2755:** A bill for an act relating to transportation; permitting deputy registrar office to be moved in city of New Prague.

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

Delete everything after the enacting clause and insert:

"Section 1. **DEPUTY REGISTRAR OF MOTOR VEHICLES OFFICE MOVE.**

Notwithstanding Minnesota Statutes, section 168.33; Minnesota Rules, parts 7406.0350 and 7406.0355, or successor rules; or any other rules adopted by the commissioner of public safety limiting sites for the office of deputy registrar based on (1) moving the deputy registrar office to a new location, (2) the distance to an existing deputy registrar office, or (3) the annual volume of transactions processed by any deputy registrar, the commissioner of public safety shall by May 31, 2008, grant a variance to the State Bank of New Prague to move its office of deputy registrar within the limits of the city of New Prague from Scott County to Le Sueur County, with full authority to function as a registration and motor vehicle tax collection deputy registrar. All other provisions regarding the operation of a deputy registrar of motor vehicles under Minnesota Statutes, section 168.33, and Minnesota Rules, chapter 7406, apply to the office. The office move must take place by December 31, 2008.

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

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

**S.F. No. 2502:** A bill for an act relating to transportation; requiring commissioner to prioritize for state funding certain metropolitan area projects that have been awarded federal funding; amending Minnesota Statutes 2006, section 174.03, subdivision 1.



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

Page 2, line 8, after "program" insert "and subject to available funding"

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

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

**S.F. No. 3412:** A bill for an act relating to transportation; defining medium-speed electric vehicles; requiring medium-speed electric vehicles to be registered and titled; identifying roads on which medium-speed electric vehicles may be operated; amending Minnesota Statutes 2006, sections 168.011, subdivision 7; 168A.05, subdivision 9; 169.01, by adding a subdivision; 169.224.

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

Page 2, line 9, delete "as certified"

Page 2, line 10, delete "by the manufacturer" and insert "on a paved, level surface"

Page 2, line 11, before "otherwise" insert ", except with respect to maximum speed,"

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

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

**S.F. No. 2987:** A bill for an act relating to transportation; requiring transportation contracts to specify use of approved products and materials; proposing coding for new law in Minnesota Statutes, chapter 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. **EFFICACY AND SAFETY STANDARDS FOR CONSTRUCTION MATERIALS.**

By February 1, 2009, the commissioner of transportation shall report to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation policy and finance on the policies and procedures used by the department to determine and ensure the efficacy and safety of products and materials used in treated wood projects. The report must:

(1) address the extent to which the department relies on standards developers accredited by the American National Standards Institute;

(2) describe alternative procedures used to determine product performance; and

(3) consider changes to improve the system for determining that products and materials are effective and safe for intended use in construction projects.

The commissioner shall provide opportunities for vendors, manufacturers, and other interested persons to provide input to the report."

Delete the title and insert:

"A bill for an act relating to transportation; requiring the commissioner to report on methods for determining product efficacy and safety."

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

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

**S.F. No. 3223:** A bill for an act relating to motor vehicles; permitting sale of impounded vehicles and contents after voluntary title transfer; providing for notice of impound, right to reclaim contents, and waiver of right; establishing right to retrieve contents without charge in certain cases; limiting deficiency claim; providing for permit for oversize and overweight tow trucks in certain cases; amending Minnesota Statutes 2006, sections 168B.051, subdivision 2; 168B.06, subdivisions 1, 3; 168B.07, by adding a subdivision; 168B.08, subdivision 1; 168B.087, subdivision 1; 169.86, 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:

**"ARTICLE 1**

**TRANSPORTATION POLICY**

Section 1. Minnesota Statutes 2006, section 5B.02, is amended to read:

**5B.02 DEFINITIONS.**

(a) For purposes of this chapter and unless the context clearly requires otherwise, the definitions in this section have the meanings given them.

(b) "Address" means a residential street address, school address, or work address of an individual, as specified on the individual's application to be a program participant under this chapter.

(c) "Applicant" means an adult, a parent or guardian acting on behalf of an eligible minor, or a guardian acting on behalf of an incapacitated person, as defined in section 524.5-102.

(d) "Domestic violence" means an act as defined in section 518B.01, subdivision 2, paragraph (a), and includes a threat of such acts committed against an individual in a domestic situation, regardless of whether these acts or threats have been reported to law enforcement officers.

(e) "Eligible person" means an adult, a minor, or an incapacitated person, as defined in section 524.5-102 for whom there is good reason to believe (i) that the eligible person is a victim of domestic violence, sexual assault, or stalking, or (ii) that the eligible person fears for his or her safety or the safety of persons on whose behalf the application is made.

(f) "Mail" means first class letters and flats delivered via the United States Postal Service, including priority, express, and certified mail, and excluding packages, parcels, periodicals, and catalogues, unless they are clearly identifiable as pharmaceuticals or clearly indicate that they are sent by a government agency.

(g) "Program participant" means an individual certified as a program participant under section 5B.03.

~~(g)~~ (h) "Stalking" means acts criminalized under section 609.749 and includes a threat of such acts committed against an individual, regardless of whether these acts or threats have been reported to law enforcement officers.

**EFFECTIVE DATE.** This section is effective June 1, 2008.

Sec. 2. Minnesota Statutes 2006, section 5B.03, subdivision 1, is amended to read:

Subdivision 1. **Application.** The secretary of state shall certify an eligible person as a program participant when the secretary receives an application that must contain:

(1) the name of the eligible person;

(2) a statement by the applicant that the applicant has good reason to believe (i) that the eligible person listed on the application is a victim of domestic violence, sexual assault, or stalking, (ii) that the eligible person fears for the person's safety or the safety of persons on whose behalf the application is made, and (iii) that the eligible person is not applying for certification as a program participant in order to avoid prosecution for a crime;

(3) a designation of the secretary of state as agent for purposes of service of process and for the purpose of receipt of mail;

(4) the mailing address where the eligible person can be contacted by the secretary of state, and the phone number or numbers where the applicant or eligible person can be called by the secretary of state;

(5) the physical address or addresses of the eligible person, disclosure of which will increase the risk of domestic violence, sexual assault, or stalking;

(6) a statement whether the eligible person would like information on becoming an ongoing absentee ballot recipient pursuant to section 5B.06; ~~and~~

(7) a statement from the eligible person that gives the secretary of state consent to confirm the eligible person's participation in Safe at Home to a third party who provides the program participant's first and last name and Safe at Home lot number listed on the program participant's card;

(8) the signature of the applicant, an indicator of the applicant's authority to act on behalf of the eligible person, if appropriate, the name and signature of any individual or representative of any person who assisted in the preparation of the application, and the date on which the application was signed; and

(9) any other information as required by the secretary of state.

**EFFECTIVE DATE.** This section is effective June 1, 2008.

Sec. 3. Minnesota Statutes 2006, section 5B.07, is amended to read:

**5B.07 DATA CLASSIFICATION.**

Subdivision 1. **Classification of data.** ~~All~~ Data related to applicants, eligible persons and

program participants ~~is~~ are private data on individuals as defined by section 13.02, subdivision 12. A consent for release of ~~information~~ the address from an applicant, eligible person, or program participant is not effective.

Subd. 2. **Release of data.** (a) Upon request from the Bureau of Criminal Apprehension, the secretary of state may share data that are private under subdivision 1 with the Bureau of Criminal Apprehension when the secretary of state, in consultation with the Bureau of Criminal Apprehension, determines that the release will promote public safety. Private data received by the Bureau of Criminal Apprehension may be released to a law enforcement agency upon verification that the release will aid the law enforcement agency in responding to an emergency situation or a criminal complaint or conducting an investigation.

(b) Data maintained by the secretary of state, the Bureau of Criminal Apprehension, and law enforcement agencies related to the process for data sharing under this section are nonpublic data as defined in section 13.02 but may be shared among those agencies. Data related to requests received from law enforcement agencies and the Bureau of Criminal Apprehension under this section are private or nonpublic data.

**EFFECTIVE DATE.** This section is effective June 1, 2008.

Sec. 4. Minnesota Statutes 2006, section 13.69, is amended by adding a subdivision to read:

Subd. 3. **Liability for disseminating driver or vehicle data.** The commissioner of public safety, deputy registrar of motor vehicles, or employee of the Department of Public Safety, is not liable to any person for mistake or negligence in providing information concerning drivers or vehicles, which is classified under this section or section 13.6905, if not willfully calculated to injure that person.

**EFFECTIVE DATE.** This section is effective the day following final enactment for data disseminated on or after that day.

Sec. 5. Minnesota Statutes 2006, section 13.805, subdivision 2, is amended to read:

Subd. 2. ~~Address confidentiality program~~ **Safe at Home Program.** Data maintained by the Office of the Secretary of State, the Bureau of Criminal Apprehension, or law enforcement agencies regarding the ~~address confidentiality program~~ Safe at Home Program are governed by section 5B.07.

**EFFECTIVE DATE.** This section is effective June 1, 2008.

Sec. 6. Minnesota Statutes 2006, section 160.02, is amended by adding a subdivision to read:

Subd. 30. **Dynamic shoulder lane.** "Dynamic shoulder lane" means the shoulder of a freeway on which the commissioner may allow the operation of vehicles during certain periods.

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

Sec. 7. **[160.94] USER FEES; URBAN PARTNERSHIP AGREEMENT.**

Subdivision 1. **Exception.** The provisions of section 160.93 do not apply to this section.

Subd. 2. **Fees authorized.** To improve efficiency and provide more options to individuals traveling in a trunk highway corridor, the commissioner of transportation may charge user fees to owners or operators of: (1) single-occupant vehicles using dynamic shoulder lanes as designated by

the commissioner; and (2) any designated high-occupancy vehicle lanes within the I-35W corridor. The fees may be collected using electronic or other toll-collection methods and may vary in amount with the time of day and level of traffic congestion within the corridor. The commissioner shall consult with the Metropolitan Council and obtain necessary federal authorizations before implementing user fees on a high-occupancy vehicle lane or dynamic shoulder lane. Fees under this section are not subject to section 16A.1283.

Subd. 3. **I-35W high-occupancy vehicle and dynamic shoulder lane account.** (a) An I-35W high-occupancy vehicle and dynamic shoulder lane account is established in the special revenue fund. Money collected from fees authorized under subdivision 2 must be deposited in the account and used as described in this subdivision. Money in the account is appropriated to the commissioner.

(b) During the first year of revenue operations, the commissioner shall use the money received in that year to pay the costs of operating and administering the fee collection system within the corridor, up to \$1,000,000. Any remaining money must be transferred to the Metropolitan Council for improvement of bus transit services within the I-35W corridor including transit capital expenses.

(c) During the second and subsequent years of revenue operations, the commissioner shall use money in the account as follows:

(1) each year, allocate the lesser amount of \$1,000,000 or 75 percent of the revenues for operating and administering the fee collection system within the corridor; and

(2) transfer the remaining amount to the Metropolitan Council for improvement of bus transit within the corridor including capital expenses.

Subd. 4. **Exemption from rulemaking and statutory requirements.** With respect to this section, the commissioner is exempt from statutory rulemaking requirements, including section 14.386, and from sections 160.84 to 160.92 and 161.162 to 161.167.

Subd. 5. **Prohibition.** No person may operate a vehicle in a designated high-occupancy vehicle lane or dynamic shoulder lane except in compliance with the requirements of the commissioner. A person who violates this subdivision is guilty of a petty misdemeanor and is subject to sections 169.89, subdivisions 1, 2, and 4, and 169.891, and any other provision of chapter 169 applicable to the commission of a petty misdemeanor traffic offense.

Subd. 6. **Dynamic shoulder lanes.** The commissioner may designate dynamic shoulder lanes on freeways. The commissioner may operate dynamic shoulder lanes as priced lanes, general purpose lanes, or as shoulders as defined in section 169.01, subdivision 73, and may prescribe the conditions under which the lanes may be used by all types of traffic. The commissioner shall erect signs to indicate when the lanes may be used.

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

Sec. 8. Minnesota Statutes 2006, section 163.051, subdivision 1, is amended to read:

Subdivision 1. **Tax authorized.** (a) Except as provided in paragraph (b), the board of commissioners of each metropolitan county is authorized to levy a wheelage tax of \$5 for the year 1972 and each subsequent year thereafter by resolution on each motor vehicle, ~~except motoreyes as defined in section 169.01, subdivision 4, which~~ that is kept in such county when not in operation and ~~which~~ that is subject to annual registration and taxation under chapter 168. The board may

provide by resolution for collection of the wheelage tax by county officials or it may request that the tax be collected by the state registrar of motor vehicles, and the state registrar of motor vehicles shall collect such tax on behalf of the county if requested, as provided in subdivision 2.

(b) The following vehicles are exempt from the wheelage tax:

- (1) motorcycles, as defined in section 169.01, subdivision 4;
- (2) motorized bicycles, as defined in section 169.01, subdivision 4a;
- (3) electric-assisted bicycles, as defined in section 169.01, subdivision 4b; and
- (4) motorized foot scooters, as defined in section 169.01, subdivision 4c.

Sec. 9. Minnesota Statutes 2006, section 168.011, subdivision 7, is amended to read:

**Subd. 7. Passenger automobile.** (a) "Passenger automobile" means any motor vehicle designed and used for carrying not more than 15 individuals, including the driver.

(b) "Passenger automobile" does not include motorcycles, motor scooters, buses, school buses, or commuter vans as defined in section 168.126.

(c) "Passenger automobile" includes, but is not limited to:

- (1) pickup trucks and vans, including those vans designed to carry passengers, with a manufacturer's nominal rated carrying capacity of one ton; ~~and~~
- (2) neighborhood electric vehicles, as defined in section 169.01, subdivision 91; and
- (3) medium-speed electric vehicles, as defined in section 169.01, subdivision 94.

Sec. 10. Minnesota Statutes 2006, section 168.012, subdivision 1, is amended to read:

**Subdivision 1. Vehicles exempt from tax, fees, or plate display.** (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

- (1) vehicles owned and used solely in the transaction of official business by the federal government, the state, or any political subdivision;
- (2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from those institutions;
- (3) vehicles used solely in driver education programs at nonpublic high schools;
- (4) vehicles owned by nonprofit charities and used exclusively to transport disabled persons for charitable, religious, or educational purposes;
- (5) vehicles owned by nonprofit charities and used exclusively for disaster response and related activities;
- (6) ambulances owned by ambulance services licensed under section 144E.10, the general appearance of which is unmistakable; and
- ~~(6)~~ (7) vehicles owned by a commercial driving school licensed under section 171.34, or an

employee of a commercial driving school licensed under section 171.34, and the vehicle is used exclusively for driver education and training.

(b) Vehicles owned by the federal government, municipal fire apparatuses including fire-suppression support vehicles, police patrols, and ambulances, the general appearance of which is unmistakable, are not required to register or display number plates.

(c) Unmarked vehicles used in general police work, liquor investigations, or arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the Department of Corrections, must be registered and must display appropriate license number plates, furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the Department of Corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a Department of Corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the Departments of Revenue and Labor and Industry, fraud unit, in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates, furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue or the commissioner of labor and industry. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) Unmarked vehicles used by the Division of Disease Prevention and Control of the Department of Health must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of health. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the Division of Disease Prevention and Control.

(f) Unmarked vehicles used by staff of the Gambling Control Board in gambling investigations and reviews must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the board chair. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the Gambling Control Board.

(g) Each state hospital and institution for persons who are mentally ill and developmentally disabled may have one vehicle without the required identification on the sides of the vehicle. The vehicle must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the hospital administrator. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the state hospital or institution.

(h) Each county social service agency may have vehicles used for child and vulnerable adult

protective services without the required identification on the sides of the vehicle. The vehicles must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the agency administrator. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the social service agency.

(i) All other motor vehicles must be registered and display tax-exempt number plates, furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates must have the name of the state department or political subdivision, nonpublic high school operating a driver education program, ~~or licensed commercial driving school, or other qualifying organization or entity,~~ plainly displayed on both sides of the vehicle; ~~except that each state hospital and institution for persons who are mentally ill and developmentally disabled may have one vehicle without the required identification on the sides of the vehicle, and county social service agencies may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle.~~ This identification must be in a color giving contrast with that of the part of the vehicle on which it is placed and must endure throughout the term of the registration. The identification must not be on a removable plate or placard and must be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program.

Sec. 11. Minnesota Statutes 2006, section 168.021, subdivision 1, is amended to read:

Subdivision 1. **Disability plates; application.** (a) When a motor vehicle registered under section 168.017, a motorcycle, a truck having a manufacturer's nominal rated capacity of one ton and resembling a pickup truck, or a self-propelled recreational vehicle is owned or primarily operated by a permanently physically disabled person or a custodial parent or guardian of a permanently physically disabled minor, the owner may apply for and secure from the commissioner (1) immediately, a temporary permit valid for 30 days if the applicant is eligible for the disability plates issued under this section, and (2) two disability plates with attached emblems, one plate to be attached to the front, and one to the rear of the motor vehicle.

(b) The commissioner shall not issue more than one set of plates to any owner of a motor vehicle at the same time unless ~~all motor vehicles have been specifically modified for and are used exclusively by a permanently physically disabled person~~ the state council on disability approves the issuance of a second set of plates to a motor vehicle owner.

(c) When the owner first applies for the disability plates, the owner must submit a medical statement in a format approved by the commissioner under section 169.345, or proof of physical disability provided for in that section.

(d) No medical statement or proof of disability is required when an owner of a motor vehicle applies for plates for one or more motor vehicles that are specially modified for and used exclusively by permanently physically disabled persons.

(e) The owner of a motor vehicle may apply for and secure (i) immediately, a permit valid for 30 days, if the applicant is eligible to receive the disability plates issued under this section, and (ii) a set of disability plates for a motor vehicle if:



(1) the owner employs a permanently physically disabled person who would qualify for disability plates under this section; and

(2) the owner furnishes the motor vehicle to the physically disabled person for the exclusive use of that person in the course of employment.

Sec. 12. Minnesota Statutes 2006, section 168.021, subdivision 2, is amended to read:

Subd. 2. **Plate design; furnished by commissioner.** The commissioner shall design and furnish two disability plates with attached emblems to each an eligible owner. The emblem must bear the internationally accepted wheelchair symbol, as designated in section 16B.61, subdivision 5, approximately three inches square. The emblem must be large enough to be visible plainly from a distance of 50 feet. An applicant eligible for disability plates shall pay the motor vehicle registration fee authorized by sections 168.013 and 168.09.

Sec. 13. Minnesota Statutes 2006, section 168.09, subdivision 7, is amended to read:

Subd. 7. **Display of temporary permit; special plates.** (a) A vehicle that displays a special Minnesota plate issued under section ~~168.021; 168.12, subdivision 2, 2a, 2b, 2c, or 2d; 168.123; 168.124; 168.125; 168.126; 168.128; or 168.129,~~ chapter 168 may display a temporary permit in conjunction with expired registration if:

(1) the current registration tax and all other fees and taxes have been paid in full; and

(2) the plate ~~requires replacement under section 168.12, subdivision 1, paragraph (d), clause (3)~~ has been applied for.

(b) A vehicle ~~that is registered under section 168.10~~ may display a temporary permit in conjunction with expired registration, with or without a registration plate, if:

(1) the plates have been applied for and the registration tax ~~has~~ and other fees and taxes have been paid in full, as provided for in section 168.10; and

(2) either the vehicle is used solely as a collector vehicle while displaying the temporary permit and not used for general transportation purposes or the vehicle was issued a 21-day permit under section 168.092, subdivision 1.

(c) The permit is valid for a period of 60 days. The permit must be in a format prescribed by the commissioner and whenever practicable must be posted upon the driver's side of the rear window on the inside of the vehicle. The permit is valid only for the vehicle for which it was issued to allow a reasonable time for the new plates to be manufactured and delivered to the applicant. The permit may be issued only by the commissioner or by a deputy registrar under section 168.33.

Sec. 14. Minnesota Statutes 2006, section 168.123, subdivision 2, is amended to read:

Subd. 2. **Design.** The commissioner of veterans affairs shall design the emblem for the veterans' special plates, subject to the approval of the commissioner, that satisfy the following requirements:

(a) For a Vietnam veteran who served after July 1, 1961, and before July 1, 1978, in the active military service in a branch of the armed forces of the United States or a nation or society allied with the United States the special plates must bear the inscription "VIETNAM VET" and the letters "V" and "V" with the first letter directly above the second letter and both letters just preceding the

first numeral of the special plate number.


(b) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription "PEARL HARBOR SURVIVOR" and the letters "P" and "H" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number.

(c) For a veteran who served during World War I or World War II, the plates must bear the inscription "WORLD WAR VET" and:

(1) for a World War I veteran, the characters "W" and "I" with the first character directly above the second character and both characters just preceding the first numeral of the special plate number; or

(2) for a World War II veteran, the characters "W" and "II" with the first character directly above the second character and both characters just preceding the first numeral of the special plate number.

(d) For a veteran who served during the Korean Conflict, the special plates must bear the inscription "KOREAN VET" and the letters "K" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number.

(e) For a combat wounded veteran who is a recipient of the purple heart medal, the plates must bear the inscription "COMBAT WOUNDED VET" and have a facsimile  or an emblem of the official purple heart medal and the letters "C" over "W" with the first letter directly over the second letter just preceding the first numeral of the special plate number.

(f) For a Persian Gulf War veteran, the plates must bear the inscription "GULF WAR VET" and the letters "G" and "W" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number. For the purposes of this section, "Persian Gulf War veteran" means a person who served on active duty after August 1, 1990, in a branch of the armed forces of the United States or a nation or society allied with the United States or the United Nations during Operation Desert Shield, Operation Desert Storm, or other military operation in the Persian Gulf area combat zone as designated in United States Presidential Executive Order No. 12744, dated January 21, 1991.

(g) For a veteran who served in the Laos War after July 1, 1961, and before July 1, 1978, the special plates must bear the inscription "LAOS WAR VET" and the letters "L" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number.

(h) For a veteran who is the recipient of:

(1) the Iraq Campaign Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "IRAQ WAR VET" directly below the special plate number;

(2) the Afghanistan Campaign Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "AFGHAN WAR VET" directly below the special plate number; or

(3) the Global War on Terrorism Expeditionary Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "GWOT VETERAN" directly below the

special plate number.

(i) For a veteran who is the recipient of the Global War on Terrorism Service Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "GWOT VETERAN" directly below the special plate number. In addition, any member of the National Guard or other military reserves who has been ordered to federally funded state active service under United States Code, title 32, as defined in section 190.05, subdivision 5b, and who is the recipient of the Global War on Terrorism Service Medal, is eligible for the license plate described in this paragraph, irrespective of whether that person qualifies as a veteran under section 197.447.

(j) For a veteran who is a recipient of the Bronze Star medal, the plates must bear the inscription "BRONZE STAR VET" and have a facsimile or an emblem of the official Bronze Star medal and the letters "B" over "S" with the first letter directly over the second letter just preceding the first numeral of the special plate number.

(k) For a veteran who is a recipient of the Silver Star medal, the plates must bear the inscription "SILVER STAR VET" and have a facsimile or an emblem of the official Silver Star medal and the letters "S" over "S" with the first letter directly over the second letter just preceding the first numeral of the special plate number.

**Sec. 15. [168.1295] MINNESOTA SESQUICENTENNIAL SPECIAL PLATES.**

Subdivision 1. **Issuance and design.** Notwithstanding section 168.1293, the commissioner shall issue Minnesota sesquicentennial plates or one motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, one-ton pickup truck, motorcycle, or recreational vehicle;

(2) pays a fee of \$10 for each set of license plates;

(3) contributes a minimum of \$25 to the Minnesota Sesquicentennial Commission; and

(4) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Novelty plates.** Notwithstanding subdivision 1, the commissioner may issue distinctive Minnesota Sesquicentennial novelty plates for a fee of \$5 for each plate, and a minimum contribution of \$25 to the Minnesota Sesquicentennial Commission.

Subd. 3. **Design.** After consultation with the Minnesota Sesquicentennial Commission, the commissioner shall design the special plate.

Subd. 4. **Plates transfer.** On payment of a transfer fee of \$5, plates issued under subdivision 1 may be transferred to another passenger automobile, one-ton pickup truck, motorcycle, or recreational vehicle registered to the individual to whom the special plates were issued.

Subd. 5. **Fees.** Fees collected under subdivision 1, clause (2), or under subdivision 2, are credited to the vehicle services operating account in the special revenue fund.

Subd. 6. **Contributions.** Contributions collected under subdivision 1, clause (3), or under subdivision 2, are credited to the sesquicentennial account, which is established in the special revenue fund. Money in the account is appropriated to the Minnesota Sesquicentennial Commission

to be used in performance of the commission's powers and duties. After the commission expires, money in the account is appropriated to the Capitol Area Architectural and Planning Board for restoration and renovation of the Capitol Building.

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

**Sec. 16. [168.1299] AMERICAN RED CROSS SPECIAL PLATES.**

Subdivision 1. **Issuance and design.** Notwithstanding section 168.1293, the commissioner shall issue American Red Cross plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, one-ton pickup truck, motorcycle, or recreational vehicle;

(2) pays a fee of \$10 for each set of license plates;

(3) contributes a minimum of \$25 to the American Red Cross disaster preparedness and relief account; and

(4) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Design.** After consultation with the Minnesota chapters of the American Red Cross, the commissioner shall design the special plate.

Subd. 3. **Plates transfer.** On payment of a transfer fee of \$5, plates issued under this section may be transferred to another passenger automobile registered to the individual to whom the special plates were issued.

Subd. 4. **Fees.** Fees collected under subdivision 1, clause (2), are credited to the vehicle services operating account in the special revenue fund.

Subd. 5. **Contributions.** Contributions collected under subdivision 1, clause (3), are credited to the American Red Cross disaster preparedness and relief account, which is established in the special revenue fund. Money in the account is appropriated to the commissioner of public safety for a grant to the Minnesota chapters of the American Red Cross to be used for disaster preparedness, education, and disaster response.

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

Sec. 17. Minnesota Statutes 2006, section 168.185, is amended to read:

**168.185 USDOT NUMBERS.**

(a) Except as provided in paragraph (d), an owner of a truck or truck-tractor having a gross vehicle weight of more than 10,000 pounds, as defined in section 169.01, subdivision 46, ~~other than a farm truck that is not used in interstate commerce,~~ shall report to the ~~registrar~~ commissioner at the time of registration its USDOT carrier number. A person subject to this paragraph who does not have a USDOT number shall apply for the number at the time of registration by completing a form MCS-150 Motor Carrier Identification Report, issued by the Federal Motor Carrier Safety Administration, or comparable document as determined by the ~~registrar~~ commissioner. The ~~registrar~~ commissioner shall not assign a USDOT carrier number to a vehicle owner who is not subject to

this paragraph.

(b) Assigned USDOT numbers need not be displayed on the outside of the vehicle, but must be made available upon request of an authorized agent of the ~~registrar~~ commissioner, peace officer, other employees of the State Patrol authorized in chapter 299D, or employees of the Minnesota Department of Transportation. The vehicle owner shall notify the ~~registrar~~ commissioner if there is a change to the owner's USDOT number.

(c) If an owner fails to report or apply for a USDOT number, the ~~registrar~~ commissioner shall suspend the owner's registration.

~~(d) Until October 1, 2003, paragraphs (a) to (c) do not apply to an agricultural fertilizer or agricultural chemical retailer while exclusively engaged in delivering fertilizer or agricultural chemicals to a farmer for on-farm use. This section does not apply to (1) a farm truck that is not used in interstate commerce, (2) a vehicle that is not used in intrastate commerce or interstate commerce, or (3) a vehicle that is owned and used solely in the transaction of official business by the federal government, the state, or any political subdivision.~~

Sec. 18. 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. 19. Minnesota Statutes 2006, section 168A.05, subdivision 9, is amended to read:

Subd. 9. **Neighborhood electric vehicle and medium-speed electric vehicles; certificate required.** Neighborhood electric vehicles and medium-speed electric vehicles, as defined in section 169.01, ~~subdivision~~ subdivisions 91 and 94, must be titled as specified in section 168A.02. The department shall not issue a title for a neighborhood electric vehicle or a medium-speed electric vehicle (1) that lacks a vehicle identification number, and (2) for which a manufacturer's certificate of origin clearly labeling the vehicle as a neighborhood electric vehicle or similar designation has not been issued. The department shall not issue a vehicle identification number to a homemade neighborhood electric or low-speed vehicle or retrofitted golf cart, and such vehicles do not qualify as neighborhood electric vehicles.

Sec. 20. Minnesota Statutes 2006, section 168D.06, is amended to read:

**168D.06 FUEL LICENSE FEES.**

License fees paid to the commissioner under the International Fuel Tax Agreement must be deposited in the ~~highway user tax distribution fund~~ vehicle services operating account in the special revenue fund under section 299A.705. The commissioner shall charge an annual fuel license fee of \$15, and an annual application filing fee of \$13 for quarterly reporting of fuel tax.

Sec. 21. Minnesota Statutes 2006, section 168D.07, is amended to read:

**168D.07 FUEL DECAL FEE.**

The commissioner shall issue a decal or other identification to indicate compliance with the International Fuel Tax Agreement. The commissioner shall establish a charge to cover the cost of issuing the decal or other identification according to section 16A.1285, subdivision 4a. Decal or

other identification charges paid to the commissioner under this subdivision must be deposited in the highway user tax distribution fund vehicle services operating account in the special revenue fund under section 299A.705.

Sec. 22. Minnesota Statutes 2006, section 169.01, subdivision 6, is amended to read:

Subd. 6. **School bus.** "School bus" means a motor vehicle used to transport pupils to or from a school defined in section 120A.22, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district. A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, a transit bus providing services as defined in section 174.22, subdivision 7, ~~a multifunction school activity bus as defined by federal motor vehicle safety standards,~~ or a vehicle otherwise qualifying as a type III vehicle under paragraph ~~(5)~~ (6), when the vehicle is properly registered and insured and being driven by an employee or agent of a school district for nonscheduled or nonregular transportation. A school bus, including a multifunctional school activity bus, may be type A, type B, type C, or type D, or type III as follows:

(1) A "type A school bus" is a ~~van conversion of~~ bus constructed utilizing a cutaway front section vehicle with a left-side driver's door. ~~The entrance door is behind the front wheels.~~ This definition includes two classifications: type A-I, with a gross vehicle weight rating (GVWR) ~~less than or equal to 10,000~~ 14,500 pounds or less; and type A-II, with a GVWR greater than ~~10,000~~ 14,500 pounds and less than or equal to 21,500 pounds.

(2) A "type B school bus" is constructed utilizing a stripped chassis. The entrance door is behind the front wheels. This definition includes two classifications: type B-I, with a GVWR less than or equal to 10,000 pounds; and type B-II, with a GVWR greater than 10,000 pounds.

(3) A "type C school bus" is constructed utilizing a chassis with a hood and front fender assembly. The entrance door is behind the front wheels. A type C school bus also includes a cutaway truck chassis or truck chassis with cab with or without a left side door and with a GVWR greater than 21,500 pounds.

(4) A "type D school bus" is constructed utilizing a stripped chassis. The entrance door is ahead of the front wheels.

(5) A "multifunctional school activity bus" is a school bus that is in conformance with the federal motor vehicle safety standards, Code of Federal Regulations, title 49, sections 571.3 (definitions), 571.108 (lamps, reflective devices, and associated equipment), and 571.131 (school bus pedestrian safety devices) and may be painted any color notwithstanding any law to the contrary, but does not include vehicles classified as type III school buses according to paragraph (6).

(6) Type III school buses and type III Head Start buses are restricted to passenger cars, station wagons, vans, and buses having a maximum manufacturer's rated seating capacity of ten or fewer people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less. In this subdivision, "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle. A "type III school bus" and "type III Head Start bus" must not be outwardly equipped and identified as a type A, B, C, or D school bus or type A, B, C, or D Head Start bus. A van or bus converted to a seating capacity of ten or fewer and placed in service on or after August 1, 1999, must have been originally manufactured to comply with the passenger safety

standards.

**EFFECTIVE DATE.** This section is effective July 1, 2008.

Sec. 23. Minnesota Statutes 2006, section 169.01, subdivision 31, is amended to read:

Subd. 31. **Roadway.** "Roadway" means that portion of a highway improved, designed, or ordinarily used for vehicular travel, exclusive of the sidewalk or shoulder. During periods when the commissioner allows the use of dynamic shoulder lanes as defined in subdivision 93, roadway includes that shoulder. In the event a highway includes two or more separate roadways, the term "roadway" as used herein shall refer to any such roadway separately but not to all such roadways collectively.

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

Sec. 24. Minnesota Statutes 2006, section 169.01, subdivision 55, is amended to read:

Subd. 55. **Implement of husbandry.** "Implement of husbandry" ~~has the meaning given in section 168A.01, subdivision 8~~ means a self-propelled or towed vehicle designed or adapted to be used exclusively for timber-harvesting, agricultural, horticultural, or livestock-raising operations.

Sec. 25. Minnesota Statutes 2006, section 169.01, subdivision 76, is amended to read:

Subd. 76. **Hazardous materials.** "Hazardous materials" ~~means those materials found to be hazardous for the purposes of the federal Hazardous Materials Transportation Act and that require the motor vehicle~~ any material that has been designated as hazardous under United States Code, title 49, section 5103, and is required to be placarded under Code of Federal Regulations, title 49, parts 100-185 part 172, subpart F, or any quantity of a material listed as a select agent or toxin in Code of Federal Regulations, title 42, part 73.

Sec. 26. Minnesota Statutes 2006, section 169.01, is amended by adding a subdivision to read:

Subd. 93. **Dynamic shoulder lane.** "Dynamic shoulder lane" means the shoulder of a freeway on which the commissioner may allow the operation of vehicles during certain periods.

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

Sec. 27. Minnesota Statutes 2006, section 169.01, is amended by adding a subdivision to read:

Subd. 94. **Medium-speed electric vehicle.** "Medium-speed electric vehicle" means an electrically powered four-wheeled motor vehicle, equipped with a roll cage or crushproof body design, that can attain a maximum speed of 35 miles per hour on a paved level surface, is fully enclosed and has at least one door for entry, has a wheelbase of 40 inches or greater and a wheel diameter of ten inches or greater, and except with respect to maximum speed, otherwise meets or exceeds regulations in the Code of Federal Regulations, title 49, section 571.500, and successor requirements.

Sec. 28. Minnesota Statutes 2006, section 169.18, subdivision 5, is amended to read:

Subd. 5. **Driving left of roadway center; exception.** (a) No vehicle shall be driven to the left side of the center of the roadway in overtaking and passing another vehicle proceeding in the same direction unless such left side is clearly visible and is free of oncoming traffic for a sufficient distance

ahead to permit such overtaking and passing to be completely made without interfering with the safe operation of any vehicle approaching from the opposite direction or any vehicle overtaken. In every event the overtaking vehicle must return to the right-hand side of the roadway before coming within 100 feet of any vehicle approaching from the opposite direction.

(b) Except on a one-way roadway or as provided in paragraph (c), no vehicle shall, in overtaking and passing another vehicle or at any other time, be driven to the left half of the roadway under the following conditions:

(1) when approaching the crest of a grade or upon a curve in the highway where the driver's view along the highway is obstructed within a distance of 700 feet;

(2) when approaching within 100 feet of any underpass or tunnel, railroad grade crossing, intersection within a city, or intersection outside of a city if the presence of the intersection is marked by warning signs; or

(3) where official signs are in place prohibiting passing, or a distinctive centerline is marked, which distinctive line also so prohibits passing, as declared in the Manual on Uniform Traffic Control Devices adopted by the commissioner.

~~(c) Paragraph (b) does not apply to a self-propelled or towed implement of husbandry that (1) is escorted at the front by a registered motor vehicle that is displaying vehicular hazard warning lights visible to the front and rear in normal sunlight, and (2) does not extend into the left half of the roadway to any greater extent than made necessary by the total width of the right half of the roadway together with any adjacent shoulder that is suitable for travel.~~

~~(d) Paragraph (b) does not apply to a self-propelled or towed implement of husbandry that is operated to the left half of the roadway if such operation is not to a greater extent than is necessary to avoid collision with a parked vehicle, sign, or other stationary object located on the highway right-of-way.~~

Sec. 29. Minnesota Statutes 2006, section 169.21, is amended by adding a subdivision to read:

Subd. 6. **Driver education curriculum.** The class D curriculum, in addition to driver education classroom curriculum prescribed in rules of statutes for class D motor vehicles, must include instruction on the duties of a driver when encountering a bicycle, other nonmotorized vehicles, or a pedestrian.

Sec. 30. Minnesota Statutes 2006, section 169.224, is amended to read:

**169.224 NEIGHBORHOOD AND MEDIUM-SPEED ELECTRIC VEHICLES.**

Subdivision 1. **Definition.** For purposes of this section, "road authority" means the commissioner, as to trunk highways; the county board, as to county state-aid highways and county highways; the town board, as to town roads; and the governing body of a city, as to city streets.

Subd. 2. **Required equipment.** Notwithstanding any other law, a neighborhood electric vehicle or a medium-speed electric vehicle may be operated on public streets and highways if it meets all equipment and vehicle safety requirements in Code of Federal Regulations, title 49, section 571.500, and successor requirements.

Subd. 3. **Operation.** A neighborhood electric vehicle or a medium-speed electric vehicle may



not be operated on a street or highway with a speed limit greater than 35 miles per hour, except to make a direct crossing of that street or highway.

Subd. 4. **Restrictions and prohibitions.** (a) A road authority, including the commissioner of transportation by order, may prohibit or further restrict the operation of neighborhood electric vehicles and medium-speed electric vehicles on any street or highway under the road authority's jurisdiction.

(b) Neither a neighborhood electric vehicle nor a medium-speed electric vehicle may ~~not~~ be used to take any examination to demonstrate ability to exercise control in the operation of a motor vehicle as required under section 171.13.

Sec. 31. Minnesota Statutes 2006, section 169.306, is amended to read:

**169.306 USE OF SHOULDERS BY BUSES.**

(a) The commissioner of transportation may permit the use by transit buses and metro mobility buses of a shoulder of a freeway or expressway, as defined in section 160.02, in the seven-county metropolitan area.

(b) If the commissioner permits the use of a freeway or expressway shoulder by transit buses, the commissioner shall also permit the use on that shoulder of a bus with a seating capacity of 40 passengers or more operated by a motor carrier of passengers, as defined in section 221.011, subdivision 48, while operating in intrastate commerce.

(c) Buses authorized to use the shoulder under this section may be operated on the shoulder only when main line traffic speeds are less than 35 miles per hour. Drivers of buses being operated on the shoulder may not exceed the speed of main line traffic by more than 15 miles per hour and may never exceed 35 miles per hour. Drivers of buses being operated on the shoulder must yield to merging, entering, and exiting traffic and must yield to other vehicles on the shoulder. Buses operated on the shoulder must be registered with the Department of Transportation.

(d) For the purposes of this section, the term "metro mobility bus" means a motor vehicle of not less than 20 feet in length engaged in providing special transportation services under section 473.386 that is:

(1) operated by the Metropolitan Council, or operated by a public or private entity receiving financial assistance from the Metropolitan Council; and

(2) authorized by the council to use freeway or expressway shoulders.

(e) This section does not apply to the operation of buses on dynamic shoulder lanes.

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

Sec. 32. 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.

Sec. 33. Minnesota Statutes 2006, section 169.435, is amended to read:

**169.435 STATE SCHOOL BUS SAFETY ADMINISTRATION OFFICE OF PUPIL TRANSPORTATION SAFETY.**

Subdivision 1. **Responsibility; Department of Public Safety.** The Department of Public Safety has the primary responsibility for school transportation safety. The Office of Pupil Transportation Safety is created as a section under the Division of State Patrol. The commissioner or the commissioner's designee shall serve as state designate a director of pupil transportation according to subdivision 3.

Subd. 3. **Pupil transportation safety director.** ~~(a) The commissioner of public safety or the commissioner's designee shall serve as pupil transportation safety director.~~

~~(b) The duties of the pupil transportation safety director shall include:~~

(1) overseeing all department activities related to school bus safety;

(2) assisting in the development, interpretation, and implementation of laws and policies relating to school bus safety;

(3) supervising preparation of the School Bus Inspection Manual; ~~and~~

(4) in conjunction with the Department of Education, assisting school districts in developing and implementing comprehensive transportation policies;

(5) developing and maintaining a consistent record-keeping system to document school bus inspections, out-of-service school transportation vehicles, and driver files; and

(6) conducting periodic audits of selected school districts to determine compliance with statutory requirements concerning: (i) school bus driver employee background and license checks; and (ii) duty to report violations to the commissioner of public safety. Audit results must be documented and retained by the Office of Pupil Transportation Safety, and any statutory violations documented in the audit must be reported to the commissioners of public safety and education.

Subd. 4. **Staff.** In addition to the pupil transportation safety director, who must be a state trooper, the Office of Pupil Transportation Safety must be staffed by a minimum of:

(1) three state troopers, each of whom must be assigned to the metropolitan area, northern Minnesota, or southern Minnesota; and

(2) 15 school bus vehicle inspectors, one of whom must be designated chief inspector. The school bus vehicle inspectors shall perform annual and spot inspections of school buses and Head Start buses as required by law.

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

Sec. 34. Minnesota Statutes 2007 Supplement, section 169.443, subdivision 9, is amended to read:

**Subd. 9. Personal cellular phone call prohibition.** (a) As used in this subdivision, "school bus" has the meaning given in section 169.01, subdivision 6. In addition, the term includes type III school buses as described in section 169.01, subdivision 6, clause (5), when driven by employees or agents of school districts.

(b) A school bus driver may not operate a school bus while communicating over, or otherwise operating, a cellular phone for personal reasons, whether hand-held or hands free, when the vehicle is in motion.

**EFFECTIVE DATE.** This section is effective August 1, 2008, and applies to crimes committed on or after that date.

Sec. 35. Minnesota Statutes 2006, section 169.446, subdivision 2, is amended to read:

**Subd. 2. Driver training programs.** The commissioner of public safety shall adopt rules requiring a minimum of 30 minutes of thorough instruction concerning section 169.444 for persons enrolled in driver training programs offered at public, private and parochial schools, and commercial driver training schools. The instruction must encompass at least the responsibilities of drivers, the content and requirements of section 169.444, and the penalties for violating that section.

Sec. 36. Minnesota Statutes 2006, section 169.67, subdivision 3, is amended to read:

**Subd. 3. Trailer, semitrailer.** (a) No trailer or semitrailer with a gross weight of 3,000 or more pounds, or a gross weight that exceeds the empty weight of the towing vehicle, may be drawn on a highway unless it is equipped with brakes that are adequate to control the movement of and to stop and hold the trailer or semitrailer. A surge brake on a trailer or semitrailer meets the requirement of this paragraph for brakes adequate to stop and hold the trailer or semitrailer.

(b) No trailer or semitrailer that is required to have brakes and that has a gross weight of more than 6,000 pounds may be drawn on a highway unless it is equipped with brakes that are so constructed that they are adequate to stop and hold the trailer or semitrailer whenever it becomes detached from the towing vehicle.

(c) Except as provided in paragraph (d), paragraph (a) does not apply to:

~~(1) a trailer used by a farmer while transporting farm products produced on the user's farm, or supplies back to the farm of the trailer's user;~~

~~(2) a towed custom service vehicle drawn by a motor vehicle that is equipped with brakes that meet the standards of subdivision 5, provided that such a towed custom service vehicle that exceeds 30,000 pounds gross weight may not be drawn at a speed of more than 45 miles per hour;~~

~~(3) a trailer or semitrailer operated or used by retail dealers of implements of husbandry while engaged exclusively in the delivery of implements of husbandry;~~

~~(4) (2) a motor vehicle drawn by another motor vehicle that is equipped with brakes that meet the standards of subdivision 5; and~~

~~(5) a tank trailer of not more than 12,000 pounds gross weight owned by a distributor of liquid fertilizer while engaged exclusively in transporting liquid fertilizer, or gaseous fertilizer under pressure;~~

~~(6) a trailer of not more than 12,000 pounds gross weight owned by a distributor of dry fertilizer while engaged exclusively in the transportation of dry fertilizer; and~~

~~(7) (3) a disabled vehicle while being towed to a place of repair.~~

(d) Vehicles described in paragraph (c), ~~clauses (1), (3), and (4)~~ clause (2), may be operated without complying with paragraph (a) only if the trailer or semitrailer does not exceed the following gross weights:

(1) 3,000 pounds while being drawn by a vehicle registered as a passenger automobile, other than a pickup truck as defined in section 168.011, subdivision 29;

(2) 12,000 pounds while being drawn by any other motor vehicle ~~except a self-propelled implement of husbandry.~~

Sec. 37. Minnesota Statutes 2006, section 169.685, subdivision 5, is amended to read:

Subd. 5. **Violation; petty misdemeanor.** (a) Every motor vehicle operator, when transporting a child under the age of ~~four~~ eight on the streets and highways of this state in a motor vehicle equipped with factory-installed seat belts, shall equip and install for use in the motor vehicle, according to the manufacturer's instructions, a child passenger restraint system meeting federal motor vehicle safety standards.

(b) No motor vehicle operator who is operating a motor vehicle on the streets and highways of this state may transport a child under the age of ~~four~~ eight in a seat of a motor vehicle equipped with a factory-installed seat belt, unless the child is properly fastened in the child passenger restraint system. Any motor vehicle operator who violates this subdivision is guilty of a petty misdemeanor and may be sentenced to pay a fine of not more than \$50. The fine ~~may~~ must be waived ~~or the amount reduced~~ if the motor vehicle operator produces evidence that within 14 days after the date of the violation a child passenger restraint system meeting federal motor vehicle safety standards was purchased or obtained for the exclusive use of the operator.

(c) The fines collected for violations of this subdivision must be deposited in the state treasury and credited to a special account to be known as the Minnesota child passenger restraint and education account.

Sec. 38. Minnesota Statutes 2006, section 169.685, subdivision 6, is amended to read:

Subd. 6. **Exceptions.** (a) This section does not apply to:

(1) a person transporting a child in an emergency medical vehicle while in the performance of official duties and when the physical or medical needs of the child make the use of a child passenger restraint system unreasonable or when a child passenger restraint system is not available; and

(2) a peace officer transporting a child while in the performance of official duties and when a child passenger restraint system is not available, provided that a seat belt must be substituted; ~~and~~

~~(3) a person while operating a motor vehicle for hire, including a taxi, airport limousine, and~~

~~bus, but excluding a rented, leased, or borrowed motor vehicle.~~

(b) A child passenger restraint system is not required for a child who cannot, in the judgment of a licensed physician, be safely transported in a child passenger restraint system because of a medical condition, body size, or physical disability. A motor vehicle operator claiming exemption for a child under this paragraph must possess a typewritten statement from the physician stating that the child cannot be safely transported in a child passenger restraint system. The statement must give the name and birth date of the child, be dated within the previous six months, and be made on the physician's letterhead or contain the physician's name, address, and telephone number. A person charged with violating subdivision 5 may not be convicted if the person produces the physician's statement in court or in the office of the arresting officer.

(c) A person offering a motor vehicle for rent or lease shall provide a child passenger restraint device to a customer renting or leasing the motor vehicle who requests the device. A reasonable rent or fee may be charged for use of the child passenger restraint device.

Sec. 39. Minnesota Statutes 2006, section 169.686, subdivision 1, is amended to read:

Subdivision 1. **Seat belt requirement.** (a) A properly adjusted and fastened seat belt, including both the shoulder and lap belt when the vehicle is so equipped, shall be worn by:

- ~~(1) the driver and passengers of a passenger vehicle or commercial motor vehicle;~~
- ~~(2) a passenger riding in the front seat of a passenger vehicle or commercial motor vehicle; and~~
- ~~(3) a passenger riding in any seat of a passenger vehicle who is older than three but younger than 11 years of age.~~

(b) A person who is 15 years of age or older and who violates paragraph (a), ~~clause (1) or (2),~~ is subject to a fine of \$25. The driver of the ~~passenger vehicle or commercial motor~~ vehicle in which the violation occurred is subject to a \$25 fine for a each violation of paragraph (a), clause (2) or (3), by the driver or by a child of the driver passenger under the age of 15 or any child under the age of 11. A peace officer may not issue a citation for a violation of this section unless the officer lawfully stopped or detained the driver of the motor vehicle for a moving violation other than a violation involving motor vehicle equipment, but the court may not impose more than one surcharge under section 357.021, subdivision 6, on the driver. The Department of Public Safety shall not record a violation of this subdivision on a person's driving record.

**EFFECTIVE DATE.** This section is effective June 9, 2008, and apply to acts committed on or after that date.

Sec. 40. 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.

Sec. 41. Minnesota Statutes 2006, section 169.79, is amended to read:

**169.79 VEHICLE REGISTRATION; DISPLAYING LICENSE PLATES.**

Subdivision 1. **Registration required.** No person shall operate, drive, or park a motor vehicle

on any highway unless the vehicle is registered in accordance with the laws of this state and has the number plates or permit confirming that valid registration or operating authority has been obtained, except as provided in sections 168.10 and 168.12, subdivision 2f, as assigned to it by the commissioner of public safety, conspicuously displayed thereon in a manner that the view of any plate or permit is not obstructed. A plate issued under section 168.27 or a permit issued under chapter 168 may be displayed on a vehicle in conjunction with expired registration whether or not it displays the license plate to which the last registration was issued.

Subd. 2. **Semitrailer.** If the vehicle is a semitrailer, the number plate displayed must be assigned to the registered owner and correlate to the ~~certificate of title~~ documentation on file with the department and ~~shall not display a year indicator.~~

Subd. 3. **Rear display of single plate.** If the vehicle is a motorcycle, motor scooter, motorized bicycle, motorcycle sidecar, trailer registered at greater than 3,000 pounds gross vehicle weight (GVW), semitrailer, or vehicle displaying a dealer plate, then one license plate must be displayed horizontally with the identifying numbers and letters facing outward from the vehicle and must be mounted in the upright position on the rear of the vehicle.

Subd. 3a. **Small trailer.** If the vehicle is a trailer with 3,000 pounds or less GVW with lifetime registration, the numbered plate or sticker must be adhered to the side of the trailer frame tongue near the hitch.

Subd. 4. **Collector's vehicle.** If the vehicle is (1) a collector's vehicle with a pioneer, classic car, collector, or street rod license; (2) a vehicle that meets the requirements of a pioneer, classic, or street rod vehicle except that the vehicle is used for general transportation purposes; or (3) a vehicle that is of model year 1972 or earlier, not registered under section 168.10, subdivision 1c, and is used for general transportation purposes, ~~then~~ one plate must be displayed on the rear of the vehicle, or one plate on the front and one on the rear, at the discretion of the owner.

Subd. 5. **Truck-tractor, road-tractor, or farm truck.** If the vehicle is a truck-tractor, road-tractor, or farm truck, as defined in section 168.011, subdivision 17, but excluding from that definition semitrailers and trailers, then one plate must be displayed on the front of the vehicle.

Subd. 6. **Other motor vehicles.** If the motor vehicle is any kind of motor vehicle other than those provided for in subdivisions 2 to 4, one plate must be displayed on the front and one on the rear of the vehicle.

Subd. 7. **Plate fastened and visible.** All plates must be (1) securely fastened so as to prevent them from swinging, (2) displayed horizontally with the identifying numbers and letters facing outward from the vehicle, and (3) mounted in the upright position. The person driving the motor vehicle shall keep the plate legible and unobstructed and free from grease, dust, or other blurring material so that the lettering is plainly visible at all times. It is unlawful to cover any assigned letters and numbers or the name of the state of origin of a license plate with any material whatever, including any clear or colorless material that affects the plate's visibility or reflectivity.

Subd. 8. **Plate registration stickers.** As viewed facing the plates:

(a) License plates issued to vehicles registered under section 168.017 must display the month of expiration in the lower left corner ~~as viewed facing the~~ of each plate and the year of expiration in the lower right corner ~~as viewed facing the~~ of each plate.

(b) License plates issued to vehicles registered under section 168.127 must display either fleet registration validation stickers in the lower right corner ~~as viewed facing the plates~~ of each plate or distinctive license plates, issued by the registrar, with "FLEET REG" displayed on the bottom center portion of ~~the~~ each plate.

(c) License plates issued after July 1, 2008, requiring validation must display the month of expiration in the lower left corner of each plate and the year of expiration in the lower right corner of the plate.

Subd. 9. **Tax-exempt vehicle marking.** Vehicles displaying tax-exempt plates issued under section 16B.581 or 168.012 must have vehicle markings that comply with section 168.012, subdivision 1.

Sec. 42. Minnesota Statutes 2006, section 169.801, is amended to read:

**169.801 IMPLEMENT OF HUSBANDRY.**

Subdivision 1. **Exemption from size, weight, load provisions.** Except as provided in this section and section 169.82, the provisions of sections 169.80 to 169.88 that govern size, weight, and load do not apply to:

- ~~(1) a horse drawn wagon while carrying a load of loose straw or hay;~~
- ~~(2) a specialized vehicle resembling a low slung trailer having a short bed or platform, while transporting one or more implements of husbandry; or~~
- ~~(3) an implement of husbandry while being driven or towed at a speed of not more than 30 miles per hour; provided that this exemption applies to an implement of husbandry owned, leased, or under the control of a farmer or implement dealer only while the implement of husbandry is being operated on noninterstate roads or highways within 75 miles of any farmland or implement dealership: (i) owned, leased, or operated by the farmer or implement dealer and (ii) on which the farmer or implement dealer regularly uses or sells or leases the implement of husbandry while operated in compliance with this section.~~

Subd. 2. **Weight per inch of tire width restrictions.** (a) An implement of husbandry that is not self-propelled and is equipped with pneumatic tires may not be operated on a public highway with a maximum wheel load that exceeds ~~600 pounds per inch of tire width before August 1, 1996, and 500 pounds per inch of tire width on and after August 1, 1996.~~

(b) After December 31, 2009, a person operating or towing an implement of husbandry on a bridge must comply with the gross weight limitations provided in section 169.824.

Subd. 3. **Hitches.** A towed implement of husbandry must be equipped with (1) safety chains that meet the requirements of section 169.82, subdivision 3, paragraph (b); (2) a regulation fifth wheel and kingpin assembly approved by the commissioner of public safety; or (3) a hitch pin or other hitching device with a retainer that prevents accidental unhitching.

Subd. 4. **Bridge posting.** Despite subdivision 2, a person operating or towing an implement of husbandry must comply with a sign that limits the maximum weight allowed on a bridge.

Subd. 5. **Height and width.** A person operating, towing, or transporting an implement of husbandry that is higher than 13 feet six inches or wider than allowed under section 169.80,



subdivision 2, must ensure that the operation or transportation does not damage a highway structure, utility line or structure, or other fixture adjacent to or over a public highway.

Subd. 6. **Speed.** No person may operate or tow an implement of husbandry at a speed of more than 30 miles per hour.

Subd. 7. **Driving rules.** (a) An implement of husbandry may not be operated or towed on an interstate highway.

(b) An implement of husbandry may be operated or towed to the left of the center of a roadway only if it is escorted at the front by a vehicle displaying hazard warning lights visible in normal sunlight and the operation does not extend into the left half of the roadway more than is necessary.

Subd. 8. **Lights.** An implement of husbandry must be equipped with lights that comply with section 169.55, subdivisions 2 and 3.

Subd. 9. **Slow moving vehicle emblem.** An implement of husbandry must comply with section 169.522.

Subd. 10. **Brakes.** Notwithstanding section 169.67:

(a) A self-propelled implement of husbandry must be equipped with brakes adequate to control its movement and to stop and hold it and any vehicle it is towing.

(b) A towed implement of husbandry must be equipped with brakes adequate to control its movement and to stop and hold it if:

(1) it has a gross vehicle weight of more than 24,000 pounds and was manufactured and sold after January 1, 1994;

(2) it has a gross vehicle weight of more than 12,000 pounds and is towed by a vehicle other than a self-propelled implement of husbandry; or

(3) it has a gross vehicle weight of more than 3,000 pounds and is being towed by a registered passenger automobile other than a pickup truck as defined in section 168.011, subdivision 29.

(c) If a towed implement of husbandry with a gross vehicle weight of more than 6,000 pounds is required under paragraph (b) to have brakes, it must also have brakes adequate to stop and hold it if it becomes detached from the towing vehicle.

Sec. 43. Minnesota Statutes 2006, section 169.82, subdivision 3, is amended to read:

Subd. 3. **Hitch, chain, or cable.** (a) Every trailer or semitrailer must be hitched to the towing motor vehicle by a device approved by the commissioner of public safety.

(b) Every trailer and semitrailer must be equipped with safety chains or cables permanently attached to the trailer except in cases where the coupling device is a regulation fifth wheel and kingpin assembly approved by the commissioner of public safety. In towing, the chains or cables must be attached to the vehicles near the points of bumper attachments to the chassis of each vehicle, and must be of sufficient strength to control the trailer in the event of failure of the towing device. The length of chain or cable must be no more than necessary to permit free turning of the vehicles. A minimum fine of \$25 must be imposed for a violation of this paragraph.

(c) This subdivision does not apply to towed implements of husbandry.

(d) No person may be charged with a violation of this section solely by reason of violating a maximum speed prescribed in section ~~169.145~~ or 169.67 or 169.801.

Sec. 44. Minnesota Statutes 2006, section 169.826, subdivision 1a, is amended to read:

Subd. 1a. **Harvest season increase amount.** The limitations provided in sections 169.822 to 169.829 are increased by ten percent from the beginning of harvest to November 30 each year for the movement of sugar beets, carrots, and potatoes from the field of harvest to the point of the first unloading. Transfer of the product from a farm vehicle or small farm trailer, within the meaning of chapter 168, to another vehicle is not considered to be the first unloading. A permit issued under section 169.86, subdivision 1, paragraph (a), is required. The commissioner shall not issue permits under this subdivision if to do so will result in a loss of federal highway funding to the state.

Sec. 45. Minnesota Statutes 2006, section 169.86, is amended by adding a subdivision to read:

Subd. 8. **Tow truck.** A tow truck or towing vehicle, when towing a disabled or damaged vehicle to a place of repair or to a place of safekeeping, may exceed the length and weight limitations of this chapter, subject to a \$300 annual permit fee and any other conditions prescribed by the commissioner.

Sec. 46. **[169.865] SPECIAL CANOLA HAULING VEHICLE PERMITS.**

Subdivision 1. **Special three-unit vehicle permit.** The commissioner may issue a permit for a vehicle that meets the following requirements:

(1) is a combination of vehicles, including a truck-tractor and a semitrailer drawing one additional trailer or semitrailer, and no semitrailer used in the three-vehicle combination has an overall length in excess of 28-1/2 feet;

(2) has a maximum gross vehicle weight of 105,000 pounds;

(3) complies with the axle weight limits in section 169.824, or with the federal bridge formula for axle groups not described in that section;

(4) complies with the tire weight limits in section 169.823, or the tire manufacturers' recommended load, whichever is less;

(5) is operated only in this state on marked Trunk Highway 175 from Hallock to the North Dakota border, on U.S. Highway 75 from Hallock to Donaldson, and on marked Trunk Highway 11 from Donaldson to the North Dakota border; and

(6) the seasonal weight increases authorized under section 169.826, subdivision 1, do not apply.

Subd. 2. **Restrictions.** Vehicles issued permits under subdivision 1 must comply with the following restrictions:

(1) the vehicle must be operated in compliance with seasonal load restrictions under section 169.87;

(2) the vehicle may not be operated on the interstate highway system or national network highways; and

(3) the vehicle may be operated on streets or highways under the control of local authorities only upon the approval of the local authority; however, vehicles may have reasonable access to terminals and facilities for food, fuel, repairs, and rest, and for continuity of route within one mile of the national network as provided by section 169.81, subdivision 3, and by the Code of Federal Regulations, title 23, part 658.19.

Subd. 3. **Permit fee; appropriation.** Vehicle permits issued under subdivision 1 must be annual permits. The fee is \$850 for each vehicle and must be deposited in the trunk highway fund. An amount sufficient to administer the permit program is appropriated from the trunk highway fund to the commissioner for the costs of administering the permit program.

Sec. 47. Minnesota Statutes 2006, section 169A.03, subdivision 23, is amended to read:

Subd. 23. **School bus.** "School bus" has the meaning given in section 169.01, subdivision 6. In addition, the term includes type III school buses as described in section 169.01, subdivision 6, clause (5), when driven by employees or agents of school districts.

**EFFECTIVE DATE.** This section is effective August 1, 2008, and applies to crimes committed on or after that date.

Sec. 48. Minnesota Statutes 2006, section 171.01, subdivision 35, is amended to read:

Subd. 35. **Hazardous materials.** "Hazardous materials" means ~~those materials found to be hazardous for the purposes of the federal Hazardous Materials Transportation Act and that require the motor vehicle~~ any material that has been designated as hazardous under United States Code, title 49, section 5103, and is required to be placarded under Code of Federal Regulations, title 49, ~~parts 100-185~~ part 172, subpart F, or any quantity of a material listed as a select agent or toxin in Code of Federal Regulations, title 42, part 73.

Sec. 49. Minnesota Statutes 2007 Supplement, section 171.02, subdivision 2, is amended to read:

Subd. 2. **Driver's license classifications, endorsements, exemptions.** (a) Drivers' licenses are classified according to the types of vehicles that may be driven by the holder of each type or class of license. The commissioner may, as appropriate, subdivide the classes listed in this subdivision and issue licenses classified accordingly.

(b) Except as provided in paragraph (c), clauses (1) and (2), and subdivision 2a, no class of license is valid to operate a motorcycle, school bus, tank vehicle, double-trailer or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless so endorsed. There are four general classes of licenses as described in paragraphs (c) through (f).

(c) Class D drivers' licenses are valid for:

(1) operating all farm trucks if the farm truck is:

(i) controlled and operated by a farmer, including operation by an immediate family member or an employee of the farmer;

(ii) used to transport agricultural products, farm machinery, or farm supplies, including hazardous materials, to or from a farm;

(iii) not used in the operations of a common or contract motor carrier as governed by Code of

Federal Regulations, title 49, part 365; and

(iv) used within 150 miles of the farm;

(2) notwithstanding paragraph (b), operating an authorized emergency vehicle, as defined in section 169.01, subdivision 5, whether or not in excess of 26,000 pounds gross vehicle weight;

(3) operating a recreational vehicle as defined in section 168.011, subdivision 25, that is operated for personal use;

(4) operating all single-unit vehicles except vehicles with a gross vehicle weight of more than 26,000 pounds, vehicles designed to carry more than 15 passengers including the driver, and vehicles that carry hazardous materials;

(5) notwithstanding paragraph (d), operating a type A A-I school bus ~~or~~, including a multifunctional school activity bus without a school bus endorsement if:

(i) ~~the bus has a gross vehicle weight of 10,000 pounds or less;~~

~~(ii)~~ the bus is designed to transport 15 or fewer passengers, including the driver; and

~~(iii)~~ (ii) the requirements of subdivision 2a are satisfied, as determined by the commissioner;

(6) operating any vehicle or combination of vehicles when operated by a licensed peace officer while on duty; and

(7) towing vehicles if:

(i) the towed vehicles have a gross vehicle weight of 10,000 pounds or less; or

(ii) the towed vehicles have a gross vehicle weight of more than 10,000 pounds and the combination of vehicles has a gross vehicle weight of 26,000 pounds or less.

(d) Class C drivers' licenses are valid for:

(1) operating class D motor vehicles;

(2) with a hazardous materials endorsement, ~~transporting hazardous materials in~~ operating class D vehicles to transport hazardous materials; and

(3) with a passenger endorsement, operating buses; and

(4) with a passenger endorsement and school bus endorsement, operating school buses ~~designed to transport 15 or fewer passengers, including the driver.~~

(e) Class B drivers' licenses are valid for:

(1) operating all class C motor vehicles, class D motor vehicles, and all other single-unit motor vehicles including, with a passenger endorsement, buses; and

(2) towing only vehicles with a gross vehicle weight of 10,000 pounds or less.

(f) Class A drivers' licenses are valid for operating any vehicle or combination of vehicles.

**EFFECTIVE DATE.** The amendments to paragraph (c) in this section are effective

retroactively to January 1, 2008.

Sec. 50. Minnesota Statutes 2007 Supplement, section 171.02, subdivision 2a, is amended to read:

Subd. 2a. **Exception for certain school bus drivers.** Notwithstanding subdivision 2, paragraph (c), the holder of a class D driver's license, without a school bus endorsement, may operate a type A school bus, including a multifunctional school activity bus, described in subdivision 2, paragraph (b), under the following conditions:

(a) The operator is an employee of the entity that owns, leases, or contracts for the school bus and is not solely hired to provide transportation services under this subdivision.

(b) The operator drives the school bus only from points of origin to points of destination, not including home-to-school trips to pick up or drop off students.

(c) The operator is prohibited from using ~~the~~ an eight-light system. Violation of this paragraph is a misdemeanor.

(d) The operator's employer has adopted and implemented a policy that provides for annual training and certification of the operator in:

(1) safe operation of the type of school bus the operator will be driving;

(2) understanding student behavior, including issues relating to students with disabilities;

(3) encouraging orderly conduct of students on the bus and handling incidents of misconduct appropriately;

(4) knowing and understanding relevant laws, rules of the road, and local school bus safety policies;

(5) handling emergency situations; and

(6) safe loading and unloading of students.

(e) A background check or background investigation of the operator has been conducted that meets the requirements under section 122A.18, subdivision 8, or 123B.03 for teachers; section 144.057 or chapter 245C for day care employees; or section 171.321, subdivision 3, for all other persons operating a ~~type A school bus~~ vehicle under this subdivision.

(f) Operators shall submit to a physical examination as required by section 171.321, subdivision 2.

(g) The operator's driver's license is verified annually by the entity that owns, leases, or contracts for the ~~school bus~~ vehicle.

(h) A person who sustains a conviction, as defined under section 609.02, of violating section 169A.25, 169A.26, 169A.27, 169A.31, 169A.51, or 169A.52, or a similar statute or ordinance of another state is precluded from operating a school bus for five years from the date of conviction.

(i) A person who has ever been convicted of a disqualifying offense as defined in section 171.3215, subdivision 1, paragraph (c), may not operate a school bus under this subdivision.

(j) A person who sustains a conviction, as defined under section 609.02, of a fourth moving offense in violation of chapter 169 is precluded from operating a school bus for one year from the date of the last conviction.

(k) Students riding the ~~school bus~~ vehicle must have training required under section 123B.90, subdivision 2.

(l) An operator must be trained in the proper use of child safety restraints as set forth in the National Highway Traffic Safety Administration's "Guideline for the Safe Transportation of Pre-school Age Children in School Buses," if child safety restraints are used by the passengers.

(m) Annual certification of the requirements listed in this subdivision must be maintained under separate file at the business location for each operator licensed under this subdivision and subdivision 2, paragraph (b), clause (5). The business manager, school board, governing body of a nonpublic school, or any other entity that owns, leases, or contracts for the school bus operating under this subdivision is responsible for maintaining these files for inspection.

(n) The ~~school bus~~ vehicle must bear a current certificate of inspection issued under section 169.451.

(o) If the word "School" appears on the front and rear of the bus, the word "School" must be covered by a sign that reads "Activities" when the bus is being operated under authority of this subdivision.

**EFFECTIVE DATE.** This section is effective July 1, 2008.

Sec. 51. Minnesota Statutes 2006, section 171.02, is amended by adding a subdivision to read:

Subd. 2b. **Exception for type III school bus drivers.** (a) Notwithstanding subdivision 2, paragraph (c), the holder of a class D driver's license, without a school bus endorsement, may operate a type III school bus described in section 169.01, subdivision 6, clause (5), under the conditions in paragraphs (b) through (n).

(b) The operator is an employee of the entity that owns, leases, or contracts for the school bus.

(c) The operator's employer has adopted and implemented a policy that provides for annual training and certification of the operator in:

(1) safe operation of a type III school bus;

(2) understanding student behavior, including issues relating to students with disabilities;

(3) encouraging orderly conduct of students on the bus and handling incidents of misconduct appropriately;

(4) knowing and understanding relevant laws, rules of the road, and local school bus safety policies;

(5) handling emergency situations;

(6) proper use of seat belts and child safety restraints;

(7) performance of pretrip vehicle inspections; and

(8) safe loading and unloading of students, including, but not limited to:

(i) utilizing a safe location for loading and unloading students at the curb, on the nontraffic side of the roadway, or at off-street loading areas, driveways, yards, and other areas to enable the student to avoid hazardous conditions;

(ii) refraining from loading and unloading students in a vehicular traffic lane, on the shoulder, in a designated turn lane, or a lane adjacent to a designated turn lane;

(iii) avoiding a loading or unloading location that would require a pupil to cross a road, or ensuring that the driver or an aide personally escort the pupil across the road if it is not reasonably feasible to avoid such a location; and

(iv) placing the type III school bus in "park" during loading and unloading.

(d) A background check or background investigation of the operator has been conducted that meets the requirements under section 122A.18, subdivision 8, or 123B.03 for school district employees; section 144.057 or chapter 245C for day care employees; or section 171.321, subdivision 3, for all other persons operating a type A or type III school bus under this subdivision.

(e) Operators shall submit to a physical examination as required by section 171.321, subdivision 2.

(f) The operator's employer has adopted and implemented a policy that provides for mandatory drug and alcohol testing of applicants for operator positions and current operators, in accordance with section 181.951, subdivisions 2, 4, and 5.

(g) The operator's driver's license is verified annually by the entity that owns, leases, or contracts for the school bus.

(h) A person who sustains a conviction, as defined under section 609.02, of violating section 169A.25, 169A.26, 169A.27, or 169A.31, or whose driver's license is revoked under sections 169A.50 to 169A.53 of the implied consent law, or who is convicted of or has their driver's license revoked under a similar statute or ordinance of another state, is precluded from operating a type III school bus for five years from the date of conviction.

(i) A person who has ever been convicted of a disqualifying offense as defined in section 171.3215, subdivision 1, paragraph (c), may not operate a type III school bus under this subdivision.

(j) A person who sustains a conviction, as defined under section 609.02, of a moving offense in violation of chapter 169 within three years of the first of three other moving offenses is precluded from operating a type III school bus for one year from the date of the last conviction.

(k) An operator who sustains a conviction as described in paragraph (h), (i), or (j) while employed by the entity that owns, leases, or contracts for the school bus, shall report the conviction to the employer within ten days of the date of the conviction.

(l) Students riding the type III school bus must have training required under section 123B.90, subdivision 2.

(m) Documentation of meeting the requirements listed in this subdivision must be maintained under separate file at the business location for each type III school bus operator. The business

manager, school board, governing body of a nonpublic school, or any other entity that owns, leases, or contracts for the type III school bus operating under this subdivision is responsible for maintaining these files for inspection.

(n) The type III school bus must bear a current certificate of inspection issued under section 169.451.

(o) An operator employed by a school or school district, whose normal duties do not include operating a type III school bus, who holds a class D driver's license without a school bus endorsement, may operate a type III school bus and is exempt from paragraphs (d), (e), (f), (g), and (k).

**EFFECTIVE DATE.** This section is effective September 1, 2008.

Sec. 52. Minnesota Statutes 2006, section 171.02, is amended by adding a subdivision to read:

Subd. 2c. **Rulemaking.** The commissioner may adopt rules regarding the qualifications and requirements for drivers of type III school buses.

**EFFECTIVE DATE.** This section is effective August 1, 2008.

Sec. 53. Minnesota Statutes 2006, section 171.03, is amended to read:

**171.03 PERSONS EXEMPT.**

The following persons are exempt from license hereunder:

(a) A person in the employ or service of the United States federal government is exempt while driving or operating a motor vehicle owned by or leased to the United States federal government.

(b) A person in the employ or service of the United States federal government is exempt from the requirement to possess a valid class A, class B, or class C commercial driver's license while driving or operating for military purposes a commercial motor vehicle ~~owned by or leased to~~ for the United States federal government if the person is:

(1) on active duty in the U. S. Coast Guard;

(2) on active duty in a branch of the U. S. Armed Forces, which includes the Army, Air Force, Navy, and Marine Corps;

(3) a member of a reserve component of the U. S. Armed Forces; or

(4) on active duty in the Army National Guard or Air National Guard, which includes (i) a member on full-time National Guard duty, (ii) a member undergoing part-time National Guard training, and (iii) a National Guard military technician, who is a civilian required to wear a military uniform.

The exemption provided under this paragraph does not apply to a U. S. Armed Forces Reserve technician.

(c) Any person while driving or operating any farm tractor or implement of husbandry temporarily on a highway is exempt. For purposes of this section, an all-terrain vehicle, as defined in section 84.92, subdivision 8, an off-highway motorcycle, as defined in section 84.787, subdivision



7, and an off-road vehicle, as defined in section 84.797, subdivision 7, are not implements of husbandry.

(d) A nonresident who is at least 15 years of age and who has in immediate possession a valid driver's license issued to the nonresident in the home state or country may operate a motor vehicle in this state only as a driver.

(e) A nonresident who has in immediate possession a valid commercial driver's license issued by a state or jurisdiction in accordance with the standards of Code of Federal Regulations, title 49, part 383, and who is operating in Minnesota the class of commercial motor vehicle authorized by the issuing state or jurisdiction is exempt.

(f) Any nonresident who is at least 18 years of age, whose home state or country does not require the licensing of drivers may operate a motor vehicle as a driver, but only for a period of not more than 90 days in any calendar year, if the motor vehicle so operated is duly registered for the current calendar year in the home state or country of the nonresident.

(g) Any person who becomes a resident of the state of Minnesota and who has in possession a valid driver's license issued to the person under and pursuant to the laws of some other state or jurisdiction or by military authorities of the United States may operate a motor vehicle as a driver, but only for a period of not more than 60 days after becoming a resident of this state, without being required to have a Minnesota driver's license as provided in this chapter.

(h) Any person who becomes a resident of the state of Minnesota and who has in possession a valid commercial driver's license issued by another state or jurisdiction in accordance with the standards of Code of Federal Regulations, title 49, part 383, is exempt for not more than 30 days after becoming a resident of this state.

(i) Any person operating a snowmobile, as defined in section 84.81, is exempt.

Sec. 54. Minnesota Statutes 2006, section 171.05, subdivision 2b, is amended to read:

**Subd. 2b. Instruction permit use by person under age 18.** (a) This subdivision applies to persons who have applied for and received an instruction permit under subdivision 2.

(b) The permit holder may, with the permit in possession, operate a motor vehicle, but must be accompanied by and be under the supervision of a certified driver education instructor, the permit holder's parent or guardian, or another licensed driver age 21 or older. The supervisor must occupy the seat beside the permit holder.

~~(c) The permit holder may operate a motor vehicle only when every occupant under the age of 18 has a seat belt or child passenger restraint system properly fastened. A person who violates this paragraph is subject to a fine of \$25. A peace officer may not issue a citation for a violation of this paragraph unless the officer lawfully stopped or detained the driver of the motor vehicle for a moving violation as defined in section 171.04, subdivision 1. The commissioner shall not record a violation of this paragraph on a person's driving record.~~

~~(d) The permit holder may not operate a vehicle while communicating over, or otherwise operating, a cellular or wireless telephone, whether handheld or hands free, when the vehicle is in motion. The permit holder may assert as an affirmative defense that the violation was made for the sole purpose of obtaining emergency assistance to prevent a crime about to be committed, or in the~~

reasonable belief that a person's life or safety was in danger. Violation of this paragraph is a petty misdemeanor subject to section 169.89, subdivision 2.

~~(e)~~ (d) The permit holder must maintain a driving record free of convictions for moving violations, as defined in section 171.04, subdivision 1, and free of convictions for violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53. If the permit holder drives a motor vehicle in violation of the law, the commissioner shall suspend, cancel, or revoke the permit in accordance with the statutory section violated.

**EFFECTIVE DATE.** This section is effective June 9, 2008, and applies to acts committed on or after that date.

Sec. 55. Minnesota Statutes 2006, section 171.055, subdivision 2, is amended to read:

Subd. 2. **Use of provisional license.** ~~(a) A provisional license holder may operate a motor vehicle only when every occupant under the age of 18 has a seat belt or child passenger restraint system properly fastened. A person who violates this paragraph is subject to a fine of \$25. A peace officer may not issue a citation for a violation of this paragraph unless the officer lawfully stopped or detained the driver of the motor vehicle for a moving violation as defined in section 171.04. The commissioner shall not record a violation of this paragraph on a person's driving record.~~

~~(b)~~ A provisional license holder may not operate a vehicle while communicating over, or otherwise operating, a cellular or wireless telephone, whether handheld or hands free, when the vehicle is in motion. The provisional license holder may assert as an affirmative defense that the violation was made for the sole purpose of obtaining emergency assistance to prevent a crime about to be committed, or in the reasonable belief that a person's life or safety was in danger. Violation of this paragraph is a petty misdemeanor subject to section 169.89, subdivision 2.

~~(e)~~ (b) If the holder of a provisional license during the period of provisional licensing incurs (1) a conviction for a violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53, (2) a conviction for a crash-related moving violation, or (3) more than one conviction for a moving violation that is not crash related, the person may not be issued a driver's license until 12 consecutive months have expired since the date of the conviction or until the person reaches the age of 18 years, whichever occurs first.

(c) For the first six months of provisional licensure, a provisional license holder may not operate a motor vehicle carrying more than one passenger under the age of 20 years who is not a member of the holder's immediate family. For the second six months, the holder of the license may not operate a motor vehicle that is carrying more than three passengers who are under the age of 20 years and who are not members of the holder's immediate family.

(d) For the first six months of provisional licensure, a provisional license holder may operate a motor vehicle between the hours of midnight and 5:00 a.m. only when the license holder is:

- (1) driving between the license holder's home and place of employment;
- (2) driving between the license holder's home and a school event for which the school has not provided transportation;
- (3) driving for employment purposes; or

(4) accompanied by a licensed driver at least 25 years of age.

**EFFECTIVE DATE.** The amendments to paragraph (a) are effective June 9, 2008, and apply to acts committed on and after that date.

Sec. 56. Minnesota Statutes 2006, section 171.06, subdivision 3, is amended to read:

Subd. 3. **Contents of application; other information.** (a) An application must:

(1) state the full name, date of birth, sex, and either (i) the residence address of the applicant, or (ii) designated address under section 5B.05;

(2) as may be required by the commissioner, contain a description of the applicant and any other facts pertaining to the applicant, the applicant's driving privileges, and the applicant's ability to operate a motor vehicle with safety;

(3) state:

(i) the applicant's Social Security number; or

(ii) if the applicant does not have a Social Security number and is applying for a Minnesota identification card, instruction permit, or class D provisional or driver's license, that the applicant certifies that the applicant does not have a Social Security number;

(4) contain a space where the applicant may indicate a desire to make an anatomical gift according to paragraph (b); and

(5) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7.

(b) If the applicant does not indicate a desire to make an anatomical gift when the application is made, the applicant must be offered a donor document in accordance with section 171.07, subdivision 5. The application must contain statements sufficient to comply with the requirements of the Uniform Anatomical Gift Act (1987), sections 525.921 to 525.9224, so that execution of the application or donor document will make the anatomical gift as provided in section 171.07, subdivision 5, for those indicating a desire to make an anatomical gift. The application must be accompanied by information describing Minnesota laws regarding anatomical gifts and the need for and benefits of anatomical gifts, and the legal implications of making an anatomical gift, including the law governing revocation of anatomical gifts. The commissioner shall distribute a notice that must accompany all applications for and renewals of a driver's license or Minnesota identification card. The notice must be prepared in conjunction with a Minnesota organ procurement organization that is certified by the federal Department of Health and Human Services and must include:

(1) a statement that provides a fair and reasonable description of the organ donation process, the care of the donor body after death, and the importance of informing family members of the donation decision; and

(2) a telephone number in a certified Minnesota organ procurement organization that may be called with respect to questions regarding anatomical gifts.

(c) The application must be accompanied also by information containing relevant facts relating to:

- (1) the effect of alcohol on driving ability;
- (2) the effect of mixing alcohol with drugs;
- (3) the laws of Minnesota relating to operation of a motor vehicle while under the influence of alcohol or a controlled substance; and
- (4) the levels of alcohol-related fatalities and accidents in Minnesota and of arrests for alcohol-related violations.

**EFFECTIVE DATE.** This section is effective June 1, 2008.

Sec. 57. Minnesota Statutes 2006, section 171.07, subdivision 1, is amended to read:

Subdivision 1. **License; contents.** (a) Upon the payment of the required fee, the department shall issue to every qualifying applicant a license designating the type or class of vehicles the applicant is authorized to drive as applied for. This license must bear a distinguishing number assigned to the licensee; the licensee's full name, ~~and date of birth, and;~~ either (1) the licensee's residence address, or (2) the designated address under section 5B.05; a description of the licensee in a manner as the commissioner deems necessary; and the usual signature of the licensee. No license is valid unless it bears the usual signature of the licensee. Every license must bear a colored photograph or an electronically produced image of the licensee.

(b) If the United States Postal Service will not deliver mail to the applicant's residence address as listed on the license, then the applicant shall provide verification from the United States Postal Service that mail will not be delivered to the applicant's residence address and that mail will be delivered to a specified alternate mailing address. When an applicant provides an alternate mailing address under this subdivision, the commissioner shall use the alternate mailing address in lieu of the applicant's residence address for all notices and mailings to the applicant.

(c) Every license issued to an applicant under the age of 21 must be of a distinguishing color and plainly marked "Under-21."

(d) The department shall use processes in issuing a license that prohibit, as nearly as possible, the ability to alter or reproduce a license, or prohibit the ability to superimpose a photograph or electronically produced image on a license, without ready detection.

(e) A license issued to an applicant age 65 or over must be plainly marked "senior" if requested by the applicant.

**EFFECTIVE DATE.** This section is effective June 1, 2008.

Sec. 58. Minnesota Statutes 2006, section 171.07, subdivision 3, is amended to read:

Subd. 3. **Identification card; fee.** (a) Upon payment of the required fee, the department shall issue to every qualifying applicant a Minnesota identification card. The department may not issue a Minnesota identification card to an individual who has a driver's license, other than a limited license. The card must bear a distinguishing number assigned to the applicant; a colored photograph or an electronically produced image of the applicant; the applicant's full name, ~~and date of birth, and;~~ either (1) the licensee's residence address, or (2) the designated address under section 5B.05; a description of the applicant in the manner as the commissioner deems necessary; and the usual signature of the applicant.

(b) If the United States Postal Service will not deliver mail to the applicant's residence address as listed on the Minnesota identification card, then the applicant shall provide verification from the United States Postal Service that mail will not be delivered to the applicant's residence address and that mail will be delivered to a specified alternate mailing address. When an applicant provides an alternate mailing address under this subdivision, the commissioner shall use the alternate mailing address in lieu of the applicant's residence address for all notices and mailings to the applicant.

(c) Each identification card issued to an applicant under the age of 21 must be of a distinguishing color and plainly marked "Under-21."

(d) Each Minnesota identification card must be plainly marked "Minnesota identification card - not a driver's license."

(e) The fee for a Minnesota identification card is 50 cents when issued to a person who is developmentally disabled, as defined in section 252A.02, subdivision 2; a physically disabled person, as defined in section 169.345, subdivision 2; or, a person with mental illness, as described in section 245.462, subdivision 20, paragraph (c).

**EFFECTIVE DATE.** This section is effective June 1, 2008.

Sec. 59. Minnesota Statutes 2006, section 171.13, subdivision 1, is amended to read:

Subdivision 1. **Examination subjects and locations; provisions for color blindness, disabled veterans.** Except as otherwise provided in this section, the commissioner shall examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include a test of applicant's eyesight; ability to read and understand highway signs regulating, warning, and directing traffic; knowledge of traffic laws; knowledge of the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally, and of the legal penalties and financial consequences resulting from violations of laws prohibiting the operation of a motor vehicle while under the influence of alcohol or drugs; knowledge of railroad grade crossing safety; knowledge of slow-moving vehicle safety; knowledge of laws relating to pupil transportation safety, including the significance of school bus lights, signals, stop arm, and passing a school bus; knowledge of traffic laws related to bicycles; an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways, provided, further however, no driver's license shall be denied an applicant on the exclusive grounds that the applicant's eyesight is deficient in color perception. Provided, however, that war veterans operating motor vehicles especially equipped for disabled persons, shall, if otherwise entitled to a license, be granted such license. The commissioner shall make provision for giving these examinations either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant.

Sec. 60. Minnesota Statutes 2006, section 171.13, is amended by adding a subdivision to read:

Subd. 1i. **Pupil transportation safety.** The commissioner shall include in each edition of the driver's manual a section relating to pupil transportation safety laws.

Sec. 61. Minnesota Statutes 2006, section 171.165, subdivision 2, is amended to read:

Subd. 2. **Implied consent revocation.** The commissioner shall disqualify a person from operating commercial motor vehicles for a revocation under section 169A.52 or a statute or

ordinance from another state or jurisdiction in conformity with it, ~~in accordance with~~ for a period that is equivalent in duration under the driver disqualifications and penalties in Code of Federal Regulations, title 49, part 383, subpart D, that pertain to a conviction of being under the influence of alcohol or refusal to be tested.

**Sec. 62. [171.168] NOTIFICATION OF CONVICTION FOR VIOLATION BY COMMERCIAL DRIVER.**

(a) Each person who operates a commercial motor vehicle, who has a commercial driver's license issued by this state, and who is convicted of a criminal offense; of a serious traffic violation, as defined in Code of Federal Regulations, title 49, section 383.5; or of violating any other state or local law relating to motor vehicle traffic control, other than a parking violation, in any type of motor vehicle in another state or jurisdiction, shall notify the department's Division of Driver and Vehicle Services of the conviction. The person shall notify the division within 30 days after the date that the person was convicted.

(b) Each person who operates a commercial motor vehicle, who has a commercial driver's license issued by this state, and who is convicted of violating, in any type of motor vehicle, a Minnesota state or local law relating to motor vehicle traffic control, other than a parking violation, shall notify the person's employer of the conviction. The person shall notify the person's employer within 30 days after the date that the person was convicted. If the person is not currently employed, the person shall notify the division according to paragraph (a).

(c) Notification to the division must be made in writing and contain the following information:

(1) the driver's full name;

(2) the driver's license number;

(3) the date of conviction;

(4) the specific criminal or other offense; serious traffic violation, as defined in Code of Federal Regulations, title 49, section 383.5; and any other violation of state or local law relating to motor vehicle traffic control, for which the person was convicted and any suspension, revocation, or cancellation of certain driving privileges that resulted from the conviction;

(5) an indication whether the violation was in a commercial motor vehicle;

(6) the location of the offense; and

(7) the driver's signature.

**Sec. 63. [171.169] NOTIFICATION OF SUSPENSION OF LICENSE OF COMMERCIAL DRIVER.**

Each employee, as defined in Code of Federal Regulations, title 49, section 383.5, who has a Minnesota-issued driver's license suspended, revoked, or canceled by this state or another state or jurisdiction, who loses the right to operate a commercial motor vehicle in this state or another state or jurisdiction for any period, or who is disqualified from operating a commercial motor vehicle for any period, shall notify the person's employer of the suspension, revocation, cancellation, lost privilege, or disqualification. The employee shall notify the employer before the end of the business day following the day the employee received notice of the suspension, revocation, cancellation, lost

privilege, or disqualification.

Sec. 64. Minnesota Statutes 2006, section 171.18, subdivision 1, is amended to read:

Subdivision 1. **Offenses.** (a) The commissioner may suspend the license of a driver without preliminary hearing upon a showing by department records or other sufficient evidence that the licensee:

(1) has committed an offense for which mandatory revocation of license is required upon conviction;

(2) has been convicted by a court for violating a provision of chapter 169 or an ordinance regulating traffic, other than a conviction for a petty misdemeanor, and department records show that the violation contributed in causing an accident resulting in the death or personal injury of another, or serious property damage;

(3) is an habitually reckless or negligent driver of a motor vehicle;

(4) is an habitual violator of the traffic laws;

(5) is incompetent to drive a motor vehicle as determined in a judicial proceeding;

(6) has permitted an unlawful or fraudulent use of the license;

(7) has committed an offense in another state that, if committed in this state, would be grounds for suspension;

(8) has committed a violation of section 169.444, subdivision 2, paragraph (a), within five years of a prior conviction under that section;

(9) has committed a violation of section 171.22, except that the commissioner may not suspend a person's driver's license based solely on the fact that the person possessed a fictitious or fraudulently altered Minnesota identification card;

(10) has failed to appear in court as provided in section 169.92, subdivision 4;

(11) has failed to report a medical condition that, if reported, would have resulted in cancellation of driving privileges;

(12) has been found to have committed an offense under section 169A.33; ~~or~~

(13) has paid or attempted to pay a fee required under this chapter for a license or permit by means of a dishonored check issued to the state or a driver's license agent, which must be continued until the registrar determines or is informed by the agent that the dishonored check has been paid in full; or

(14) who, as owner or owners of a vehicle whose taxes or fees required under chapter 168, 168A, or 297B, were due, paid or attempted to pay, or had another person pay or attempt to pay, the vehicle taxes or fees required under chapter 168, 168A, or 297B, by means of a dishonored personal check issued to the state or a deputy registrar, which must be continued until the registrar determines or is informed by the deputy registrar that the dishonored check has been paid in full.

However, an action taken by the commissioner under clause (2) or (5) must conform to the

recommendation of the court when made in connection with the prosecution of the licensee.

(b) ~~Notwithstanding paragraph (a) or section 171.16, subdivision 2, the commissioner may not suspend the driver's license of an individual under paragraph (a) who was convicted of a violation of section 171.24, subdivision 1, whose license was under suspension at the time solely because of the individual's failure to appear in court or failure to pay a fine.~~

Sec. 65. Minnesota Statutes 2006, section 171.321, subdivision 2, is amended to read:

Subd. 2. **Rules.** (a) The commissioner of public safety shall prescribe rules governing the physical qualifications of school bus drivers and tests required to obtain a school bus endorsement. The rules must provide that an applicant for a school bus endorsement or renewal is exempt from the physical qualifications and medical examination required to operate a school bus upon providing evidence of being medically examined and certified within the preceding 24 months as physically qualified to operate a commercial motor vehicle, pursuant to Code of Federal Regulations, title 49, part 391, subpart E, or rules of the commissioner of transportation incorporating those federal regulations. The commissioner shall accept current Federal Aviation Administration medical certificates and physical examinations for school bus drivers conducted by medical examiners authorized as provided by Code of Federal Regulations, title 49, chapter 3, part 391, subpart E.

(b) The commissioner of public safety, in conjunction with the commissioner of education, shall adopt rules prescribing a training program for Head Start bus drivers. The program must provide for initial classroom and behind-the-wheel training, and annual in-service training. The program must provide training in defensive driving, human relations, emergency and accident procedures, vehicle maintenance, traffic laws, and use of safety equipment. The program must provide that the training will be conducted by the contract operator for a Head Start agency, the Head Start grantee, a licensed driver training school, or by another person or entity approved by both commissioners.

Sec. 66. Minnesota Statutes 2006, section 171.321, subdivision 5, is amended to read:

Subd. 5. **Annual evaluation and license verification.** (a) A school district, nonpublic school, or private contractor shall provide in-service training annually to each school bus driver.

(b) A school district, nonpublic school, or private contractor shall annually verify the validity of the driver's license of each employee who regularly transports students for the district in a type A school bus, a type B school bus, a type C school bus, or type D school bus, whether or not that bus is a multifunctional school activity bus, or regularly transports students for the district in a type III vehicle with the National Driver Register or with the Department of Public Safety.

**EFFECTIVE DATE.** This section is effective July 1, 2008.

Sec. 67. Minnesota Statutes 2006, section 174.02, subdivision 2, is amended to read:

Subd. 2. **Unclassified positions.** The commissioner shall appoint a deputy commissioner/chief engineer. The deputy commissioner/chief engineer must be licensed as a professional engineer under Minnesota Statutes, section 326.02. The commissioner may establish ~~four~~ three positions in the unclassified service at the ~~deputy and~~ assistant commissioner, assistant to commissioner, or personal secretary levels. ~~No more than two of these positions shall be at the deputy commissioner level.~~

Sec. 68. Minnesota Statutes 2006, section 174.24, is amended by adding a subdivision to read:



Subd. 1a. **Transit service needs implementation plan.** The commissioner shall develop and implement a transit service needs implementation plan that contains a goal of meeting at least 80 percent of unmet transit service needs in greater Minnesota by July 1, 2015, and meeting at least 90 percent of unmet transit service needs in greater Minnesota by July 1, 2025. The plan must include, but is not limited to, the following: an analysis of ridership and transit service needs throughout greater Minnesota; a calculation of unmet needs; an assessment of the level and type of service required to meet unmet needs; an analysis of costs and revenue options; and, a plan to reduce unmet transit service needs as specified in this subdivision. The plan must specifically address special transportation service ridership and needs. The commissioner may amend the plan as necessary, and may use all or part of the 2001 greater Minnesota public transportation plan created by the Minnesota Department of Transportation.

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

Sec. 69. **[174.247] ANNUAL TRANSIT REPORT.**

(a) By February 15 annually, the commissioner shall submit a report to the legislature on transit services outside the metropolitan area. The Metropolitan Council and any public transit system receiving assistance under section 174.24 shall provide assistance in creating the report, as requested by the commissioner.

(b) The report must include, at a minimum, the following:

(1) a descriptive overview of public transit in Minnesota;

(2) a descriptive summary of funding sources and assistance programs;

(3) a summary of each public transit system receiving assistance under section 174.24;

(4) data that identifies use of volunteers in providing transit service;

(5) financial data that identifies operating and capital costs, and funding sources, for each public transit system and for each transit system classification under section 174.24, subdivision 3b;

(6) a summary of progress with the transit service needs implementation plan under section 174.24, subdivision 1a, including identification of any adjustments made to the plan; and

(7) a calculation of the amounts of surplus or insufficient funds available for (i) paying the state share of transit operating costs under section 174.24, subdivision 3b, and (ii) following the transit service needs implementation plan.

**EFFECTIVE DATE.** This section is effective August 1, 2009.

Sec. 70. **[174.37] ADVISORY COMMITTEE ON NONMOTORIZED TRANSPORTATION.**

Subdivision 1. **Purpose.** (a) The commissioner of transportation shall establish an advisory committee on nonmotorized transportation. The committee shall make recommendations to the commissioner on items related to nonmotorized transportation, including safety, education, and development programs. The committee shall review and analyze issues and needs relating to operating nonmotorized transportation on public rights-of-way, and identify solutions and goals for addressing identified issues and needs.

(b) For purposes of this section, "nonmotorized transportation" includes bicycling, pedestrian activities, and other forms of nonmotorized transportation.

Subd. 2. **Members.** The advisory committee must consist of the following members:

(a) The commissioner of transportation shall appoint up to 18 Minnesota citizens, as follows: one member from each of the department's seven greater Minnesota districts; four members from the department's metropolitan district; and no more than seven members at large. Each of the seven members at large must represent nonmotorized interests or organizations.

(b) The commissioners of each of the following state agencies shall appoint an employee of the agency to serve as a member: administration, education, health, natural resources, public safety, transportation, and pollution control. The chair of the Metropolitan Council shall appoint an employee of the council to serve as a member. The director of Explore Minnesota Tourism shall appoint an employee of the agency to serve as a member. The division administrator of the Federal Highway Administration may appoint an employee of the agency to serve as a member.

(c) Members of the committee shall serve four-year terms.

Subd. 3. **Meetings.** The commissioner of transportation's designee shall convene the first meeting by January 15, 2009. The committee shall elect a chair from its membership, and shall establish a meeting schedule and meet at least annually.

Subd. 4. **Reports.** The committee shall issue an annual report to the commissioner of transportation.

Subd. 5. **Expenses.** Members of the advisory committee serve without compensation, but members who are not employees of government agencies must be reimbursed for expenses in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. The commissioner of transportation shall provide department staff support to the committee.

Subd. 6. **Expiration.** Notwithstanding section 15.059, subdivision 5, the committee does not expire.

Sec. 71. Minnesota Statutes 2006, section 221.011, is amended by adding a subdivision to read:

Subd. 50. **Out-of-service order.** "Out-of-service order" has the meaning given it in Code of Federal Regulations, title 49, section 383.5.

Sec. 72. Minnesota Statutes 2006, section 221.036, subdivision 1, is amended to read:

Subdivision 1. **Order.** The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for a violation of (1) section 221.021; (2) section 221.033, subdivision 2b; (3) section 221.151; (4) section 221.171; (5) section 221.141; (6) a federal, state, or local law, regulation, rule, or ordinance pertaining to railroad-highway grade crossings; or ~~(6)~~ (7) rules of the commissioner relating to the transportation of hazardous waste, motor carrier operations, insurance, or tariffs and accounting. An order must be issued as provided in this section.

Sec. 73. Minnesota Statutes 2006, section 221.036, subdivision 3, is amended to read:

Subd. 3. **Amount of penalty; considerations.** (a) The commissioner may issue an order

assessing a penalty of up to \$5,000 for all violations of section 221.021; 221.141; 221.151; or 221.171, or rules of the commissioner relating to motor carrier operations, insurance, or tariffs and accounting, identified during a single inspection, audit, or investigation.

(b) The commissioner may issue an order assessing a penalty up to a maximum of \$10,000 for all violations of section 221.033, subdivision 2b, identified during a single inspection or audit.

(c) In determining the amount of a penalty, the commissioner shall consider:

(1) the willfulness of the violation;

(2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;

(3) the history of past violations, including the similarity of the most recent violation and the violation to be penalized, the time elapsed since the last violation, the number of previous violations, and the response of the person to the most recent violation identified;

(4) the economic benefit gained by the person by allowing or committing the violation; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.

(d) ~~The commissioner shall assess a penalty of not less than \$1,000 against a driver who is convicted of a violation of an out-of-service order. The commissioner shall assess a penalty of not more than \$10,000 against an employer who knowingly allows or requires an employee to operate a commercial motor vehicle in violation of an out-of-service order.~~ in accordance with Code of Federal Regulations, title 49, section 383.53 against:

(1) a driver who is convicted of a violation of an out-of-service order;

(2) an employer who knowingly allows or requires an employee to operate a commercial motor vehicle in violation of an out-of-service order; or

(3) an employer who knowingly allows or requires an employee to operate a commercial motor vehicle in violation of a federal, state, or local law or regulation pertaining to railroad-highway grade crossings.

Sec. 74. Minnesota Statutes 2006, section 221.221, subdivision 2, is amended to read:

Subd. 2. **Enforcement powers.** Transportation program specialists and hazardous material program specialists of the department have the powers conferred by law upon police officers, only for the purpose purposes of enforcing;

(1) enforcing this chapter, sections 169.781 to 169.783 relating to commercial vehicle inspections, and sections 168D.05 and 168D.12 relating to motor carrier licenses and trip permits;

(2) enforcing Code of Federal Regulations, title 49, parts 40 and 382, and;

(3) enforcing the applicable rules, orders, or directives of the commissioner of transportation and the commissioner of revenue, issued under this chapter and chapter 168D or 296A, but for no other purpose, have the powers conferred by law upon police officers. The powers include the authority to conduct;

(4) enforcing the North American uniform out-of-service criteria and issuing out-of-service orders, as defined in Code of Federal Regulations, title 49, section 383.5; and

(5) conducting inspections at designated highway weigh stations or under other appropriate circumstances.

Sec. 75. Minnesota Statutes 2006, section 299A.705, subdivision 1, is amended to read:

Subdivision 1. **Vehicle services operating account.** (a) The vehicle services operating account is created in the special revenue fund, consisting of all money from the vehicle services fees specified in chapters 168 ~~and~~, 168A, and 168D, and any other money otherwise donated, allotted, appropriated, or legislated to this account.

(b) Funds appropriated are available to administer vehicle services as specified in chapters 168 ~~and~~, 168A, and 168D, and section 169.345, including:

- (1) designing, producing, issuing, and mailing vehicle registrations, plates, emblems, and titles;
- (2) collecting title and registration taxes and fees;
- (3) transferring vehicle registration plates and titles;
- (4) maintaining vehicle records;
- (5) issuing disability certificates and plates;
- (6) licensing vehicle dealers;
- (7) appointing, monitoring, and auditing deputy registrars; and
- (8) inspecting vehicles when required by law.

**EFFECTIVE DATE.** This section is effective retroactively from August 1, 2005, for fees collected on or after that date.

Sec. 76. Minnesota Statutes 2006, section 299D.03, subdivision 1, is amended to read:

Subdivision 1. **Members, powers, and duties.** (a) The commissioner is hereby authorized to employ and designate a chief supervisor, a chief assistant supervisor, and such assistant supervisors, sergeants and officers as are provided by law, who shall comprise the Minnesota State Patrol.

(b) The members of the Minnesota State Patrol shall have the power and authority:

(1) as peace officers to enforce the provisions of the law relating to the protection of and use of trunk highways;

(2) at all times to direct all traffic on trunk highways in conformance with law, and in the event of a fire or other emergency, or to expedite traffic or to insure safety, to direct traffic on other roads as conditions may require notwithstanding the provisions of law;

(3) to serve search warrants related to criminal motor vehicle and traffic violations and arrest warrants, and legal documents anywhere in the state;

(4) to serve orders of the commissioner of public safety or the commissioner's duly authorized

agents issued under the provisions of the Driver's License Law, the Safety Responsibility Act, or relating to authorized brake- and light-testing stations, anywhere in the state and to take possession of any license, permit, or certificate ordered to be surrendered;

(5) to inspect official brake and light adjusting stations;

(6) to make appearances anywhere within the state for the purpose of conducting traffic safety educational programs and school bus clinics;

(7) to exercise upon all trunk highways the same powers with respect to the enforcement of laws relating to crimes, as sheriffs and police officers;

(8) to cooperate, under instructions and rules of the commissioner of public safety, with all sheriffs and other police officers anywhere in the state, provided that said employees shall have no power or authority in connection with strikes or industrial disputes;

(9) to assist and aid any peace officer whose life or safety is in jeopardy;

(10) as peace officers to provide security and protection to the governor, governor elect, either or both houses of the legislature, and state buildings or property in the manner and to the extent determined to be necessary after consultation with the governor, or a designee. Pursuant to this clause, members of the State Patrol, acting as peace officers have the same powers with respect to the enforcement of laws relating to crimes, as sheriffs and police officers have within their respective jurisdictions;

(11) to inspect school buses anywhere in the state for the purposes of determining compliance with vehicle equipment, pollution control, and registration requirements;

(12) as peace officers to make arrests for public offenses committed in their presence anywhere within the state. Persons arrested for violations other than traffic violations shall be referred forthwith to the appropriate local law enforcement agency for further investigation or disposition; and

(13) to enforce the North American uniform out-of-service criteria and issue out-of-service orders, as defined in Code of Federal Regulations, title 49, section 383.5.

(c) The state may contract for State Patrol members to render the services described in this section in excess of their regularly scheduled duty hours and patrol members rendering such services shall be compensated in such amounts, manner and under such conditions as the agreement provides.

(d) Employees thus employed and designated shall subscribe an oath.

Sec. 77. Minnesota Statutes 2006, section 299D.06, is amended to read:

**299D.06 PATROL EMPLOYEES WHO ARE NOT TROOPERS.**

(a) Department personnel must be classified employees assigned to the Division of State Patrol if they are employed to enforce:

(1) laws relating to motor vehicle equipment; school bus equipment; drivers' licenses; motor vehicle registration; motor vehicle size and weight; motor carrier insurance, registration, and safety; and motor vehicle petroleum taxes;

(2) Pollution Control Agency rules relating to motor vehicle noise abatement; ~~and~~

(3) laws relating to directing the movement of vehicles; and

(4) the North American uniform out-of-service criteria and issue out-of-service orders, as defined in Code of Federal Regulations, title 49, section 383.5.

(b) Employees engaged in these duties, while actually on the job during their working hours only, shall have power to:

(1) issue citations in lieu of arrest and continued detention; and

(2) prepare notices to appear in court for violation of these laws and rules, in the manner provided in section 169.91, subdivision 3.

(c) They shall not be armed and, except as provided in this section, shall have none of the other powers and privileges reserved to peace officers including the power to enforce traffic laws and regulations.

Sec. 78. Minnesota Statutes 2006, section 325F.6641, subdivision 1, is amended to read:

Subdivision 1. **Damage.** (a) If a motor vehicle has sustained damage by collision or other occurrence which exceeds ~~70~~ 60 percent of its actual cash value immediately prior to sustaining damage, the seller must disclose that fact to the buyer, if the seller has actual knowledge of the damage. The amount of damage is determined by the retail cost of repairing the vehicle based on a complete written retail repair estimate or invoice, exclusive of the actual cost incurred to repair, replace, or reinstall inflatable safety restraints and other vehicle components that must be replaced due to the deployment of the inflatable safety restraints.

(b) The disclosure required under this subdivision must be made in writing on the application for title and registration or other transfer document, in a manner prescribed by the registrar of motor vehicles. The registrar shall revise the certificate of title form, including the assignment by seller (transferor) and reassignment by licensed dealer sections of the form, the separate application for title forms, and other transfer documents to accommodate this disclosure. If the seller is a motor vehicle dealer licensed pursuant to section 168.27, the disclosure required by this section must be made orally by the dealer to the prospective buyer in the course of the sales presentation.

(c) Upon transfer and application for title to a vehicle covered by this subdivision, the registrar shall record the term "rebuilt" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title used for that vehicle.

Sec. 79. Minnesota Statutes 2006, section 325F.6641, subdivision 2, is amended to read:

Subd. 2. **Form of disclosure.** The disclosure required in this section must be made in substantially the following form: "To the best of my knowledge, this vehicle has ..... has not ..... sustained damage, exclusive of any costs to repair, replace, or reinstall air bags and other components that were replaced due to deployment of air bags, in excess of ~~70~~ 60 percent actual cash value."

Sec. 80. Minnesota Statutes 2006, section 357.021, subdivision 6, is amended to read:

Subd. 6. **Surcharges on criminal and traffic offenders.** (a) Except as provided in this paragraph, the court shall impose and the court administrator shall collect a \$72 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor

offense, other than a violation of a law or ordinance relating to vehicle parking, for which there shall be a \$4 surcharge, and other than a violation of section 169.686, for which there shall be a \$25 surcharge. In the Second Judicial District, the court shall impose, and the court administrator shall collect, an additional \$1 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, including a violation of a law or ordinance relating to vehicle parking, if the Ramsey County Board of Commissioners authorizes the \$1 surcharge. The surcharge shall be imposed whether or not the person is sentenced to imprisonment or the sentence is stayed. The surcharge shall not be imposed when a person is convicted of a petty misdemeanor for which no fine is imposed.

(b) If the court fails to impose a surcharge as required by this subdivision, the court administrator shall show the imposition of the surcharge, collect the surcharge, and correct the record.

(c) The court may not waive payment of the surcharge required under this subdivision. Upon a showing of indigency or undue hardship upon the convicted person or the convicted person's immediate family, the sentencing court may authorize payment of the surcharge in installments.

(d) The court administrator or other entity collecting a surcharge shall forward it to the commissioner of finance.

(e) If the convicted person is sentenced to imprisonment and has not paid the surcharge before the term of imprisonment begins, the chief executive officer of the correctional facility in which the convicted person is incarcerated shall collect the surcharge from any earnings the inmate accrues from work performed in the facility or while on conditional release. The chief executive officer shall forward the amount collected to the commissioner of finance.

**EFFECTIVE DATE.** This section is effective June 9, 2008, and applies to acts committed on or after that date.

Sec. 81. Minnesota Statutes 2006, section 357.021, subdivision 7, is amended to read:

Subd. 7. **Disbursement of surcharges by commissioner of finance.** (a) Except as provided in paragraphs (b), (c), and (d), the commissioner of finance shall disburse surcharges received under subdivision 6 and section 97A.065, subdivision 2, as follows:

(1) one percent shall be credited to the game and fish fund to provide peace officer training for employees of the Department of Natural Resources who are licensed under sections 626.84 to 626.863, and who possess peace officer authority for the purpose of enforcing game and fish laws;

(2) 39 percent shall be credited to the peace officers training account in the special revenue fund; and

(3) 60 percent shall be credited to the general fund.

(b) The commissioner of finance shall credit \$3 of each surcharge received under subdivision 6 and section 97A.065, subdivision 2, to the general fund.

(c) In addition to any amounts credited under paragraph (a), the commissioner of finance shall credit \$44 of each surcharge received under subdivision 6 and section 97A.065, subdivision 2, and the \$4 parking surcharge, to the general fund.

(d) If the Ramsey County Board of Commissioners authorizes imposition of the additional \$1

surcharge provided for in subdivision 6, paragraph (a), the court administrator in the Second Judicial District shall transmit the surcharge to the commissioner of finance. The \$1 special surcharge is deposited in a Ramsey County surcharge account in the special revenue fund and amounts in the account are appropriated to the trial courts for the administration of the petty misdemeanor diversion program operated by the Second Judicial District Ramsey County Violations Bureau.

(e) Notwithstanding paragraphs (b) and (c), the commissioner of finance shall disburse the entire surcharge received under subdivision 6 for violations of section 169.686 as provided in paragraph (a).

**EFFECTIVE DATE.** This section is effective June 9, 2008, and applies to acts committed on or after that date.

Sec. 82. Minnesota Statutes 2006, section 473.1465, is amended by adding a subdivision to read:

Subd. 4. **Special transportation service assessment.** As part of its annual update to the performance evaluation report under section 473.13, subdivision 1a, the Metropolitan Council shall include an assessment of progress towards meeting transit goals for people with disabilities. The assessment must include, but is not limited to, the following:

- (1) a description of proposed program enhancements;
- (2) an assessment of progress;
- (3) identification of the estimated total number of potential and actual riders who are disabled;
- (4) an assessment of the level and type of service required to meet unmet ridership needs; and
- (5) an analysis of costs and revenue options, including a calculation of the amounts of surplus or insufficient funds available for achieving paratransit needs.

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

Sec. 83. Minnesota Statutes 2006, section 473.388, subdivision 2, is amended to read:

Subd. 2. **Replacement service; eligibility.** (a) The council may provide assistance under the program to a statutory or home rule charter city or town or combination thereof, that:

- ~~(a)~~ (1) is located in the metropolitan transit taxing district;
- ~~(b)~~ (2) is not served by the council bus service or is served only with council bus routes which begin or end within the applying city or town or combination thereof; and
- ~~(c)~~ (3) has fewer than four scheduled runs of council bus service during off-peak hours ~~defined in section 473.408, subdivision 1.~~

(b) Eligible cities or towns or combinations thereof may apply on behalf of a transit operator with whom they propose to contract for service.

(c) The council may not provide assistance under this section to a statutory or home rule charter city or town unless the city or town;

~~(i)~~ (1) was receiving assistance under Minnesota Statutes 1982, section 174.265 by July 1, 1984;



~~(ii)~~ (2) had submitted an application for assistance under that section by July 1, 1984; or

~~(iii)~~ (3) had submitted a letter of intent to apply for assistance under that section by July 1, 1984, and ~~submits~~ submitted an application for assistance under this section by July 1, 1988. A statutory or home rule charter city or town has an additional 12-month extension if it notified the former regional transit board before July 1, 1988, that the city or town is in the process of completing a transportation evaluation study that includes an assessment of the local transit needs of the city or town.

(d) Nothing in this section prevents a local governmental unit from providing public transit service that extends outside of the metropolitan transit taxing district.

(e) For purposes of this subdivision, "off-peak hours" means the time from 9:00 a.m. to 3:30 p.m. and 6:30 p.m. until the last bus on Monday through Friday of each week, and all day Saturday, Sunday, and holidays designated by the council.

Sec. 84. Minnesota Statutes 2006, section 473.446, subdivision 2, is amended to read:

Subd. 2. **Transit taxing district.** (a) The metropolitan transit taxing district is hereby designated as that portion of the metropolitan transit area lying within the following named cities, towns, or unorganized territory within the counties indicated:

~~(a)~~ (1) Anoka County. Anoka, Blaine, Centerville, Columbia Heights, Coon Rapids, Fridley, Circle Pines, Hilltop, Lexington, Lino Lakes, Spring Lake Park;

~~(b)~~ (2) Carver County. Chanhassen, the city of Chaska;

~~(c)~~ (3) Dakota County. Apple Valley, Burnsville, Eagan, Farmington, Inver Grove Heights, Lakeville, Lilydale, Mendota, Mendota Heights, Rosemount, South St. Paul, Sunfish Lake, West St. Paul;

~~(d)~~ (4) Ramsey County. All of the territory within Ramsey County;

~~(e)~~ (5) Hennepin County. Bloomington, Brooklyn Center, Brooklyn Park, Champlin, Chanhassen, Crystal, Deephaven, Eden Prairie, Edina, Excelsior, Golden Valley, Greenwood, Hopkins, Long Lake, Maple Grove, Medicine Lake, Minneapolis, Minnetonka, Minnetonka Beach, Mound, New Hope, Orono, Osseo, Plymouth, Richfield, Robbinsdale, St. Anthony, St. Louis Park, Shorewood, Spring Park, Tonka Bay, Wayzata, Woodland, the unorganized territory of Hennepin County;

~~(f)~~ (6) Scott County. Prior Lake, Savage, Shakopee; and

~~(g)~~ (7) Washington County. Baytown, the city of Stillwater, White Bear Lake, Bayport, Birchwood, Cottage Grove, Dellwood, Lake Elmo, Landfall, Mahtomedi, Newport, Oakdale, Oak Park Heights, Pine Springs, St. Paul Park, Willernie, Woodbury.

(b) The Metropolitan Council in its sole discretion may provide transit service by contract beyond the boundaries of the metropolitan transit taxing district or to ~~cities and towns within the taxing district~~ local governmental units which are receiving financial assistance under section 473.388, upon petition therefor by an interested city, township or political subdivision within the metropolitan transit area. The Metropolitan Council may establish such terms and conditions as it deems necessary and advisable for providing the transit service, including such combination of

fares and direct payments by the petitioner as will compensate the council for the full capital and operating cost of the service and the related administrative activities of the council. The amount of the levy made by any municipality to pay for the service shall be disregarded when calculation of levies subject to limitations is made, provided that cities and towns receiving financial assistance under section 473.388 shall not make a special levy under this subdivision without having first exhausted the available local transit funds as defined in section 473.388. The council shall not be obligated to extend service beyond the boundaries of the taxing district, or to cities and towns within the taxing district which are receiving financial assistance under section 473.388, under any law or contract unless or until payment therefor is received.

**EFFECTIVE DATE.** This section is effective July 1, 2008, for taxes payable in 2009.

Sec. 85. Minnesota Statutes 2006, section 473.4461, is amended to read:

**473.4461 ADDITIONS TO TRANSIT TAXING DISTRICT.**

Notwithstanding any provision of section 473.446 or any other law, the Metropolitan Council may not levy a tax under section 473.446, subdivision 1, in any city or town not included in the transit taxing district as it existed on ~~January 1, 2001~~ July 1, 2008, unless the council and the governing body of that city or town have agreed on a service expansion plan.

Sec. 86. Laws 2002, chapter 393, section 85, is amended to read:

Sec. 85. **DAN PATCH COMMUTER RAIL LINE; PROHIBITIONS.**

Subdivision 1. **Definition.** For purposes of this section, "Dan Patch commuter rail line" means the commuter rail line between Northfield and Minneapolis identified in the metropolitan council's transit 2020 master plan as the Dan Patch line.

Subd. 2. **Metropolitan council; prohibitions.** The metropolitan council must not take any action or spend any money for ~~study, planning,~~ preliminary engineering, final design, or construction for the Dan Patch commuter rail line. ~~The council must remove all references, other than references for historical purposes, to the Dan Patch commuter rail line from any future revisions to the council's transportation development guide and the council's regional transit master plan.~~

Subd. 3. **Commissioner of transportation.** The commissioner of transportation must not expend any money for ~~study, planning,~~ preliminary engineering, final design, or construction for the Dan Patch commuter rail line. ~~The commissioner must remove all references, other than references for historical purposes, to the Dan Patch commuter rail line from any future revisions to the state transportation plan and the commissioner's commuter rail system plan.~~

Subd. 4. **Regional rail authorities.** No regional rail authority may expend any money for ~~study, planning,~~ preliminary engineering, final design, or construction for the Dan Patch commuter rail line.

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

Sec. 87. **LAFAYETTE BRIDGE.**

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

portion of the Metropolitan Council Transportation Plan.

**Sec. 88. CREATION OF PLAN, REPORTS, AND ASSESSMENTS.**

The Department of Transportation and the Metropolitan Council shall create the plan, reports, and assessments required in Minnesota Statutes, sections 174.24, subdivision 1a; 174.247; and 473.1465 within current appropriation levels.

**Sec. 89. DEPUTY REGISTRAR OF MOTOR VEHICLES OFFICE MOVE.**

Notwithstanding Minnesota Statutes, section 168.33; Minnesota Rules, parts 7406.0350 and 7406.0355, or successor rules; or any other rules adopted by the commissioner of public safety limiting sites for the office of deputy registrar based on (1) moving the deputy registrar office to a new location, (2) the distance to an existing deputy registrar office, or (3) the annual volume of transactions processed by any deputy registrar, the commissioner of public safety shall by May 31, 2008, grant a variance to the State Bank of New Prague to move its office of deputy registrar within the limits of the city of New Prague from Scott County to Le Sueur County, with full authority to function as a registration and motor vehicle tax collection deputy registrar. All other provisions regarding the operation of a deputy registrar of motor vehicles under Minnesota Statutes, section 168.33, and Minnesota Rules, chapter 7406, apply to the office. The office move must take place by December 31, 2008.

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

**Sec. 90. REPORT ON URBAN PARTNERSHIP AGREEMENT.**

By January 15, 2009, and on January 15 each year through 2014, the commissioner of transportation, in conjunction with the Metropolitan Council, shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation concerning the status of the state's participation in the urban partnership agreement. The report must:

(1) present the elements of congestion reduction strategies to be implemented under the urban partnership agreement;

(2) summarize average daily traffic and congestion levels on affected roadways;

(3) summarize transit usage in affected corridors;

(4) identify the costs of participation and the sources of funding secured or to be secured;

(5) include information on revenues and expenditures under the urban partnership agreement;

(6) summarize any user fees collected on I-35W high-occupancy vehicle and dynamic shoulder lanes; and

(7) recommend any further legislative action necessary for the successful implementation and operation of the urban partnership agreement.

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

**Sec. 91. U.S. OPEN LICENSE PLATES.**

Subdivision 1. **Definitions.** (a) "Committee" means the 2008 U.S. Women's Open Committee.

(b) "Commissioner" means the commissioner of public safety.

Subd. 2. **Issuance and design.** Notwithstanding Minnesota Statutes, section 168.1293, upon the request of the committee, the commissioner shall issue to the committee a minimum of 250 special license plates for use in connection with the 2008 United States Golf Association Women's Open Championship. The special plates must be of a design approved by the commissioner after consultation with the committee. The plates may be displayed only on a passenger vehicle, the use of which has been donated for the open championship by the vehicle manufacturer. The plates are valid from the date of issuance until July 4, 2008.

Subd. 3. **Fees.** The commissioner shall collect a fee of \$10 for each pair of special plates issued under this section.

Subd. 4. **Application.** In requesting special plates under this section, the committee shall provide the following information to the commissioner at least 60 days before the start of the period for which the plates are requested:

- (1) the dates of the period for which the plates are requested;
- (2) the name, address, and telephone number of an authorized representative of the committee;
- (3) the quantity of plates requested; and

(4) a certification that the insurance required under Minnesota Statutes, section 65B.49, subdivision 3, will be provided for each vehicle for which special plates are provided under this section.

Subd. 5. **Liability.** If a parking violation citation is issued for a violation committed by a driver of a vehicle displaying special plates issued under this section, the committee is liable for the amount of fine, penalty assessment, late payment penalty, or cost of warrants issued in connection with the violation unless, within 15 days after receiving knowledge of the violation, the committee provides to the issuing authority the following information to the extent available: the driver's full name; home address; local address, if any; license number; and employer's name and address. If the committee is relieved of liability under this subdivision, the person who committed the violation remains liable for the violation.

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

Sec. 92. **HIGHWAY CHANGES; REPEALERS; EFFECTIVE DATES; REVISOR INSTRUCTIONS.**

Subdivision 1. **Legislative Route No. 295 removed.** (a) Minnesota Statutes, section 161.115, subdivision 226, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the city of St. Peter to transfer jurisdiction of Legislative Route No. 295 to the city of St. Peter and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor in writing that the conditions required to transfer the route are satisfied.

Subd. 2. **Legislative Route No. 335 removed.** (a) Minnesota Statutes, section 161.115,

subdivision 266, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the city of St. Peter to transfer jurisdiction of Legislative Route No. 335 to the city of St. Peter and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor in writing that the conditions required to transfer the route are satisfied.

**Sec. 93. INFRASTRUCTURE ADAPTATIONS.**

The commissioner of transportation shall investigate and recommend opportunities for infrastructure adaptations to accommodate the implementation of manure application technologies that lessen impacts on roads and bridges.

**Sec. 94. REPORT ON OFFICE OF PUPIL TRANSPORTATION SAFETY.**

By January 15, 2009, the commissioner of pupil safety and the director of pupil transportation safety must report to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation and education policy and finance concerning the Office of Pupil Transportation Safety, including adequacy of funding, staffing levels, available technology to carry out the requirements of Minnesota Statutes, section 169.435, and any recommended legislation to improve the ability of the pupil transportation safety director to perform statutory duties.

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

**Sec. 95. COMPLETE STREETS.**

The commissioner of transportation, in cooperation with the Metropolitan Council and representatives of counties, statutory and home rule charter cities, and towns, shall study the benefits, feasibility, and cost of adopting a complete streets policy applicable to plans to construct, reconstruct, and relocate streets and roads that includes the following elements:

- (1) safe access for all users, including pedestrians, bicyclists, motorists, and transit riders;
- (2) bicycle and pedestrian ways in urbanized areas except where bicyclists and pedestrians are prohibited by law, where costs would be excessively disproportionate, and where there is no need for bicycle and pedestrian ways;
- (3) paved shoulders on rural roads;
- (4) safe pedestrian travel, including for people with disabilities, on sidewalks and street crossings;
- (5) utilization of the latest and best design standards; and
- (6) consistency of complete streets plan with community context.

The commissioner shall report findings, conclusions, and recommendations to the senate Transportation Budget and Policy Division and the house of representatives Transportation Finance Division and Transportation and Transit Policy Subcommittee by December 5, 2008.

Sec. 96. **RIGHT-OF-WAY TRANSFERRED TO STATE RAIL BANK.**

(a) Notwithstanding Minnesota Statutes, section 16B.281, 16B.282, 92.45, or any other law to the contrary, the trunk highway right-of-way described in paragraph (b) is hereby transferred to the state rail bank under Minnesota Statutes, section 222.63, being a certain parcel of land located in the county of Otter Tail, state of Minnesota, being more particularly described in paragraph (b).

(b) All of Tracts A, B, and C described below:

TRACT A

That part of Government Lot 1 of Section 12, Township 132 North, Range 43 West, Otter Tail County, Minnesota, lying Northeasterly of the former Southwesterly right-of-way line of the BNSF Railway Company (formerly the St. Paul, Minneapolis and Manitoba Railway Company);

TRACT B

A strip of land 150 feet in width, being 75 feet on each side of the former centerline of the BNSF Railway Company (formerly the St. Paul, Minneapolis and Manitoba Railway Company) across the SW1/4NW1/4 of Section 12, Township 132 North, Range 43 West, Otter Tail County, Minnesota, said strip extending from the South line to the West line of said SW1/4NW1/4; together with that part of said SW1/4NW1/4 adjoining and Westerly of the above described strip and Easterly of the Easterly right-of-way line of said railroad company as located prior to 1888;

TRACT C

A strip of land 100 feet in width, being 50 feet on each side of the former centerline of the BNSF Railway Company (formerly the St. Paul, Minneapolis and Manitoba Railway Company) across the E1/2NE1/4 of Section 11, Township 132 North, Range 43 West, Otter Tail County, Minnesota, said strip extending from the East to the North line of said E1/2NE1/4;

together with that part of Tract D described below:

TRACT D

A strip of land 100 feet in width, being 50 feet on each side of the former centerline of the BNSF Railway Company (formerly the St. Paul, Minneapolis and Manitoba Railway Company) across the E1/2 of Section 2, Township 132 North, Range 43 West, Otter Tail County, Minnesota;

which lies Southeasterly of a line run parallel with and distant 135 feet Southeasterly of Line 1 described below:

LINE 1.

Beginning at a point on the North and South Quarter line of said Section 2, distant 1,060.11 feet North of the South Quarter corner thereof; thence run Northeasterly at an angle of 72°36'15" (measured from North to East) from said North and South Quarter line for 1,600 feet and there terminating;

together with all right of access, being the right of ingress to and egress from that part of Tract D hereinbefore described, not acquired herein, to the above described strip.

Sec. 97. **APPROPRIATION.**

\$...... is appropriated from the trunk highway fund to the commissioner of public safety in fiscal year 2009 to implement and operate the Office of Pupil Transportation Safety.

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

Sec. 98. **REPEALER.**

(a) Minnesota Statutes 2006, sections 169.145; and 169.446, subdivision 3, are repealed.

(b) Laws 2002, chapter 393, section 85, is repealed.

## ARTICLE 2

### TRANSPORTATION DEVELOPMENT

Section 1. Minnesota Statutes 2006, section 161.081, subdivision 3, as amended by Laws 2008, chapter 152, article 6, section 4, is amended to read:

Subd. 3. **Flexible highway account; ~~turnback other accounts.~~** (a) The flexible highway account is created in the state treasury. ~~Money in The account~~ commissioner shall be used:

(1) annually transfer in fiscal years 2009 and 2010 and 2011, 100 percent of the excess sum, as calculated in paragraph (i), and in fiscal years 2011 2012 and thereafter, 50 percent of the excess sum, as calculated in paragraph (i), for counties in the metropolitan area, as defined in section 473.121, subdivision 4, but for the purposes of the calculation cities of the first class will be excluded in the metropolitan area; and to the metropolitan routes of regional significance account under subdivision 4; and

(2) of expend the amount available in the flexible highway account less the amount, after the transfer under clause (1), as determined by the commissioner under this section subdivision, for:

(i) restoration of former trunk highways that have reverted to counties or to statutory or home rule charter cities, or for trunk highways that will be restored and subsequently turned back by agreement between the commissioner and the local road authority;

(ii) safety improvements on county highways, municipal highways, streets, or town roads; and

(iii) statewide routes of regional significance.

(b) For purposes of this subdivision, "restoration" means the level of effort required to improve the route that will be turned back to an acceptable condition as determined by agreement made between the commissioner and the county or city before the route is turned back.

(c) The commissioner shall review the need for funds to restore highways that have been or will be turned back. The commissioner shall determine, on a biennial basis, the percentage of funds in the flexible highway account to be distributed to each district, and within each district the percentage to be used for each of the purposes specified in paragraph (a), clause (2). Money in the account may be used for safety improvements and routes of regional significance only after money is set

aside to restore the identified turnbacks. The commissioner shall make these determinations only after meeting and holding discussions with committees selected by the statewide associations of both county commissioners and municipal officials. The commissioner shall, to the extent feasible, annually allocate 50 percent of the funds in the flexible highway account under paragraph (a), clause (2), to the department's metropolitan district, and 50 percent to districts in greater Minnesota.

(d) Money that will be used for the restoration of trunk highways that have reverted or that will revert to cities must be deposited in the municipal turnback account, which is created in the state treasury.

(e) Money that will be used for the restoration of trunk highways that have reverted or that will revert to counties must be deposited in the county turnback account, which is created in the state treasury.

(f) Money that will be used for safety improvements must be deposited in the highway safety improvement account, which is created in the state treasury to be used as grants to statutory or home rule charter cities, towns, and counties to assist in paying the costs of constructing or reconstructing city streets, county highways, or town roads to reduce crashes, deaths, injuries, and property damage.

(g) Money that will be used for statewide routes of regional significance must be deposited in the statewide routes of regional significance account, which is created in the state treasury, and used as grants to statutory or home rule charter cities, towns, and counties to assist in paying the costs of constructing or reconstructing city streets, county highways, or town roads with statewide or regional significance that have not been fully funded through other state, federal, or local funding sources.

(h) As part of each biennial budget submission to the legislature, the commissioner shall describe how the money in the flexible highway account will be apportioned among the county turnback account, the municipal turnback account, the trunk highway fund for routes turned back to local governments by agreement, the highway safety improvement account, and the statewide routes of regional significance account.

~~(i) The excess sum is calculated as the sum of revenue within the flexible highway account:~~

~~(1) attributed to that portion of the gasoline excise tax rate under section 296A.07, subdivision 3, in excess of 20 cents per gallon, and to that portion of the excise tax rates in excess of the energy equivalent of a gasoline excise tax rate of 20 cents per gallon for E85 and M85 under section 296A.07, subdivision 3, and special fuel under section 296A.08, subdivision 2;~~

~~(2) attributed to a change in the passenger vehicle registration tax under section 168.013, imposed on or after July 1, 2008, that exceeds (i) the amount collected in fiscal year 2008, multiplied by (ii) the annual average United States Consumer Price Index for the calendar year previous to the current calendar year, divided by the annual average United States Consumer Price Index for calendar year 2007; and~~

~~(3) attributed to that portion of the motor vehicle sales tax revenue in excess of the percentage allocated to the flexible highway account in fiscal year 2007.~~

~~(j) For purposes of this subdivision, the United States Consumer Price Index identified in paragraph (i), clause (2), is for all urban consumers, United States city average, as determined by the United States Department of Labor.~~



Sec. 2. Minnesota Statutes 2006, section 161.081, is amended by adding a subdivision to read:

Subd. 4. **Metropolitan routes of regional significance account.** (a) For purposes of this subdivision, the following terms have the meanings given them:

(1) "metropolitan area" has the meaning given in section 473.121, subdivision 4; and

(2) "population" has the meaning given in section 477A.011, subdivision 3, except that it excludes the three most populous cities in the metropolitan area.

(b) The metropolitan routes of regional significance account is created in the state treasury. Funds in the account are for allocation to metropolitan counties to assist in paying the costs of construction, reconstruction, or maintenance of county highways with statewide or regional significance that have not been fully funded through other state, federal, or local funding sources.

(c) The commissioner shall allocate funds in the account to counties in the metropolitan area so that each county receives an amount proportional to the percentage that its population, estimated or established by July 15 of the year prior to the current calendar year, bears to the total population of the counties receiving funds under this subdivision.

**EFFECTIVE DATE.** This section is effective July 1, 2009.

Sec. 3. Minnesota Statutes 2006, section 161.081, is amended by adding a subdivision to read:

Subd. 5. **Excess sum.** (a) For purposes of this section, "excess sum" means an amount calculated by the commissioner as the sum of revenue within the flexible highway account:

(1) attributed to that portion of the gasoline excise tax rate under section 296A.07, subdivision 3, in excess of 20 cents per gallon, and to that portion of the excise tax rates in excess of the energy equivalent of a gasoline excise tax rate of 20 cents per gallon for E85 and M85 under section 296A.07, subdivision 3, and special fuel under section 296A.08, subdivision 2;

(2) attributed to a change in the passenger vehicle registration tax under section 168.013, imposed on or after July 1, 2008, that exceeds (i) the amount collected in fiscal year 2008, multiplied by (ii) the annual average United States Consumer Price Index for the calendar year previous to the current calendar year, divided by the annual average United States Consumer Price Index for calendar year 2007; and

(3) attributed to that portion of the motor vehicle sales tax revenue in excess of the percentage allocated to the flexible highway account in fiscal year 2007.

(b) For purposes of this subdivision, the United States Consumer Price Index identified in paragraph (a), clause (2), is for all urban consumers, United States city average, as determined by the United States Department of Labor.

**EFFECTIVE DATE.** This section is effective July 1, 2009.

Sec. 4. Laws 2008, chapter 152, article 1, section 6, is amended to read:

**Sec. 6. VALUE CAPTURE STUDY; APPROPRIATION.**

Subdivision 1. **Findings.** The legislature finds that large public investments in state transportation infrastructure, such as constructing freeway interchanges, new highways, and rail

transit stations, can result in surrounding private land and other property increasing in value, sometimes by substantial amounts. The special assessment law, Minnesota Statutes, chapter 429, provides a method for local governments to use similar private or special benefits to help finance local streets, roads, and other transportation improvements. However, the law does not provide the state with a similar financing mechanism and the nature of a large state transportation project may suggest that alternative financing mechanisms are more appropriate.

Subd. 2. **Appropriation; study.** \$325,000 is appropriated from the general fund to the Board of Regents of the University of Minnesota for the Center for Transportation Studies to complete a study to assess the public policy implications of financing new and improved transportation infrastructure in Minnesota through capturing the value of the benefits created, to prepare a report on its findings, and to conduct a series of workshops. This is a onetime appropriation and is available in fiscal years 2008 ~~and~~, 2009, and 2010.

Subd. 3. **Report; workshops.** The Center for Transportation Studies must report its preliminary findings to the legislature by March 1, 2009, and must issue its full report by July 1, 2009. The Center for Transportation must also offer a series of educational workshops for elected officials during the summer and fall of 2009.

Sec. 5. Laws 2008, chapter 152, article 2, section 1, is amended to read:

Section 1. **[296A.083] DEBT SERVICE SURCHARGE.**

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

(1) "debt service" means the amount of principal and interest in each fiscal year attributable to the trunk highway bonds authorized in this article; and

(2) "surcharge" means the rate imposed under this section on gasoline taxed under section 296A.07, subdivision 3, clause (3), and includes a proportional rate for each type of fuel taxed under sections 296A.07, subdivision 3, clauses (1) and (2), and 296A.08, subdivision 2.

Subd. 2. **Debt service forecast.** On June 30, 2008, and each March 1 thereafter, the commissioner of finance shall report to the commissioner of revenue on trunk highway debt service. The report must include the annual amount of revenue from the surcharge previously ~~deposited in~~ transferred to the trunk highway fund, and a forecast of the total and annual amounts necessary to pay the remaining debt service.

Subd. 3. **Surcharge rate.** (a) By July 16, 2008, and each April 1 thereafter, the commissioner of revenue shall calculate and publish a surcharge as provided in paragraphs (b) and (c). The surcharge is imposed from August 1, 2008, through June 30, 2009, and each new surcharge thereafter is imposed the following July 1 through June 30.

(b) For fiscal years 2009 through 2012, the commissioner shall set the surcharge as specified in the following surcharge rate schedule.

Surcharge Rate Schedule	
Fiscal Year	Rate (in cents per gallon)

2009	0.5
2010	2.1
2011	2.5
2012	3.0

(c) For fiscal year 2013 and thereafter, the commissioner shall set the surcharge at the lesser of (1) 3.5 cents, or (2) an amount calculated so that the total proceeds from the surcharge deposited in the trunk highway fund from fiscal year 2009 to the upcoming fiscal year equals the total amount of debt service from fiscal years 2009 to 2039, and the surcharge is rounded to the nearest 0.1 cent.

Subd. 4. **Surcharge administration.** The audit, assessment, appeal, collection, enforcement, penalty, interest, refund and administrative provisions that apply to the taxes in chapter 296A apply to the surcharge imposed by this section. The surcharge is not to be used in calculating the credit in section 296A.16, subdivision 5.

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

Sec. 6. Laws 2008, chapter 152, article 2, section 3, subdivision 2, is amended to read:

**Subd. 2. State Road Construction**

1,717,694,000

(a) For the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts and consultant usage to support these activities. This includes the cost of actual payments to landowners for lands acquired for highway rights-of-way, payments to lessees, interest subsidies, and relocation expenses. This appropriation is in the following amounts:

(1) \$417,694,000 in fiscal year 2009, and the commissioner may use up to \$71,008,000 of this amount for program delivery;

(2) \$500,000,000 in fiscal year 2010, and the commissioner may use up to \$85,000,000 of this amount for program delivery; and

(3) \$100,000,000 in each fiscal year for fiscal years 2011 through 2018, and the commissioner may use up to \$17,000,000 of the amount in each fiscal year for program delivery.

(b) Of the amount in fiscal year 2009, \$40,000,000 is for construction of interchanges and intersections involving

a trunk highway, where the interchange or intersection will promote economic development, increase employment, relieve growing traffic congestion, and promote traffic safety. The amount under this paragraph must be allocated 50 percent to the department's metropolitan district, and 50 percent to districts in greater Minnesota.

(c) Of the amount in fiscal years 2009 and 2010, the commissioner shall use \$300,000,000 each year for predesign, design, preliminary engineering, right-of-way acquisition, reasonable approaches, construction, reconstruction, and maintenance of bridges in the trunk highway bridge improvement program under Minnesota Statutes, section 165.14.

(d) Of the total appropriation under this subdivision, the commissioner shall use at least \$50,000,000 for accelerating transit facility improvements on or adjacent to trunk highways.

(e) Of the total appropriation under this subdivision provided to the Department of Transportation's district 7, the commissioner shall first expend funds as necessary to accelerate all projects that (1) are on a trunk highway classified as a medium priority interregional corridor, (2) are included in the district's long-range transportation plan, but are not included in the state transportation improvement program or the ten-year highway work plan, and (3) expand capacity from a two-lane highway to a freeway or expressway, as defined in Minnesota Statutes, section 160.02, subdivision 19. The commissioner shall establish as the highest priority under this paragraph any project that currently has a final environmental impact statement completed. The requirement under this paragraph does not change the department's funding allocation process or the amount otherwise allocated to each transportation district.

Sec. 7. Laws 2008, chapter 152, article 3, section 1, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective the day following final enactment, and applies to any annual additional tax for a registration period that starts on or after September 1, 2008, ~~through August 31, 2009.~~

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

Sec. 8. Laws 2008, chapter 152, article 3, section 8, is amended to read:

Sec. 8. Minnesota Statutes 2006, section 297A.815, is amended by adding a subdivision to read:

Subd. 3. **Motor vehicle lease sales tax revenue.** (a) For purposes of this subdivision, "net revenue" means an amount equal to:

(1) the revenues, including interest and penalties, collected under section 297A.815, during the fiscal year; less

(2) the estimated reduction in individual income tax receipts and the estimated amount of refunds paid out under section 290.06, subdivision 34, for the fiscal year.

(b) On or before June 30 of each fiscal year, the commissioner of revenue shall estimate the amount of the revenues and subtraction under paragraph (a) for the current fiscal year.

(c) On or after July 1 of the subsequent fiscal year, the commissioner of finance shall transfer the net revenue as estimated in paragraph (b) from the general fund, as follows:

(1) 50 percent to the greater Minnesota transit account; and

(2) 50 percent to the ~~county state aid highway fund. Notwithstanding any other law to the contrary, the commissioner of transportation shall allocate the funds transferred under this clause to the counties in the metropolitan area, as defined in section 473.121, subdivision 4, excluding the counties of Hennepin and Ramsey, so that each county shall receive of such amount the percentage that its population, as defined in section 477A.011, subdivision 3, estimated or established by July 15 of the year prior to the current calendar year, bears to the total population of the counties receiving funds under this clause~~ metropolitan routes of regional significance account under section 161.081, subdivision 4.

(d) For fiscal years 2010 and 2011, the amount under paragraph (a), clause (1), must be calculated using the following percentages of the total revenues:

(1) for fiscal year 2010, 83.75 percent; and

(2) for fiscal year 2011, 93.75 percent.

Sec. 9. Laws 2008, chapter 152, article 4, section 2, subdivision 1, is amended to read:

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

(1) "metropolitan transportation area" means the counties participating in the joint powers agreement under subdivision 3;

(2) "eligible county" means the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington;

(3) "committee" means the Grant Evaluation and Ranking System (GEARS) Committee;

(4) "minimum guarantee county" means any ~~metropolitan county~~ or eligible county that is participating in the joint powers agreement under subdivision 3, whose proportion of the annual sales tax revenue under this section collected within that county is less than or equal to three percent; and

(5) "population" means the population, as defined in section 477A.011, subdivision 3, estimated or established by July 15 of the year prior to the calendar year in which the representatives will serve on the Grant Evaluation and Ranking System Committee established under subdivision 5.

Subd. 2. **Authorization; rates.** (a) Notwithstanding section 297A.99, subdivisions 1, 2, and 3, or 477A.016, or any other law, the board of a county participating in a joint powers agreement as specified in this section shall impose by resolution (1) a transportation sales and use tax at a rate of one-quarter of one percent on retail sales and uses taxable under this chapter, and (2) an excise tax of \$20 per motor vehicle purchased or acquired from any person engaged in the business of selling motor vehicles at retail, occurring within the jurisdiction of the taxing authority. The taxes authorized are to fund transportation improvements as specified in this section, including debt service on obligations issued to finance such improvements pursuant to subdivision 7.

(b) The tax imposed under this section is not included in determining if the total tax on lodging in the city of Minneapolis exceeds the maximum allowed tax under Laws 1986, chapter 396, section 5, as amended by Laws 2001, First Special Session chapter 5, article 12, section 87, or in determining a tax that may be imposed under any other limitations.

Subd. 3. **Joint powers agreement.** Before imposing the taxes authorized in subdivision 2, an eligible county must declare by resolution of its county board to be part of the metropolitan transportation area and must enter into a joint powers agreement. The joint powers agreement:

(1) must form a joint powers board, as specified in subdivision 4;

(2) must provide a process that allows any eligible county, by resolution of its county board, to join the joint powers board and impose the taxes authorized in subdivision 2;

(3) may provide for withdrawal of a participating county before final termination of the agreement; and

(4) may provide for a weighted voting system for joint powers board decisions.

Subd. 4. **Joint powers board.** (a) The joint powers board must consist of one or more commissioners of each county that is in the metropolitan transportation area, appointed by its county board, and the chair of the Metropolitan Council, who must have voting rights, subject to subdivision 3, clause (4). The joint powers board has the powers and duties provided in this section and section 471.59.

(b) The joint powers board may utilize no more than three-fourths of one percent of the proceeds of the taxes imposed under this section for ordinary administrative expenses incurred in carrying out the provisions of this section. Any additional administrative expenses must be paid by

the participating counties.

(c) The joint powers board may establish a technical advisory group that is separate from the GEARS Committee. The group must consist of representatives of cities, counties, or public agencies, including the Metropolitan Council. The technical advisory group must be used solely for technical consultation purposes.

**Subd. 5. Grant application and awards; Grant Evaluation and Ranking System (GEARS) Committee.** (a) The joint powers board shall establish a grant application process and identify the amount of available funding for grant awards. Grant applications must be submitted in a form prescribed by the joint powers board. An applicant must provide, in addition to all other information required by the joint powers board, the estimated cost of the project, the amount of the grant sought, possible sources of funding in addition to the grant sought, and identification of any federal funds that will be utilized if the grant is awarded. A grant application seeking transit capital funding must identify the source of money necessary to operate the transit improvement.

(b) The joint powers board shall establish a timeline and procedures for the award of grants, and may award grants only to the state and political subdivisions. The board shall define objective criteria for the award of grants, which must include, but not be limited to, consistency with the most recent version of the transportation policy plan adopted by the Metropolitan Council under section 473.146. The joint powers board shall maximize the availability and use of federal funds in projects funded under this section.

(c) The joint powers board shall establish a GEARS Committee, which must consist of:

(1) one county commissioner from each county that is in the metropolitan transportation area, appointed by its county board;

(2) one elected city representative from each county that is in the metropolitan transportation area;

(3) one additional elected city representative from each county for every additional 400,000 in population, or fraction of 400,000, in the county that is above 400,000 in population; and

(4) the chair of the Metropolitan Council Transportation Committee.

(d) Each city representative must be elected at a meeting of cities in the metropolitan transportation area, which must be convened for that purpose by the Association of Metropolitan Municipalities.

(e) The committee shall evaluate grant applications following objective criteria established by the joint powers board, and must provide to the joint powers board a selection list of transportation projects that includes a priority ranking.

(f) A grant award for a transit project located within the metropolitan area, as defined in section 473.121, subdivision 2, may be funded only after the Metropolitan Council reviews the project for consistency with the transit portion of the Metropolitan Council policy plan and one of the following occurs:

(1) the Metropolitan Council finds the project to be consistent;

(2) the Metropolitan Council initially finds the project to be inconsistent, but after a good faith

effort to resolve the inconsistency through negotiations with the joint powers board, agrees that the grant award may be funded; or

(3) the Metropolitan Council finds the project to be inconsistent, and submits the consistency issue for final determination to a panel, which determines the project to be consistent. The panel is composed of a member appointed by the chair of the Metropolitan Council, a member appointed by the joint powers board, and a member agreed upon by both the chair and the joint powers board.

(g) Grants must be funded by the proceeds of the taxes imposed under this section, bonds, notes, or other obligations issued by the joint powers board under subdivision 7.

(h) Notwithstanding the provisions of this subdivision, in fiscal year 2009, of the initial revenue collected under this section, the joint powers board shall allocate at least \$30,783,000 to the Metropolitan Council for operating assistance for transit.

Subd. 6. **Allocation of grant awards.** (a) The board must allocate grant awards only for the following transit purposes:

(i) capital improvements to transit ways, including, but not limited to, commuter rail rolling stock, light rail vehicles, and transit way buses;

(ii) capital costs for park-and-ride facilities, as defined in section 174.256, subdivision 2;

(iii) feasibility studies, planning, alternatives analyses, environmental studies, engineering, property acquisition for transit way purposes, and construction of transit ways; and

(iv) operating assistance for transit ways.

(b) The joint powers board must annually award grants to each minimum guarantee county in an amount no less than the amount of sales tax revenue collected within that county.

(c) No more than 1.25 percent of the total awards may be annually allocated for planning, studies, design, construction, maintenance, and operation of pedestrian programs and bicycle programs and pathways.

Subd. 7. **Bonds.** (a) The joint powers board or any county, acting under a joint powers agreement as specified in this section, may, by resolution, authorize, issue, and sell its bonds, notes, or other obligations for the purpose of funding grants under subdivision 6. The joint powers board or county may also, by resolution, issue bonds to refund the bonds issued pursuant to this subdivision.

(b) The bonds of the joint powers board must be limited obligations, payable solely from or secured by taxes levied under this section.

(c) The bonds of any county may be limited obligations, payable solely from or secured by taxes levied under this section. A county may also pledge its full faith, credit, and taxing power as additional security for the bonds.

(d) Bonds may be issued in one or more series and sold without an election. The bonds shall be secured, bear the interest rate or rates or a variable rate, have the rank or priority, be executed in the manner, be payable in the manner, mature, and be subject to the defaults, redemptions, repurchases, tender options, or other terms, and shall be sold in such manner as the joint powers board, the regional railroad authority, or the county may determine.



(e) The joint powers board or any regional railroad authority or any county may enter into and perform all contracts deemed necessary or desirable by it to issue and secure the bonds, including an indenture of trust with a trustee within or without the state.

(f) Except as otherwise provided in this subdivision, the bonds must be issued and sold in the manner provided under chapter 475.

(g) The joint powers board or any regional railroad authority wholly within the metropolitan transportation area also may authorize, issue, and sell its bonds, notes, or other obligations for the purposes, and in accordance with the procedures, set forth in section 398A.07 to fund grants as provided in subdivision 6. The bonds of any regional railroad authority may be limited obligations, payable solely from or secured by taxes levied under this section. A regional railroad authority may also pledge its taxing powers as additional security for the bonds.

**Subd. 8. Allocation of revenues.** After the deductions allowed in section 297A.99, subdivision 11, the commissioner of revenue shall remit the proceeds of the taxes imposed under this section on a monthly basis, as directed by the joint powers board under this section.

**Subd. 9. Administration, collection, enforcement.** Except as otherwise provided in this section, the provisions of section 297A.99, subdivisions 4 and 6 to 12a, govern the administration, collection, and enforcement of the tax authorized under this section.

**Subd. 10. Termination of taxes.** (a) The taxes imposed under section 297A.99, subdivision 1, by a county that withdraws from the joint powers agreement pursuant to subdivision 3, clause (3), shall terminate when the county has satisfied its portion, as defined in the joint powers agreement, of all outstanding bonds or obligations entered into while the county was a member of the agreement.

(b) If the joint powers agreement under subdivision 3 is terminated, the taxes imposed under section 297A.99, subdivision 1, at the time of the agreement termination will terminate when all outstanding bonds or obligations are satisfied. The auditors of the counties in which the taxes are imposed shall see to the administration of this paragraph.

**Subd. 11. Report.** The joint powers board shall report annually by February 1 to the house of representatives and senate committees having jurisdiction over transportation policy and finance concerning the revenues received and grants awarded.

**Subd. 12. Grant awards to Metropolitan Council.** Any grant award under this section made to the Metropolitan Council must supplement, and must not supplant, operating and capital assistance provided by the state.

**EFFECTIVE DATE.** This section is effective retroactively from the effective date of Laws 2008, chapter 152, article 4, section 2, subdivision 1. This section expires October 2, 2008, if the sales and use tax under subdivision 2 has not been imposed.

Sec. 10. Laws 2008, chapter 152, article 6, section 7, is amended to read:

**Sec. 7. [398A.10] TRANSIT FUNDING.**

**Subdivision 1. Capital costs.** A county regional railroad authority may not contribute more than ten percent of the capital costs of a light rail transit or commuter rail project. This subdivision does not apply to a light rail transit project for which a county regional railroad authority commits to

providing an amount greater than ten percent of the capital costs, if the commitment (1) is made before October 2, 2008, (2) is made as part of an application for federal funds, and (3) is adjusted by the county regional railroad authority to meet the requirements of this subdivision as part of the next scheduled federal funding application for the project.

Subd. 2. **Operating and maintenance costs.** A county regional railroad authority may not contribute any funds to pay the operating and maintenance costs for a light rail transit or commuter rail project. If a county regional railroad authority is contributing funds for operating and maintenance costs on a light rail transit or commuter rail project on the date of the enactment of this act, the authority may continue to contribute funds for these purposes until January 1, 2009.

Subd. 3. **Application.** This section only applies if a county has imposed the metropolitan transportation sales and use tax under section 297A.992.

~~**EFFECTIVE DATE.** This section is effective the day after the metropolitan transportation area sales tax is imposed under Minnesota Statutes, section 297A.992, subdivision 2~~ This section is effective July 1, 2008."

Amend the title accordingly

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

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

**S.F. No. 2642:** A bill for an act relating to data practices; modifying provisions of the safe at home program; amending Minnesota Statutes 2006, sections 5B.02; 5B.03, subdivision 1; 5B.07; 171.06, subdivision 3; 171.07, subdivisions 1, 3.

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

Page 2, line 3, delete "identified" and insert "identifiable"

Page 3, after line 24, insert:

"Sec. 4. Minnesota Statutes 2006, section 13.805, subdivision 2, is amended to read:

Subd. 2. ~~**Address confidentiality program**~~ **Safe at Home Program.** Data maintained by the Office of the Secretary of State, the Bureau of Criminal Apprehension, or law enforcement agencies regarding the ~~address confidentiality program~~ Safe at Home Program are governed by section 5B.07.

**EFFECTIVE DATE.** This section is effective June 1, 2008."

Re-number the sections in sequence

Amend the title numbers accordingly

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. 3243:** A bill for an act relating to game and fish; appropriating money for Leech Lake

walleye stocking.

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

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

**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.

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

Page 6, lines 22, 24, 27, and 30, delete "chapter 17" and insert "section 17.4982"

Page 7, after line 11, insert:

"Sec. 11. Minnesota Statutes 2006, section 97A.015, is amended by adding a subdivision to read:

Subd. 5a. **Certifiable diseases.** "Certifiable diseases" has the meaning given it in section 17.4982."

Page 7, line 16, delete ", as defined" and insert a period

Page 7, line 17, delete "in chapter 17."

Page 8, line 15, delete "chapter 17" and insert "sections 17.46 to 17.4999"

Page 8, lines 27 to 32, reinstate the stricken language

Page 9, line 10, delete the comma

Page 9, line 11, delete "as defined in chapter 17."

Page 9, line 15, delete "84.03" and insert "84D.03"

Page 9, line 29, delete the comma and insert a period

Page 9, line 30, delete "as defined in chapter 17."

Page 10, line 33, delete ", as defined in chapter 17"

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 Chaudhary from the Committee on Environment and Natural Resources, 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 do pass and be re-referred to the Committee on Rules and Administration. Report adopted.

**SECOND READING OF SENATE BILLS**

S.F. Nos. 3061, 3672, 3520, 3350, 3441, 3182, 3129, 2930, 2983, 3326, 3315, 3573, 2990, 3402, 3314, 2755, 3412, 2987, 3223 and 2642 were read the second time.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Senator Saxhaug moved that S.F. No. 2651 be withdrawn from the Committee on Finance and re-referred to the Committee on Judiciary. 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 Committee 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 Moua from the Committee on Judiciary, to which was re-referred**

**S.F. No. 3225:** A bill for an act relating to human services; authorizing the ombudsman and Medical Review Subcommittee to gather data about deceased clients; amending Minnesota Statutes 2006, sections 245.91, subdivision 3, by adding a subdivision; 245.92; 245.94, subdivisions 1, 2a; 245.97, subdivision 5.

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. 3716:** A bill for an act relating to data practices; providing for the protection of certain data relating to reports of the state auditor; amending Minnesota Statutes 2006, section 6.715, by adding a subdivision.

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

**Senator Moua from the Committee on Judiciary, to which was re-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. Report adopted.

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

**S.F. No. 2007:** A bill for an act relating to consumer protection; changing motor vehicle damage disclosure requirement; amending Minnesota Statutes 2006, section 325F.6641, subdivisions 1, 2.

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. 2886:** A bill for an act relating to state finance; modifying state budget requirements; amending Minnesota Statutes 2006, sections 13.605, subdivision 1; 16A.10, subdivisions 1, 2; 16A.11, subdivision 3.

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

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

**S.F. No. 914:** A bill for an act relating to data practices; regulating business screening services; providing civil penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 332.

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

Page 1, line 16, delete "30 days" and insert "month"

Page 2, line 18, after "Remedies" insert "; relationship to FCRA" and before "A" insert "(a)"

Page 2, after line 21, insert:

"(b) A business screening service in compliance with the applicable provisions of the Fair Credit Reporting Act, United States Code, title 15, section 1681, et seq., is considered to be in compliance with this section. Those entities are subject to the state remedies under this subdivision when their actions would violate this section and federal law."

Page 2, line 27, before the period, insert "or for the recovery of remedies under this section"

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. 3120:** A bill for an act relating to the open meeting law; requiring closed meetings to be recorded; granting attorney fees in certain cases; amending Minnesota Statutes 2006, sections 13D.05, subdivision 1; 13D.06, subdivision 4.

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

Page 1, line 15, delete everything after the second "closed"

Page 1, line 16, delete everything before "at" and insert "as permitted by the attorney-client privilege, must be electronically recorded"

Page 1, line 17, delete "shall" and insert "must"

Page 2, line 5, reinstate the stricken language

Page 2, line 6, strike "a specific" and insert "an"

Page 2, lines 8 and 11, delete "government entity" and insert "public body"

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. 3396:** A bill for an act relating to real property; providing for the Minnesota Subprime Foreclosure Deferment Act of 2008; proposing coding for new law in Minnesota Statutes, chapter 583.

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

Page 2, line 16, after "."" insert "For purposes of sections 583.33 to 583.40, "subprime loan" does not include a subprime loan originated by a state or federally chartered bank, savings bank, or credit union."

Page 4, line 35, after the period, insert "By the end of the deferment period, you will need to pay the entire amount that has been deferred plus other costs allowed by law in order to avoid a foreclosure sale."

Page 5, line 28, after the period, insert "Execution by the sheriff of the sheriff's certificate of sale is prima facie evidence of compliance with this act, provided that the eligible foreclosed homeowner has the remedies for monetary relief under section 583.40 for a reckless or bad faith violation of the

act."

Page 6, line 1, delete "The terms"

Page 6, delete lines 2 to 8 and insert "No notice is required for a foreclosure commenced on or before the effective date."

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. 2645:** A bill for an act relating to family law; eliminating requirement of Social Security number in marriage dissolution petitions; amending Minnesota Statutes 2006, section 518.10.

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

Page 1, line 8, before "The" insert:

"Subdivision 1. **Petition.**"

Page 2, after line 18, insert:

"Subd. 2. **Social Security number document.** In proceedings where child support or spousal maintenance issues will be addressed, the petition under subdivision 1 must be accompanied by a separate document that contains the Social Security numbers of the petitioner and the respondent. The Social Security number document must be maintained in a portion of the court file or records that are not accessible to the general public."

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. 3674:** A bill for an act relating to legislation; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 2006, sections 13.202, subdivision 3; 13.322, subdivision 1; 13.3806, subdivision 1; 13.635, subdivision 1; 13.681, subdivision 1; 13.712, subdivision 1; 13.83, subdivision 10; 13.871, subdivisions 1, 6; 17.117, subdivision 3; 46.044, subdivision 1; 72A.20, subdivision 11; 103F.725, subdivision 1a; 103I.005, subdivision 22; 103I.311, subdivision 3; 115A.554; 123B.88, subdivision 19; 124D.59, subdivision 3; 126C.17, subdivision 9; 144.396, subdivision 9; 144.581, subdivision 1; 144A.461; 145B.02, subdivision 5; 148.736, subdivisions 2, 3; 169.01, subdivision 4b; 169.421, subdivision 5; 169.448, subdivision 1; 171.12, subdivision 2a; 174.03, subdivision 8; 175.35; 237.411, subdivision 5; 244.08; 256.98, subdivision 7; 256B.04, subdivision 16; 256B.35, subdivision 1; 256J.30, subdivision 9; 256J.32, subdivision 4; 256J.42, subdivisions 5, 6; 256J.425, subdivisions 5, 6; 256J.46, subdivision 1; 256J.50, subdivision 1; 256J.521, subdivision 4; 256J.54, subdivision 5; 260B.235, subdivision 5; 260C.007, subdivision 6; 270.81, subdivision 1; 270.82, subdivision 1; 270.83, subdivision 3; 273.1398, subdivision 6; 275.065, subdivision 5a; 282.01, subdivision 1b; 289A.08, subdivision 7; 289A.63, subdivision 6; 290.0921, subdivision 3; 297A.70, subdivision 13; 298.282, subdivision 2; 300.15; 300.64, subdivision 4; 321.0108; 332.30; 352.03, subdivision 11; 352.119, subdivision 3; 354.07,

subdivision 3; 354A.12, subdivisions 1, 2a; 356.30, subdivision 1; 356.65, subdivision 2; 386.015, subdivision 5; 422A.101, subdivision 2; 424A.02, subdivision 8a; 458D.18, subdivision 9; 469.153, subdivision 2; 480.182; 484.012; 501B.86, subdivision 2; 508A.22, subdivision 3; 518C.310; 550.04; 609.101, subdivision 3; 609.75, subdivision 1; 609B.121; 609B.164; 609B.265, subdivision 3; 609B.515; 611.272; Minnesota Statutes 2007 Supplement, sections 16C.03, subdivision 10; 103I.235, subdivision 1; 136A.127, subdivision 8; 144.121, subdivision 5b; 148.67, subdivision 1; 183.57, subdivision 2; 183.59; 216B.1637; 256.01, subdivision 23; 256.476, subdivision 4; 256B.0915, subdivisions 3a, 3e; 256B.49, subdivision 16a; 256J.49, subdivision 13; 256J.55, subdivision 1; 268.101, subdivision 2; 325E.386, subdivision 1; 326.91, subdivision 1; 352.01, subdivision 2b; 446A.051, subdivision 1; 446A.072, subdivision 5a; Laws 2007, chapter 147, article 19, section 3, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 609B; repealing Minnesota Statutes 2006, sections 35.701; 35.96, subdivision 5; 62Q.64; 216C.30, subdivision 4; 256E.21, subdivision 3; 289A.11, subdivision 2; 383D.47; 473.1551, subdivision 1; 473.553, subdivision 14; 473.616; 484.69, subdivision 1a; 525.091, subdivision 2; Laws 2006, chapter 270, article 2, section 13; Laws 2007, chapter 128, article 6, section 16; Laws 2007, chapter 134, article 1, section 8; Laws 2007, chapter 147, article 1, section 32.

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

Page 19, lines 19 to 20, reinstate the stricken language

Page 19, line 21, reinstate the stricken "from the provisions of section" and after the stricken "268.04" insert "268.035" and reinstate the stricken period

Page 59, line 9, reinstate the stricken language

Page 59, line 10, reinstate the stricken "as provided in section" and before "venue" insert "356.96, subdivision 13,"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

**S.F. No. 3235:** A bill for an act relating to data practices; making technical changes; amending Minnesota Statutes 2006, sections 13.03, subdivision 3; 260B.171, subdivision 5; Minnesota Statutes 2007 Supplement, section 13.39, subdivisions 2, 2a.

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

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2006, section 6.715, is amended by adding a subdivision to read:

Subd. 5. **Review of data; data protection.** If, before releasing a report, the state auditor provides a person with data relating to the audit for the purpose of review and verification of the data, the person must protect the data from unlawful disclosure or be subject to the penalties and liabilities provided in sections 13.08 and 13.09."

Page 2, line 14, strike ", certifying, and" and delete "electronically" and insert "and certifying"



Page 2, line 15, delete the new language

Page 2, after line 35, insert:

"Sec. 3. Minnesota Statutes 2006, section 13.32, is amended by adding a subdivision to read:

Subd. 11. **Data sharing; improving instruction.** The following educational data may be shared between the Department of Education and the Minnesota Office of Higher Education as authorized by Code of Federal Regulations, title 34, section 99.31(a)(6), to analyze instruction in school districts for purposes of improvement:

(1) attendance data, including name of school or institution, school district, year or term of attendance, and term type;

(2) student demographic and enrollment data;

(3) academic performance and testing data; and

(4) special academic services received by a student.

Any analysis of or report on the data must contain only summary data."

Page 3, after line 27, insert:

"Sec. 6. Minnesota Statutes 2006, section 123B.03, subdivision 2, is amended to read:

Subd. 2. ~~Conditional hiring; discharge~~ **Effect of background check.** (a) A school hiring authority may hire an individual pending completion of a background check under subdivision 1 but shall notify the individual that the individual's employment may be terminated based on the result of the background check. 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 under this section.

(b) An individual must be informed by the school hiring authority if the individual's application to be an employee or volunteer in the district has been denied as a result of a background check conducted under this section. The school hiring authority must also inform an individual who is a current employee or volunteer if their employment or volunteer status in the district is being terminated as a result of a background check conducted under this section.

Sec. 7. Minnesota Statutes 2006, section 123B.03, subdivision 3, is amended to read:

Subd. 3. **Definitions.** For purposes of this section:

(a) "School" means a school as defined in section 120A.22, subdivision 4, except a home school, and includes a school receiving tribal contract or grant school aid under section 124D.83; school, for the purposes of this section, also means a service cooperative, a special education cooperative, or an education district under Minnesota Statutes 1997 Supplement, section 123.35, a charter school under section 124D.10, an intermediate school district under section 136D.01, and a joint powers district under section 471.59.

(b) "School hiring authority" means the school principal or other person having general control and supervision of the school.

(c) "Security violation" means failing to prevent or failing to institute safeguards to prevent the access, use, retention, or dissemination of information in violation of the security and management control outsourcing standard established by the state compact officer under section 299C.58, article I, paragraph (2), clause (B).

Sec. 8. Minnesota Statutes 2006, section 123B.03, is amended by adding a subdivision to read:

**Subd. 4. Third-party contractors; responsibility for criminal history record information.**

(a) For purposes of this section, a school hiring authority may contract with an eligible third party to conduct the criminal history background check required under subdivision 1. Before entering into the contract, the school hiring authority must:

(1) provide the state compact officer with the name of the proposed third-party contractor and a copy of the proposed contract;

(2) determine from the state compact officer whether the proposed contractor has committed a security violation; and

(3) request and receive permission from the state compact officer to enter into the contract with the proposed contractor.

A third-party contractor that has committed a security violation is ineligible to participate under this section.

(b) The contract must specify the purposes for which the background check information may be made available and incorporate into the contract by reference the management control outsourcing standard referred to in subdivision 3, paragraph (c). A third-party contractor under this section is subject to section 13.05, subdivision 11.

(c) A school hiring authority must inform an individual who is the subject of a criminal history background check that the individual has the right to request and obtain from the school hiring authority a copy of the background check report. A school hiring authority may charge the individual for the actual cost of providing a copy of the report. An individual who is the subject of a criminal history background check has the right to challenge the accuracy and completeness of information contained in the background check report under section 13.04, subdivision 4."

Page 5, after line 35, insert:

**"Sec. 10. [332.70] BUSINESS SCREENING SERVICES; DATA PRACTICES.**

**Subdivision 1. Definitions.** For purposes of this section:

(a) "Business screening service" means a person regularly engaged in the business of collecting, assembling, evaluating, or disseminating criminal record information on individuals for a fee. Business screening service does not include a government entity, as defined in section 13.02, or the news media.

(b) "Conviction" has the meaning given in section 609.02, subdivision 5.

(c) "Criminal record" means a record of an arrest, citation, prosecution, criminal proceeding, or conviction.

Subd. 2. **Criminal records.** A business screening service must not disseminate a criminal record unless the record has been updated within the previous 30 days.

Subd. 3. **Correction and deletion of records.** (a) If the completeness or accuracy of a criminal record maintained by a business screening service is disputed by the individual who is the subject of the record, the screening service shall, without charge, investigate the disputed record. In conducting an investigation, the business screening service shall review and consider all relevant information submitted by the subject of the record with respect to the disputed record.

(b) If the disputed record is found to be inaccurate or incomplete, the business screening service shall promptly correct the record. If the disputed record is found to be sealed, expunged, or the subject of a pardon, the business screening service shall promptly delete the record.

(c) A business screening service may terminate an investigation of a disputed record if the business screening agency reasonably determines that the dispute is frivolous, which may be based on the failure of the subject of the record to provide sufficient information to investigate the disputed record. Upon making a determination that the dispute is frivolous, the business screening service shall inform the subject of the record of the specific reasons why it has determined that the dispute is frivolous and provide a description of any information required to investigate the disputed record.

(d) The business screening service shall notify the subject of the disputed record of the correction or deletion of the record or of the termination or completion of the investigation related to the record within 30 days of the date when the agency receives notice of the dispute from the subject of the record.

Subd. 4. **Date and notice required.** A business screening service that disseminates a criminal record must include the date when the record was collected and a notice that the information may include records that have been expunged, sealed, or otherwise have become inaccessible to the public since that date.

Subd. 5. **Remedies; relationship to FCRA.** (a) A business screening service that violates this section is liable to the individual who is the subject of the record for a penalty of \$1,000 or actual damages caused by the violation, whichever is greater, plus costs and disbursements and reasonable attorney fees.

(b) A business screening service in compliance with the applicable provisions of the Fair Credit Reporting Act, United State Code, title 15, section 1681, et seq., is considered to be in compliance with this section. Those entities are subject to the state remedies under this subdivision when their actions would violate this section and federal law.

Subd. 6. **Service of process; jurisdiction.** A business screening service that disseminates criminal record information in this state or that obtains a criminal record from a government entity, as defined in section 13.02, or a court in this state is deemed to have consented to service of process in this state for purposes of section 5.25, subdivision 4, or other applicable law and to the jurisdiction of courts in this state for actions involving a violation of this section or for the recovery of remedies under this section.

Sec. 11. Minnesota Statutes 2006, section 518.10, is amended to read:

**518.10 REQUISITES OF PETITION.**

Subdivision 1. **Petition.** The petition for dissolution of marriage or legal separation shall state and allege:

(a) the name, and address, and, ~~in circumstances in which child support or spousal maintenance will be addressed, Social Security number~~ of the petitioner and any prior or other name used by the petitioner;

(b) the name and, if known, the address and, ~~in circumstances in which child support or spousal maintenance will be addressed, Social Security number~~ of the respondent and any prior or other name used by the respondent and known to the petitioner;

(c) the place and date of the marriage of the parties;

(d) in the case of a petition for dissolution, that either the petitioner or the respondent or both:

(1) has resided in this state for not less than 180 days immediately preceding the commencement of the proceeding, or

(2) has been a member of the armed services and has been stationed in this state for not less than 180 days immediately preceding the commencement of the proceeding, or

(3) has been a domiciliary of this state for not less than 180 days immediately preceding the commencement of the proceeding;

(e) the name at the time of the petition and any prior or other name, Social Security number, age, and date of birth of each living minor or dependent child of the parties born before the marriage or born or adopted during the marriage and a reference to, and the expected date of birth of, a child of the parties conceived during the marriage but not born;

(f) whether or not a separate proceeding for dissolution, legal separation, or custody is pending in a court in this state or elsewhere;

(g) in the case of a petition for dissolution, that there has been an irretrievable breakdown of the marriage relationship;

(h) in the case of a petition for legal separation, that there is a need for a decree of legal separation;

(i) any temporary or permanent maintenance, child support, child custody, disposition of property, attorneys' fees, costs and disbursements applied for without setting forth the amounts; and

(j) whether an order for protection under chapter 518B or a similar law of another state that governs the parties or a party and a minor child of the parties is in effect and, if so, the district court or similar jurisdiction in which it was entered.

The petition shall be verified by the petitioner or petitioners, and its allegations established by competent evidence.

Subd. 2. **Social Security number document.** In proceedings where child support or spousal maintenance issues will be addressed, the petition under subdivision 1 must be accompanied by a separate document that contains the Social Security numbers of the petitioner and the respondent. The Social Security number document must be maintained in a portion of the court file or records that are not accessible to the general public."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the first semicolon, insert "classifying data and authorizing data sharing;" and before "amending" insert "regulating practices of business screening services; providing for civil penalties and remedies;"

Amend the title numbers accordingly

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. 3574:** A bill for an act relating to education; increasing the age of compulsory attendance from 16 to 18; amending Minnesota Statutes 2006, sections 120A.22, subdivision 5; 260C.007, subdivision 19; repealing Minnesota Statutes 2006, section 120A.22, subdivision 8.

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 120A.22, subdivision 5, is amended to read:

Subd. 5. **Ages and terms.** (a) Every child between age seven or enrollment in first grade and 16 18 years of age must receive instruction unless the child has completed the requirements for graduation. Every child under the age of seven who is enrolled in a half-day kindergarten, or a full-day kindergarten program on alternate days, or other kindergarten programs shall receive instruction. Except as provided in subdivision 6, a parent may withdraw a child under the age of seven from enrollment at any time.

(b) A school district by annual board action may require children subject to this subdivision to receive instruction in summer school. A district that acts to require children to receive instruction in summer school shall establish at the time of its action the criteria for determining which children must receive instruction.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to the 2008-2009 school year and later.

Sec. 2. Minnesota Statutes 2006, section 120A.24, subdivision 1, is amended to read:

Subdivision 1. **Reports to superintendent.** The person in charge of providing instruction to a child between the ages of seven and 16 must submit the following information to the superintendent of the district in which the child resides:

(1) by October 1 of each school year, the name, birth date, and address of each child receiving instruction;

(2) the name of each instructor and evidence of compliance with one of the requirements specified in section 120A.22, subdivision 10; and

(3) an annual instructional calendar; ~~and~~

~~(4) for each child instructed by a parent who meets only the requirement of section 120A.22, subdivision 10, clause (6), a quarterly report card on the achievement of the child in each subject area required in section 120A.22, subdivision 9.~~

Sec. 3. Minnesota Statutes 2006, section 120A.24, subdivision 2, is amended to read:

Subd. 2. **Availability of documentation.** The person in charge of providing instruction to a child must make available documentation indicating that the subjects required in section 120A.22, subdivision 9, are being taught. This documentation must include class schedules, copies of materials used for instruction, and descriptions of methods used to assess student achievement and for each child instructed by a parent who meets only the requirement of section 120A.22, subdivision 10, clause (6), a copy of a quarterly report card on the achievement of the child in each subject area required in section 120A.22, subdivision 9.

Sec. 4. Minnesota Statutes 2006, section 124D.68, subdivision 2, is amended to read:

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

- (1) performs substantially below the performance level for pupils of the same age in a locally determined achievement test;
- (2) is at least one year behind in satisfactorily completing coursework or obtaining credits for graduation;
- (3) is pregnant or is a parent;
- (4) has been assessed as chemically dependent;
- (5) has been excluded or expelled according to sections 121A.40 to 121A.56;
- (6) has been referred by a school district for enrollment in an eligible program or a program pursuant to section 124D.69;
- (7) is a victim of physical or sexual abuse;
- (8) has experienced mental health problems;
- (9) has experienced homelessness sometime within six months before requesting a transfer to an eligible program;
- (10) speaks English as a second language or has limited English proficiency; or
- (11) has withdrawn from school or has been chronically truant; or
- (12) is being treated in a hospital in the seven-county metropolitan area for cancer or other life threatening illness or is the sibling of an eligible pupil who is being currently treated, and resides with the pupil's family at least 60 miles beyond the outside boundary of the seven-county metropolitan area.

(b) A pupil who is between the ages of 16 and 21 who meets the criteria of paragraph (a), clauses (2), (5), or (11), may be assigned to an area learning center by the district only after consultation

with the pupil and their parent."

Renumber the sections in sequence

Amend the title numbers accordingly

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. 3307:** A bill for an act relating to finance; improving access to budget information by members of the legislature; requiring a forecast of cash flow for the general fund; providing deadline for modifying budget after February forecast; specifying format for detailed budget estimates of expenditures; imposing deadline for notice of deficiency requests; providing for an increase in the budget reserve; eliminating obsolete requirements; amending Minnesota Statutes 2006, sections 3.885, subdivision 5, by adding subdivisions; 13.605, subdivision 1; 16A.10, by adding a subdivision; 16A.11, subdivisions 1, 3, by adding a subdivision; Minnesota Statutes 2007 Supplement, section 16A.152, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Minnesota Statutes 2006, sections 16A.152, subdivision 1b; 16A.1522, 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 3.885, is amended by adding a subdivision to read:

Subd. 3a. **Findings.** The legislature finds that direct legislative access to the programmatic and human resource capacity of state agencies is necessary for effective planning and fiscal policy. In addition to the governor's budget recommendations and other required reports, direct access includes explicit responses to requests for agency budget recommendations and state agency assistance with the development of legislative budget proposals.

Sec. 2. Minnesota Statutes 2006, section 3.885, subdivision 4, is amended to read:

Subd. 4. **Agencies to cooperate.** All departments, agencies, and education institutions of the executive and judicial branches must comply with a request of the commission for information, data, estimates, and statistics on the funding revenue operations, and other affairs of the department, agency, or education institution. The commissioner of finance and the commissioner of revenue shall provide the commission with full and free access to information, data, estimates, and statistics in the possession of the Finance and Revenue Departments on the state budget, revenue, expenditures, and tax expenditures. The agency response to a commission request must be in the format specified by the commission in the request, if any.

Sec. 3. Minnesota Statutes 2006, section 3.885, subdivision 5, is amended to read:

Subd. 5. **Duties.** (a) The commission shall:

(1) provide the legislature with research and analysis of current and projected state revenue, state expenditures, and state tax expenditures;

(2) provide the legislature with a report analyzing the governor's proposed levels of revenue and

expenditures for biennial budgets submitted under section 16A.11 as well as other supplemental budget submittals to the legislature by the governor;

(3) provide an analysis of the impact of the governor's proposed revenue and expenditure plans for the next biennium;

(4) conduct research on matters of economic and fiscal policy and report to the legislature on the result of the research;

(5) provide economic reports and studies on the state of the state's economy, including trends and forecasts for consideration by the legislature;

(6) conduct budget and tax studies and provide general fiscal and budgetary information;

(7) review and make recommendations on the operation of state programs in order to appraise the implementation of state laws regarding the expenditure of funds and to recommend means of improving their efficiency;

(8) recommend to the legislature changes in the mix of revenue sources for programs, in the percentage of state expenditures devoted to major programs, and in the role of the legislature in overseeing state government expenditures and revenue projections;

(9) make a continuing study and investigation of the building needs of the government of the state of Minnesota, including, but not limited to the following: the current and future requirements of new buildings, the maintenance of existing buildings, rehabilitating and remodeling of old buildings, the planning for administrative offices, and the exploring of methods of financing building and related costs; ~~and~~

(10) develop and make requests to state agencies for budget information and recommendations;  
and

(11) conduct a continuing study of state-local finance, analyzing and making recommendations to the legislature on issues including levels of state support for political subdivisions, basic levels of local need, balances of local revenues and options, relationship of local taxes to individuals' ability to pay, and financial reporting by political subdivisions. In conducting this study, the commission shall consult with the governor, the staff of executive branch agencies, and the governor's Advisory Commission on State-Local Relations.

(b) In performing its duties under paragraph (a), the commission shall consider, among other things:

(1) the relative dependence on state tax revenues, federal funds, and user fees to support state-funded programs, and whether the existing mix of revenue sources is appropriate, given the purposes of the programs;

(2) the relative percentages of state expenditures that are devoted to major programs such as education, assistance to local government, aid to individuals, state agencies and institutions, and debt service; and

(3) the role of the legislature in overseeing state government expenditures, including legislative appropriation of money from the general fund, legislative appropriation of money from funds other than the general fund, state agency receipt of money into revolving and other dedicated funds and



expenditure of money from these funds, and state agency expenditure of federal funds.

(c) The commission's recommendations must consider the long-term needs of the state. The recommendations must not duplicate work done by standing committees of the senate and house of representatives.

The commission shall report to the legislature on its activities and recommendations by January 15 of each odd-numbered year.

The commission shall provide the public with printed and electronic copies of reports and information for the legislature. Copies must be provided at the actual cost of furnishing each copy.

Sec. 4. Minnesota Statutes 2006, section 13.605, subdivision 1, is amended to read:

Subdivision 1. **Legislative and budget proposal data.** (a) **Definition.** As used in this section, "state administration" means the governor's office, the Department of Finance, and any state agency that is under the direct control of the governor.

(b) **Classifications.** Except for requests from the legislature, legislative and budget proposals, including preliminary drafts, that are created, collected, or maintained by the state administration are protected nonpublic data. After until the budget is presented to the legislature by the state administration, supporting data, including agency requests, and are public data after the budget is presented to the legislature. Supporting data do not include preliminary drafts. The state administration may disclose any of the data within the state administration and to the public at any time if disclosure would aid the administration in considering and preparing its proposals.

Sec. 5. Minnesota Statutes 2006, section 16A.10, subdivision 1, is amended to read:

Subdivision 1. **Budget format.** In each even-numbered calendar year the commissioner shall prepare budget forms and instructions for all agencies, including guidelines for reporting agency performance measures, subject to the approval of the governor. The commissioner shall request and receive advisory recommendations from the chairs of the senate Finance Committee and house of representatives Ways and Means Committee before adopting a format for the biennial budget document. By June 15, the commissioner shall send the proposed budget forms to the appropriations and finance committees. The committees have until July 15 to give the commissioner their advisory recommendations on possible improvements. To facilitate this consultation, the commissioner shall establish a working group consisting of executive branch staff and designees of the chairs of the senate Finance and house of representatives Ways and Means Committees. The commissioner must involve this group in all stages of development of budget forms and instructions. The budget format must show actual expenditures and receipts for the three most recent fiscal year years, estimated expenditures and receipts for the current fiscal year, and estimates for each fiscal year of the next biennium. Estimated expenditures must be classified by funds and character of expenditures and may be subclassified by programs and activities. Agency revenue estimates must show how the estimates were made and what factors were used. Receipts must be classified by funds, programs, and activities. Expenditure and revenue estimates must be based on the law in existence at the time the estimates are prepared.

Sec. 6. Minnesota Statutes 2006, section 16A.10, is amended by adding a subdivision to read:

Subd. 2a. **Agency budget requests.** Whenever a general solicitation for budget recommendations is communicated to state agencies by the state administration, a copy of that

communication and the agency responses to that request must also be provided to the chair of the senate Finance Committee and the chair of the house Ways and Means Committee. All agency budget requests, whether or not included in the governor's budget recommendations, must be documented in a form developed by the commissioner under subdivision 1 and submitted as part of the detailed budget estimates under section 16A.11, subdivision 3.

**Sec. 7. [16A.107] CASH FLOW FORECAST.**

Within three weeks after the November forecast of state revenue and expenditures under section 16A.103, the commissioner shall deliver to the governor and the legislature a forecast of cash flow for the general fund, showing the expected maximum and minimum cash balance in the fund for each month of the forecast period.

Sec. 8. Minnesota Statutes 2006, section 16A.11, subdivision 1, is amended to read:

Subdivision 1. **When.** The governor shall submit a three-part budget to the legislature. Parts one and two, the budget message and detailed operating budget, must be submitted by the fourth Tuesday in January in each odd-numbered year. However, in a year following the election of a governor who had not been governor the previous year, parts one and two must be submitted by the third Tuesday in February. Part three, the detailed recommendations as to capital expenditure, must be submitted as follows: agency capital budget requests by July 15 of each odd-numbered year, and governor's recommendations by January 15 of each even-numbered year. Detailed recommendations as to information technology expenditure must be submitted as part of the detailed operating budget. Information technology recommendations must include projects to be funded during the next biennium and planning estimates for an additional two bienniums. Information technology recommendations must specify purposes of the funding such as infrastructure, hardware, software, or training. Any modifications to the operating budget made necessary by the forecast in February of an odd-numbered year must be submitted within two weeks after the forecast.

Sec. 9. Minnesota Statutes 2006, section 16A.11, subdivision 3, is amended to read:

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

(b) Tables listing expenditures for the next biennium must show the appropriation base for each year in column form broken down by appropriation allotments at budget activity level relative to proposed appropriation and appropriation allotment levels by budget activity. The appropriation base is the amount appropriated for the second year of the current biennium. The tables must separately show any adjustments to the base required by current law or policies of the commissioner of finance. For forecasted programs, the tables must also show the amount of the forecast adjustments, based on the most recent forecast prepared by the commissioner of finance under section 16A.103. For all programs, the tables must show the agency requests, the amount of appropriation changes recommended by the governor, after adjustments to the base and forecast adjustments, and the total recommendation of the governor for that year.

(c) The detailed estimates must include a separate line listing the total cost of professional and technical service contracts for the prior biennium and the projected costs of those contracts for the

current and upcoming biennium. They must also include a summary of the personnel employed by the agency, reflected as full-time equivalent positions.

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

(e) The detailed estimates must provide a spending trend analysis by program showing at least the three most recent years of actual spending, or as many years of actual spending as are available for new programs.

Sec. 10. Minnesota Statutes 2006, section 16A.11, is amended by adding a subdivision to read:

Subd. 8. **Deficiency requests.** By January 15 of each year, the commissioner of finance must notify the chair of the senate Finance Committee and the chair of the house Ways and Means Committee of any state agency requests to eliminate budget shortfalls likely to occur before the end of the legislative session.

Sec. 11. Minnesota Statutes 2007 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches \$653,000,000 an amount equal to five percent of biennial general fund expenditures and transfers for the current biennium;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve; and

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, paragraph (b), and Laws 2003, First Special Session chapter 9, article 5, section 34, as amended by Laws 2003, First Special Session chapter 23, section 20, by the same amount.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) To the extent that a positive unrestricted budgetary general fund balance is projected,

appropriations under this section must be made before section 16A.1522 takes effect.

(d) The commissioner of finance shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

**Sec. 12. REPEALER.**

Minnesota Statutes 2006, sections 16A.152, subdivision 1b; and 16A.1522, subdivision 4, are repealed."

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 Rest from the Committee on State and Local Government Operations and Oversight, to which was re-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, subdivisions 32a, 41a, by adding a subdivision; 97A.045, subdivision 7; 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; 97A.535, subdivision 1; 97B.015, subdivision 5; 97B.071; 97B.106, subdivision 1; 97B.211, subdivision 1; 97B.301, subdivisions 1, 2, 4, 6; 97B.721; 97C.355, subdivisions 4, 7a; 97C.401, subdivision 2; Minnesota Statutes 2007 Supplement, sections 97A.055, subdivision 4; 97A.405, subdivisions 2, 4; 97A.441, subdivision 7; 97A.451, subdivision 3; 97A.475, subdivisions 2, 3, 11, 12; 97B.031, subdivision 1; 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 Statutes 2007 Supplement, section 97B.301, subdivision 7; Minnesota Rules, parts 6232.0200, subpart 4; 6232.0300, subpart 4.

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

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

**S.F. No. 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 do pass and be placed on the Consent Calendar. Report adopted.

**Senator Rest from the Committee on State and Local Government Operations and**

**Oversight, to which was referred**

**S.F. No. 3331:** A bill for an act relating to local government finance; permitting Minneapolis Park and Recreation Board to retain proceeds from the condemnation of park lands necessary for the reconstruction and expansion of marked Interstate Highway 35W at the Mississippi River.

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

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

**S.F. No. 3237:** A bill for an act relating to natural resources; requiring updated rules on structures in public waters.

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. 3494:** A bill for an act relating to state government; providing additional whistleblower protection to state executive branch employees; amending Minnesota Statutes 2007 Supplement, section 181.932, subdivision 1.

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. 3461:** A bill for an act relating to local government; changing the date by which counties must provide summary budget data; amending Minnesota Statutes 2006, section 6.745, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

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

**S.F. No. 481:** A bill for an act relating to global warming and the environment; requiring adoption of California standards regarding low emission vehicles; providing for updates to the standards as necessary to comply with the federal Clean Air Act; amending Minnesota Statutes 2006, section 116.07, subdivision 2.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Transportation without recommendation. Report adopted.

**Senator Rest from the Committee on State and Local Government Operations and**

**Oversight, to which was re-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 2, 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:

Page 6, line 23, before "prohibits" insert "that"

Page 7, line 7, after "location" insert "where the dog will reside"

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. 3362:** A bill for an act relating to police officers; permitting police officers to be represented by an attorney and a union representative at disciplinary hearing; amending Minnesota Statutes 2006, section 626.89, subdivision 9.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 626.89, subdivision 9, is amended to read:

Subd. 9. **Presence of attorney ~~or~~ and union representative.** The officer whose formal statement is taken has the right to have an attorney or a union representative of the officer's choosing or an attorney retained by the officer, or both, present during the session. The officer may request the presence of an the attorney or the union representative, or both, at any time before or during the session. When a request under this subdivision is made, no formal statement may be taken until a reasonable opportunity is provided for the officer to obtain the presence of the attorney or the union representative."

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. 3168:** A bill for an act relating to human services; clarifying certain asset transfers; amending medical assistance preferred drug list; creating a cause of action for certain asset transfers; changing medical assistance lien provisions; modifying a children's pilot program; establishing a statewide health information exchange; allowing certain claims against an estate; amending Minnesota Statutes 2006, sections 256B.056, subdivision 4a; 256B.0571, subdivisions 8, 15, by adding a subdivision; 256B.0595, by adding subdivisions; 256B.0625, subdivision 13g; 256B.075, subdivision 2; 524.3-803; proposing coding for new law in Minnesota Statutes, chapter 256B.

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 125A.02, subdivision 1, is amended to read:

Subdivision 1. **Child with a disability.** Every child who has a hearing impairment, blindness, visual disability, speech or language impairment, physical disability, other health impairment, mental disability, emotional/behavioral disorder, specific learning disability, autism, traumatic brain injury, multiple disabilities, or deaf/blind disability and needs special instruction and services, as determined by the standards of the commissioner, is a child with a disability. A licensed physician or a licensed psychologist is qualified to make a diagnosis and determination of attention deficit disorder or attention deficit hyperactivity disorder for purposes of identifying a child with a disability. In addition, every child under age three, and at local district discretion from age three to age seven, who needs special instruction and services, as determined by the standards of the commissioner, because the child has a substantial delay or has an identifiable physical or mental condition known to hinder normal development is a child with a disability.

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

Sec. 2. Minnesota Statutes 2006, section 144A.45, subdivision 1, is amended to read:

Subdivision 1. **Rules.** The commissioner shall adopt rules for the regulation of home care providers pursuant to sections 144A.43 to 144A.47. The rules shall include the following:

~~(a)~~ (1) provisions to assure, to the extent possible, the health, safety and well-being, and appropriate treatment of persons who receive home care services;

~~(b)~~ (2) requirements that home care providers furnish the commissioner with specified information necessary to implement sections 144A.43 to 144A.47;

~~(c)~~ (3) standards of training of home care provider personnel, which may vary according to the nature of the services provided or the health status of the consumer;

~~(d)~~ (4) standards for medication management which may vary according to the nature of the services provided, the setting in which the services are provided, or the status of the consumer. Medication management includes the central storage, handling, distribution, and administration of medications;

~~(e)~~ (5) standards for supervision of home care services requiring supervision by a registered nurse or other appropriate health care professional which must occur on site at least every 62 days, or more frequently if indicated by a clinical assessment, and in accordance with sections 148.171 to 148.285 and rules adopted thereunder, except that, notwithstanding the provisions of Minnesota Rules, part 4668.0110, subpart 5, item B, supervision of a person performing home care aide tasks for a class B licensee providing paraprofessional services must occur only every 180 days, or more frequently if indicated by a clinical assessment;

~~(f)~~ (6) standards for client evaluation or assessment which may vary according to the nature of the services provided or the status of the consumer;

~~(g)~~ (7) requirements for the involvement of a consumer's physician, the documentation of physicians' orders, if required, and the consumer's treatment plan, and the maintenance of accurate,

current clinical records;

~~(h)~~ (8) the establishment of different classes of licenses for different types of providers and different standards and requirements for different kinds of home care services; and

~~(i)~~ (9) operating procedures required to implement the home care bill of rights.

Sec. 3. Minnesota Statutes 2006, section 144A.45, is amended by adding a subdivision to read:

Subd. 1a. **Home care aide tasks.** Notwithstanding the provisions of Minnesota Rules, part 4668.0110, subpart 1, item E, home care aide tasks also include assisting toileting, transfers, and ambulation if the client is ambulatory and if the client has no serious acute illness or infectious disease.

Sec. 4. Minnesota Statutes 2006, section 256.01, is amended by adding a subdivision to read:

Subd. 27. **Statewide health information exchange.** (a) The commissioner has the authority to join and participate as a member in a legal entity developing and operating a statewide health information exchange that shall meet the following criteria:

(1) the legal entity must meet all constitutional and statutory requirements to allow the commissioner to participate; and

(2) the commissioner or the commissioner's designated representative must have the right to participate in the governance of the legal entity under the same terms and conditions and subject to the same requirements as any other member in the legal entity and in that role shall act to advance state interests and lessen the burdens of government.

(b) Notwithstanding chapter 16C, the commissioner may pay the state's prorated share of development-related expenses of the legal entity retroactively from October 29, 2007, regardless of the date the commissioner joins the legal entity as a member.

Sec. 5. Minnesota Statutes 2006, section 256B.055, subdivision 12, is amended to read:

Subd. 12. **Disabled children.** (a) A person is eligible for medical assistance if the person is under age 19 and qualifies as a disabled individual under United States Code, title 42, section 1382c(a), and would be eligible for medical assistance under the state plan if residing in a medical institution, and the child requires a level of care provided in a hospital, nursing facility, or intermediate care facility for persons with developmental disabilities, for whom home care is appropriate, provided that the cost to medical assistance under this section is not more than the amount that medical assistance would pay for if the child resides in an institution. After the child is determined to be eligible under this section, the commissioner shall review the child's disability under United States Code, title 42, section 1382c(a) and level of care defined under this section no more often than annually and may elect, based on the recommendation of health care professionals under contract with the state medical review team, to extend the review of disability and level of care up to a maximum of four years. The commissioner's decision on the frequency of continuing review of disability and level of care is not subject to administrative appeal under section 256.045. The county agency shall send a notice of disability review to the enrollee six months prior to the date the recertification of disability is due. Nothing in this subdivision shall be construed as affecting other redeterminations of medical assistance eligibility under this chapter and annual cost-effective reviews under this section.



(b) For purposes of this subdivision, "hospital" means an institution as defined in section 144.696, subdivision 3, 144.55, subdivision 3, or Minnesota Rules, part 4640.3600, and licensed pursuant to sections 144.50 to 144.58. For purposes of this subdivision, a child requires a level of care provided in a hospital if the child is determined by the commissioner to need an extensive array of health services, including mental health services, for an undetermined period of time, whose health condition requires frequent monitoring and treatment by a health care professional or by a person supervised by a health care professional, who would reside in a hospital or require frequent hospitalization if these services were not provided, and the daily care needs are more complex than a nursing facility level of care.

A child with serious emotional disturbance requires a level of care provided in a hospital if the commissioner determines that the individual requires 24-hour supervision because the person exhibits recurrent or frequent suicidal or homicidal ideation or behavior, recurrent or frequent psychosomatic disorders or somatopsychic disorders that may become life threatening, recurrent or frequent severe socially unacceptable behavior associated with psychiatric disorder, ongoing and chronic psychosis or severe, ongoing and chronic developmental problems requiring continuous skilled observation, or severe disabling symptoms for which office-centered outpatient treatment is not adequate, and which overall severely impact the individual's ability to function.

(c) For purposes of this subdivision, "nursing facility" means a facility which provides nursing care as defined in section 144A.01, subdivision 5, licensed pursuant to sections 144A.02 to 144A.10, which is appropriate if a person is in active restorative treatment; is in need of special treatments provided or supervised by a licensed nurse; or has unpredictable episodes of active disease processes requiring immediate judgment by a licensed nurse. For purposes of this subdivision, a child requires the level of care provided in a nursing facility if the child is determined by the commissioner to meet the requirements of the preadmission screening assessment document under section 256B.0911 and the home care independent rating document under section 256B.0655, subdivision 4, clause (3), adjusted to address age-appropriate standards for children age 18 and under, pursuant to section 256B.0655, subdivision 3.

(d) For purposes of this subdivision, "intermediate care facility for persons with developmental disabilities" or "ICF/MR" means a program licensed to provide services to persons with developmental disabilities under section 252.28, and chapter 245A, and a physical plant licensed as a supervised living facility under chapter 144, which together are certified by the Minnesota Department of Health as meeting the standards in Code of Federal Regulations, title 42, part 483, for an intermediate care facility which provides services for persons with developmental disabilities who require 24-hour supervision and active treatment for medical, behavioral, or habilitation needs. For purposes of this subdivision, a child requires a level of care provided in an ICF/MR if the commissioner finds that the child has a developmental disability in accordance with section 256B.092, is in need of a 24-hour plan of care and active treatment similar to persons with developmental disabilities, and there is a reasonable indication that the child will need ICF/MR services.

(e) For purposes of this subdivision, a person requires the level of care provided in a nursing facility if the person requires 24-hour monitoring or supervision and a plan of mental health treatment because of specific symptoms or functional impairments associated with a serious mental illness or disorder diagnosis, which meet severity criteria for mental health established by the commissioner and published in March 1997 as the Minnesota Mental Health Level of Care for

Children and Adolescents with Severe Emotional Disorders.

(f) The determination of the level of care needed by the child shall be made by the commissioner based on information supplied to the commissioner by the parent or guardian, the child's physician or physicians, and other professionals as requested by the commissioner. The commissioner shall establish a screening team to conduct the level of care determinations according to this subdivision.

(g) If a child meets the conditions in paragraph (b), (c), (d), or (e), the commissioner must assess the case to determine whether:

(1) the child qualifies as a disabled individual under United States Code, title 42, section 1382c(a), and would be eligible for medical assistance if residing in a medical institution; and

(2) the cost of medical assistance services for the child, if eligible under this subdivision, would not be more than the cost to medical assistance if the child resides in a medical institution to be determined as follows:

(i) for a child who requires a level of care provided in an ICF/MR, the cost of care for the child in an institution shall be determined using the average payment rate established for the regional treatment centers that are certified as ICF's/MR;

(ii) for a child who requires a level of care provided in an inpatient hospital setting according to paragraph (b), cost-effectiveness shall be determined according to Minnesota Rules, part 9505.3520, items F and G; and

(iii) for a child who requires a level of care provided in a nursing facility according to paragraph (c) or (e), cost-effectiveness shall be determined according to Minnesota Rules, part 9505.3040, except that the nursing facility average rate shall be adjusted to reflect rates which would be paid for children under age 16. The commissioner may authorize an amount up to the amount medical assistance would pay for a child referred to the commissioner by the preadmission screening team under section 256B.0911.

(h) Children eligible for medical assistance services under section 256B.055, subdivision 12, as of June 30, 1995, must be screened according to the criteria in this subdivision prior to January 1, 1996. Children found to be ineligible may not be removed from the program until January 1, 1996.

Sec. 6. Minnesota Statutes 2007 Supplement, section 256B.055, subdivision 14, is amended to read:

Subd. 14. **Persons detained by law.** (a) Medical assistance may be paid for an inmate of a correctional facility who is conditionally released as authorized under section 241.26, 244.065, or 631.425, if the individual does not require the security of a public detention facility and is housed in a halfway house or community correction center, or under house arrest and monitored by electronic surveillance in a residence approved by the commissioner of corrections, and if the individual meets the other eligibility requirements of this chapter.

(b) An individual who is enrolled in medical assistance, and who is charged with a crime and incarcerated for less than 12 months shall be suspended from eligibility at the time of incarceration until the individual is released. Upon release, medical assistance eligibility is reinstated without reapplication using a reinstatement process and form, if the individual is otherwise eligible.

(c) An individual, regardless of age, who is considered an inmate of a public institution as defined in Code of Federal Regulations, title 42, section 435.1009 435.1010, is not eligible for medical assistance.

Sec. 7. Minnesota Statutes 2006, section 256B.056, subdivision 2, is amended to read:

Subd. 2. **Homestead exclusion and homestead equity limit for institutionalized persons residing in a long-term care facility.** ~~(a)~~ The homestead shall be excluded for the first six calendar months of a person's stay in a long-term care facility and shall continue to be excluded for as long as the recipient can be reasonably expected to return to the homestead. For purposes of this subdivision, "reasonably expected to return to the homestead" means the recipient's attending physician has certified that the expectation is reasonable, and the recipient can show that the cost of care upon returning home will be met through medical assistance or other sources. The homestead shall continue to be excluded for persons residing in a long-term care facility if it is used as a primary residence by one of the following individuals:

(1) the spouse;

(2) a child under age 21;

(3) a child of any age who is blind or permanently and totally disabled as defined in the supplemental security income program;

(4) a sibling who has equity interest in the home and who resided in the home for at least one year immediately before the date of the person's admission to the facility; or

(5) a child of any age, ~~or, subject to federal approval,~~ a grandchild of any age, who resided in the home for at least two years immediately before the date of the person's admission to the facility, and who provided care to the person that permitted the person to reside at home rather than in an institution.

~~(b) Effective for applications filed on or after July 1, 2006, and for renewals after July 1, 2006, for persons who first applied for payment of long-term care services on or after January 2, 2006, the equity interest in the homestead of an individual whose eligibility for long-term care services is determined on or after January 1, 2006, shall not exceed \$500,000, unless it is the lawful residence of the individual's spouse or child who is under age 21, blind, or disabled. The amount specified in this paragraph shall be increased beginning in year 2011, from year to year based on the percentage increase in the Consumer Price Index for all urban consumers (all items; United States city average), rounded to the nearest \$1,000. This provision may be waived in the case of demonstrated hardship by a process to be determined by the secretary of health and human services pursuant to section 6014 of the Deficit Reduction Act of 2005, Public Law 109-171.~~

Sec. 8. Minnesota Statutes 2006, section 256B.056, is amended by adding a subdivision to read:

Subd. 2a. **Home equity limit for medical assistance payment of long-term care services.** Effective for requests of medical assistance payment of long-term care services filed on or after July 1, 2006, and for renewals on or after July 1, 2006, for persons who received payment of long-term care services under a request filed on or after January 1, 2006, the equity interest in the home of a person whose eligibility for long-term care services is determined on or after January 1, 2006, shall not exceed \$500,000, unless it is the lawful residence of the person's spouse or child who is under age 21, or a child of any age who is blind or permanently and totally disabled as defined in the

Supplemental Security Income program. The amount specified in this paragraph shall be increased beginning in year 2011, from year to year based on the percentage increase in the Consumer Price Index for all urban consumers (all items; United States city average), rounded to the nearest \$1,000.

(b) For purposes of this subdivision, a "home" means any real or personal property interest, including an interest in an agricultural homestead as defined under section 273.124, subdivision 1, that, at the time of the request for medical assistance payment of long-term care services, is the primary dwelling of the person or was the primary dwelling of the person before receipt of long-term care services began outside of the home.

(c) A person denied or terminated from medical assistance payment of long-term care services because the person's home equity exceeds the home equity limit may seek a waiver based upon a hardship by filing a written request with the county agency. Hardship is an imminent threat to the person's health and well-being that is demonstrated by documentation of no alternatives for payment of long-term care services. The county agency shall make a decision regarding the written request to waive the home equity limit within 30 days if all necessary information has been provided. The county agency shall send the person and the person's representative a written notice of decision on the request for a demonstrated hardship waiver that also advises the person of appeal rights under the fair hearing process of section 256.045.

Sec. 9. Minnesota Statutes 2006, section 256B.056, subdivision 4a, is amended to read:

Subd. 4a. **Asset verification.** For purposes of verification, ~~the value of an individual is not required to make a good faith effort to sell a life estate that is not excluded under subdivision 2 and the life estate shall be considered deemed~~ not salable unless the owner of the remainder interest intends to purchase the life estate, or the owner of the life estate and the owner of the remainder sell the entire property. This subdivision applies only for the purpose of determining eligibility for medical assistance, and does not apply to the valuation of assets owned by either the institutional spouse or the community spouse under section 256B.059, subdivision 2.

Sec. 10. Minnesota Statutes 2006, section 256B.056, subdivision 11, is amended to read:

Subd. 11. **Treatment of annuities.** (a) ~~Any individual applying for or seeking recertification of eligibility for person requesting~~ medical assistance payment of long-term care services shall provide a complete description of any interest either the individual person or the individual's person's spouse has in annuities on a form designated by the department. The form shall include a statement that the state becomes a preferred remainder beneficiary of annuities or similar financial instruments by virtue of the receipt of medical assistance payment of long-term care services. The individual person and the individual's person's spouse shall furnish the agency responsible for determining eligibility with complete current copies of their annuities and related documents ~~for review as part of the application process on disclosure forms provided by the department as part of their application~~ and complete the form designating the state as the preferred remainder beneficiary for each annuity in which the person or the person's spouse has an interest.

(b) ~~The disclosure form shall include a statement that the department becomes the remainder beneficiary under the annuity or similar financial instrument by virtue of the receipt of medical assistance. The disclosure form department shall include a provide~~ notice to the issuer of the department's right under this section as a preferred remainder beneficiary under the annuity or similar financial instrument for medical assistance furnished to the individual person or the individual's person's spouse, and ~~require the issuer to provide confirmation that a remainder~~

~~beneficiary designation has been made and to notify the county agency when there is a change in the amount of the income or principal being withdrawn from the annuity or other similar financial instrument at the time of the most recent disclosure required under this section. The individual and the individual's spouse shall execute separate disclosure forms for each annuity or similar financial instrument that they are required to disclose under this section and in which they have an interest provide notice of the issuer's responsibilities as provided in paragraph (c).~~

(c) ~~An issuer of an annuity or similar financial instrument who receives notice on a disclosure form of the state's right to be named a preferred remainder beneficiary as described in paragraph (b) shall provide confirmation to the requesting agency that a remainder beneficiary designating the state has been made and a preferred remainder beneficiary. The issuer shall also notify the county agency when there is a change in the amount of income or principal being withdrawn from the annuity or other similar financial instrument or a change in the state's preferred remainder beneficiary designation under the annuity or other similar financial instrument occurs. The county agency shall provide the issuer with the name, address, and telephone number of a unit within the department that the issuer can contact to comply with this paragraph.~~

(d) "Preferred remainder beneficiary" for purposes of this subdivision and sections 256B.0594 and 256B.0595 means the state is a remainder beneficiary in the first position in an amount equal to the amount of medical assistance paid on behalf of the institutionalized person, or is a remainder beneficiary in the second position if the institutionalized person designates and is survived by a remainder beneficiary who is (1) a spouse who does not reside in a medical institution, (2) a minor child, or (3) a child of any age who is blind or permanently and totally disabled as defined in the Supplemental Security Income program. Notwithstanding this paragraph, the state is the remainder beneficiary in the first position if the spouse or child disposes of the remainder for less than fair market value.

(e) For purposes of this subdivision, "institutionalized person" and "long-term care services" have the meanings given in section 256B.0595, subdivision 1, paragraph (h).

(f) For purposes of this subdivision, "medical institution" means a skilled nursing facility, intermediate care facility, intermediate care facility for persons with developmental disabilities, nursing facility, or inpatient hospital.

Sec. 11. Minnesota Statutes 2006, section 256B.057, subdivision 1, is amended to read:

**Subdivision 1. Infants and pregnant women.** (a)(1) An infant less than one year of age or a pregnant woman who has written verification of a positive pregnancy test from a physician or licensed registered nurse is eligible for medical assistance if countable family income is equal to or less than 275 percent of the federal poverty guideline for the same family size. A pregnant woman who has written verification of a positive pregnancy test from a physician or licensed registered nurse is eligible for medical assistance if countable family income is equal to or less than 200 percent of the federal poverty guideline for the same family size. For purposes of this subdivision, "countable family income" means the amount of income considered available using the methodology of the AFDC program under the state's AFDC plan as of July 16, 1996, as required by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193, except for the earned income disregard and employment deductions.

(2) For applications processed within one calendar month prior to the effective date, eligibility shall be determined by applying the income standards and methodologies in effect prior to the

effective date for any months in the six-month budget period before that date and the income standards and methodologies in effect on the effective date for any months in the six-month budget period on or after that date. The income standards for each month shall be added together and compared to the applicant's total countable income for the six-month budget period to determine eligibility.

(b)(1) [Expired, 1Sp2003 c 14 art 12 s 19]

(2) For applications processed within one calendar month prior to July 1, 2003, eligibility shall be determined by applying the income standards and methodologies in effect prior to July 1, 2003, for any months in the six-month budget period before July 1, 2003, and the income standards and methodologies in effect on the expiration date for any months in the six-month budget period on or after July 1, 2003. The income standards for each month shall be added together and compared to the applicant's total countable income for the six-month budget period to determine eligibility.

(3) An amount equal to the amount of earned income exceeding 275 percent of the federal poverty guideline, up to a maximum of the amount by which the combined total of 185 percent of the federal poverty guideline plus the earned income disregards and deductions allowed under the state's AFDC plan as of July 16, 1996, as required by the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA), Public Law 104-193, exceeds 275 percent of the federal poverty guideline will be deducted for pregnant women and infants less than one year of age.

(c) Dependent care and child support paid under court order shall be deducted from the countable income of pregnant women.

(d) An infant born on or after January 1, 1991, to a woman who was eligible for and receiving medical assistance on the date of the child's birth shall continue to be eligible for medical assistance without redetermination until the child's first birthday, as long as the child remains in the woman's household.

Sec. 12. Minnesota Statutes 2006, section 256B.0571, subdivision 6, is amended to read:

Subd. 6. **Partnership policy.** "Partnership policy" means a long-term care insurance policy that meets the requirements under subdivision 10 and was issued on or after the effective date of the state plan amendment implementing the partnership program in Minnesota. Policies that are exchanged or that have riders or endorsements added on or after the effective date of the state plan amendment as authorized by the commissioner of commerce qualify as a partnership policy.

Sec. 13. Minnesota Statutes 2006, section 256B.0571, subdivision 8, is amended to read:

Subd. 8. **Program established.** (a) The commissioner, in cooperation with the commissioner of commerce, shall establish the Minnesota partnership for long-term care program to provide for the financing of long-term care through a combination of private insurance and medical assistance.

(b) An individual who meets the requirements in this paragraph is eligible to participate in the partnership program. The individual must:

(1) meet one of the following criteria:

(i) be a beneficiary of, and a Minnesota resident at the time coverage first became effective under the a partnership policy;

~~(2) be a beneficiary of a partnership policy that (i) either is issued on or after the effective date of the state plan amendment implementing the partnership program in Minnesota, or (ii) qualifies as a partnership policy under the provisions of subdivision 8a; and or~~

(ii) be a beneficiary of a policy recognized under subdivision 17; and

~~(3) (2) have exhausted all of the benefits under the partnership policy as described in this section. Benefits received under a long-term care insurance policy before July 1, 2006, do not count toward the exhaustion of benefits required in this subdivision.~~

Sec. 14. Minnesota Statutes 2006, section 256B.0571, subdivision 9, is amended to read:

Subd. 9. **Medical assistance eligibility.** (a) Upon ~~application request~~ request for medical assistance program payment of long-term care services by an individual who meets the requirements described in subdivision 8, the commissioner shall determine the individual's eligibility for medical assistance according to paragraphs (b) to (i).

(b) After determining assets subject to the asset limit under section 256B.056, subdivision 3 or 3c, or 256B.057, subdivision 9 or 10, the commissioner shall allow the individual to designate assets to be protected from recovery under subdivisions 13 and 15 up to the dollar amount of the benefits utilized under the partnership policy. Designated assets shall be disregarded for purposes of determining eligibility for payment of long-term care services.

(c) The individual shall identify the designated assets and the full fair market value of those assets and designate them as assets to be protected at the time of initial application for medical assistance. The full fair market value of real property or interests in real property shall be based on the most recent full assessed value for property tax purposes for the real property, unless the individual provides a complete professional appraisal by a licensed appraiser to establish the full fair market value. The extent of a life estate in real property shall be determined using the life estate table in the health care program's manual. Ownership of any asset in joint tenancy shall be treated as ownership as tenants in common for purposes of its designation as a disregarded asset. The unprotected value of any protected asset is subject to estate recovery according to subdivisions 13 and 15.

(d) The right to designate assets to be protected is personal to the individual and ends when the individual dies, except as otherwise provided in subdivisions 13 and 15. It does not include the increase in the value of the protected asset and the income, dividends, or profits from the asset. It may be exercised by the individual or by anyone with the legal authority to do so on the individual's behalf. It shall not be sold, assigned, transferred, or given away.

(e) If the dollar amount of the benefits utilized under a partnership policy is greater than the full fair market value of all assets protected at the time of the application for medical assistance long-term care services, the individual may designate additional assets that become available during the individual's lifetime for protection under this section. The individual must make the designation in writing to the county agency no later than ~~the last date on which the individual must report a change in circumstances to the county agency, as provided for under the medical assistance program~~ ten days from the date the designation is requested by the county agency. Any excess used for this purpose shall not be available to the individual's estate to protect assets in the estate from recovery under section 256B.15 or 524.3-1202, or otherwise.

(f) This section applies only to estate recovery under United States Code, title 42, section 1396p, subsections (a) and (b), and does not apply to recovery authorized by other provisions of federal law, including, but not limited to, recovery from trusts under United States Code, title 42, section 1396p, subsection (d)(4)(A) and (C), or to recovery from annuities, or similar legal instruments, subject to section 6012, subsections (a) and (b), of the Deficit Reduction Act of 2005, Public Law 109-171.

(g) An individual's protected assets owned by the individual's spouse who applies for payment of medical assistance long-term care services shall not be protected assets or disregarded for purposes of eligibility of the individual's spouse solely because they were protected assets of the individual.

(h) Assets designated under this subdivision shall not be subject to penalty under section 256B.0595.

(i) The commissioner shall otherwise determine the individual's eligibility for payment of long-term care services according to medical assistance eligibility requirements.

Sec. 15. Minnesota Statutes 2006, section 256B.0571, subdivision 15, is amended to read:

Subd. 15. **Limitation on liens.** (a) An individual's interest in real property shall not be subject to a medical assistance lien under sections 514.980 to 514.985 or a ~~notice of potential claim~~ lien arising under section 256B.15 while and to the extent it is protected under subdivision 9. An individual's interest in real property that exceeds the value protected under subdivision 9 is subject to a lien for recovery.

(b) Medical assistance liens under sections 514.980 to 514.985 or liens arising under ~~notices of potential claims~~ section 256B.15 against an individual's interests in real property in the individual's estate that are designated as protected under subdivision 13, paragraph (b), shall be released to the extent of the dollar value of the protection applied to the interest.

(c) If an interest in real property is protected from a lien for recovery of medical assistance paid on behalf of the individual under paragraph (a) or (b), no lien for recovery of medical assistance paid on behalf of that individual shall be filed against the protected interest in real property after it is distributed to the individual's heirs or devisees.

Sec. 16. Minnesota Statutes 2006, section 256B.0571, is amended by adding a subdivision to read:

Subd. 17. **Reciprocal agreements.** The commissioner may enter into an agreement with any other state with a partnership program under United States Code, title 42, section 1396p(b)(1)(C), for reciprocal recognition of qualified long-term care insurance policies purchased under each state's partnership program. The commissioner shall notify the secretary of the United States Department of Health and Human Services if the commissioner declines to enter into a national reciprocal agreement.

Sec. 17. Minnesota Statutes 2006, section 256B.058, is amended to read:

**256B.058 TREATMENT OF INCOME OF INSTITUTIONALIZED SPOUSE.**

Subdivision 1. **Income not available.** The income described in subdivisions 2 and 3 shall be deducted from an institutionalized spouse's monthly income and is not considered available for payment of the monthly costs of an institutionalized ~~person~~ spouse in the institution after ~~the person~~



~~has been~~ determined eligible for medical assistance.

**Subd. 2. Monthly income allowance for community spouse.** (a) For an institutionalized spouse ~~with a spouse residing in the community~~, monthly income may be allocated to the community spouse as a monthly income allowance for the community spouse. Beginning with the first full calendar month the institutionalized spouse is in the institution, the monthly income allowance is not considered available to the institutionalized spouse for monthly payment of costs of care in the institution as long as the income is made available to the community spouse.

(b) The monthly income allowance is the amount by which the community spouse's monthly maintenance needs allowance under paragraphs (c) and (d) exceeds the amount of monthly income otherwise available to the community spouse.

(c) The community spouse's monthly maintenance needs allowance is the lesser of \$1,500 or 122 percent of the monthly federal poverty guideline for a family of two plus an excess shelter allowance. The excess shelter allowance is for the amount of shelter expenses that exceed 30 percent of 122 percent of the federal poverty guideline line for a family of two. Shelter expenses are the community spouse's expenses for rent, mortgage payments including principal and interest, taxes, insurance, required maintenance charges for a cooperative or condominium that is the community spouse's principal residence, and the standard utility allowance under section 5(e) of the federal Food Stamp Act of 1977. If the community spouse has a required maintenance charge for a cooperative or condominium, the standard utility allowance must be reduced by the amount of utility expenses included in the required maintenance charge.

If the community or institutionalized spouse establishes that the community spouse needs income greater than the monthly maintenance needs allowance determined in this paragraph due to exceptional circumstances resulting in significant financial duress, the monthly maintenance needs allowance may be increased to an amount that provides needed additional income.

(d) The percentage of the federal poverty guideline used to determine the monthly maintenance needs allowance in paragraph (c) is increased to 133 percent on July 1, 1991, and to 150 percent on July 1, 1992. Adjustments in the income limits due to annual changes in the federal poverty guidelines shall be implemented the first day of July following publication of the annual changes. The \$1,500 maximum must be adjusted January 1, 1990, and every January 1 after that by the same percentage increase in the Consumer Price Index for all urban consumers (all items; United States city average) between the two previous Septembers.

(e) If a court has entered an order against an institutionalized spouse for monthly income for support of the community spouse, the community spouse's monthly income allowance under this subdivision shall not be less than the amount of the monthly income ordered.

**Subd. 3. Family allowance.** (a) A family allowance determined under paragraph (b) is not considered available to the institutionalized spouse for monthly payment of costs of care in the institution.

(b) The family allowance is equal to one-third of the amount by which 122 percent of the monthly federal poverty guideline for a family of two exceeds the monthly income for that family member.

(c) For purposes of this subdivision, the term family member only includes a minor or dependent child as defined in the Internal Revenue Code, dependent parent, or dependent sibling

of the institutionalized or community spouse if the sibling resides with the community spouse.

(d) The percentage of the federal poverty guideline used to determine the family allowance in paragraph (b) is increased to 133 percent on July 1, 1991, and to 150 percent on July 1, 1992. Adjustments in the income limits due to annual changes in the federal poverty guidelines shall be implemented the first day of July following publication of the annual changes.

**Subd. 4. Treatment of income.** (a) No income of the community spouse will be considered available to an eligible institutionalized spouse, beginning the first full calendar month of institutionalization, except as provided in this subdivision.

(b) In determining the income of an institutionalized spouse or community spouse, after the institutionalized spouse has been determined eligible for medical assistance, the following rules apply.

(1) For income that is not from a trust, availability is determined according to items (i) to (v), unless the instrument providing the income otherwise specifically provides:

(i) if payment is made solely in the name of one spouse, the income is considered available only to that spouse;

(ii) if payment is made in the names of both spouses, one-half of the income is considered available to each;

(iii) if payment is made in the names of one or both spouses together with one or more other persons, the income is considered available to each spouse according to the spouse's interest, or one-half of the joint interest is considered available to each spouse if each spouse's interest is not specified;

(iv) if there is no instrument that establishes ownership, one-half of the income is considered available to each spouse; and

(v) either spouse may rebut the determination of availability of income by showing by a preponderance of the evidence that ownership interests are different than provided above.

(2) For income from a trust, income is considered available to each spouse as provided in the trust. If the trust does not specify an amount available to either or both spouses, availability will be determined according to items (i) to (iii):

(i) if payment of income is made only to one spouse, the income is considered available only to that spouse;

(ii) if payment of income is made to both spouses, one-half is considered available to each; and

(iii) if payment is made to either or both spouses and one or more other persons, the income is considered available to each spouse in proportion to each spouse's interest, or if no such interest is specified, one-half of the joint interest is considered available to each spouse.

Sec. 18. Minnesota Statutes 2006, section 256B.059, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section and ~~section~~ sections 256B.058 and 256B.0595, the terms defined in this subdivision have the meanings given them.

(b) "Community spouse" means the spouse of an institutionalized spouse.

(c) "Spousal share" means one-half of the total value of all assets, to the extent that either the institutionalized spouse or the community spouse had an ownership interest at the time of the first continuous period of institutionalization.

(d) "Assets otherwise available to the community spouse" means assets individually or jointly owned by the community spouse, other than assets excluded by subdivision 5, paragraph (c).

(e) "Community spouse asset allowance" is the value of assets that can be transferred under subdivision 3.

(f) "Institutionalized spouse" means a person who is:

(1) in a hospital, nursing facility, or intermediate care facility for persons with developmental disabilities, or receiving home and community-based services under section 256B.0915 ~~or 256B.49~~, and is expected to remain in the facility or institution or receive the home and community-based services for at least 30 consecutive days; and

(2) married to a person who is not in a hospital, nursing facility, or intermediate care facility for persons with developmental disabilities, and is not receiving home and community-based services under section 256B.0915, 256B.092, or 256B.49.

(g) "For the sole benefit of" means no other individual or entity can benefit in any way from the assets or income at the time of a transfer or at any time in the future.

(h) "Continuous period of institutionalization" means a 30-consecutive-day period of time in which a person is expected to stay in a medical or long-term care facility, or receive home and community-based services that would qualify for coverage under the elderly waiver (EW) or alternative care (AC) programs. For a stay in a facility, the 30-consecutive-day period begins on the date of entry into a medical or long-term care facility. For receipt of home and community-based services, the 30-consecutive-day period begins on the date that the following conditions are met:

(1) the person is receiving services that meet the nursing facility level of care determined by a long-term care consultation;

(2) the person has received the long-term care consultation within the past 60 days;

(3) the services are paid by the EW program under section 256B.0915 or the AC program under section 256B.0913 or would qualify for payment under the EW or AC programs if the person were otherwise eligible for either program, and but for the receipt of such services the person would have resided in a nursing facility; and

(4) the services are provided by a licensed provider qualified to provide home and community-based services.

Sec. 19. Minnesota Statutes 2006, section 256B.059, subdivision 1a, is amended to read:

Subd. 1a. **Institutionalized spouse.** The provisions of this section apply only when a spouse ~~is institutionalized for a~~ begins the first continuous period beginning of institutionalization on or after October 1, 1989.

Sec. 20. Minnesota Statutes 2006, section 256B.0594, is amended to read:

**256B.0594 PAYMENT OF BENEFITS FROM AN ANNUITY.**

When payment becomes due under an annuity that names the department a remainder beneficiary ~~as described in section 256B.056, subdivision 11~~, the issuer shall request and the department shall, within 45 days after receipt of the request, provide a written statement of the total amount of the medical assistance paid or confirmation that any family member designated as a remainder beneficiary meets requirements for qualification as a beneficiary in the first position. Upon timely receipt of the written statement of the amount of medical assistance paid, the issuer shall pay the department an amount equal to the lesser of the amount due the department under the annuity or the total amount of medical assistance paid on behalf of the individual or the individual's spouse. Any amounts remaining after the issuer's payment to the department shall be payable according to the terms of the annuity or similar financial instrument. The county agency or the department shall provide the issuer with the name, address, and telephone number of a unit within the department the issuer can contact to comply with this section. The requirements of section 72A.201, subdivision 4, clause (3), shall not apply to payments made under this section until the issuer has received final payment information from the department, if the issuer has notified the beneficiary of the requirements of this section at the time it initially requests payment information from the department.

Sec. 21. Minnesota Statutes 2006, section 256B.0595, subdivision 1, is amended to read:

Subdivision 1. **Prohibited transfers.** (a) For transfers of assets made on or before August 10, 1993, ~~if a an institutionalized person or the institutionalized person's spouse has given away, sold, or disposed of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under the supplemental security program, within 30 months before or any time after the date of institutionalization if the person has been determined eligible for medical assistance, or within 30 months before or any time after the date of the first approved application for medical assistance if the person has not yet been determined eligible for medical assistance, the person is ineligible for long-term care services for the period of time determined under subdivision 2.~~

(b) Effective for transfers made after August 10, 1993, ~~a an institutionalized person, a an institutionalized person's spouse, or any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the institutionalized person or institutionalized person's spouse, may not give away, sell, or dispose of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under the supplemental security income program, for the purpose of establishing or maintaining medical assistance eligibility. This applies to all transfers, including those made by a community spouse after the month in which the institutionalized spouse is determined eligible for medical assistance. For purposes of determining eligibility for long-term care services, any transfer of such assets within 36 months before or any time after an institutionalized person applies for requests medical assistance payment of long-term care services, or 36 months before or any time after a medical assistance recipient becomes an institutionalized person, for less than fair market value may be considered. Any such transfer is presumed to have been made for the purpose of establishing or maintaining medical assistance eligibility and the institutionalized person is ineligible for long-term care services for the period of time determined under subdivision 2, unless the institutionalized person furnishes convincing evidence to establish that the transaction was~~

exclusively for another purpose, or unless the transfer is permitted under subdivision 3 or 4. In the case of payments from a trust or portions of a trust that are considered transfers of assets under federal law, or in the case of any other disposal of assets made on or after February 8, 2006, any transfers made within 60 months before or any time after an institutionalized person ~~applies for requests~~ medical assistance payment of long-term care services and within 60 months before or any time after a medical assistance recipient becomes an institutionalized person, may be considered.

(c) This section applies to transfers, for less than fair market value, of income or assets, including assets that are considered income in the month received, such as inheritances, court settlements, and retroactive benefit payments or income to which the institutionalized person or the institutionalized person's spouse is entitled but does not receive due to action by the institutionalized person, the institutionalized person's spouse, or any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the institutionalized person or the institutionalized person's spouse.

(d) This section applies to payments for care or personal services provided by a relative, unless the compensation was stipulated in a notarized, written agreement which was in existence when the service was performed, the care or services directly benefited the person, and the payments made represented reasonable compensation for the care or services provided. A notarized written agreement is not required if payment for the services was made within 60 days after the service was provided.

(e) This section applies to the portion of any asset or interest that a an institutionalized person, a an institutionalized person's spouse, or any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the institutionalized person or the institutionalized person's spouse, transfers to any annuity that exceeds the value of the benefit likely to be returned to the institutionalized person or institutionalized person's spouse while alive, based on estimated life expectancy ~~using the life expectancy tables employed by the supplemental security income program to determine the value of an agreement for services for life as determined according to the current actuarial tables published by the Office of the Chief Actuary of the Social Security Administration.~~ The commissioner may adopt rules reducing life expectancies based on the need for long-term care. This section applies to an annuity ~~described in this paragraph~~ purchased on or after March 1, 2002, that:

(1) is not purchased from an insurance company or financial institution that is subject to licensing or regulation by the Minnesota Department of Commerce or a similar regulatory agency of another state;

(2) does not pay out principal and interest in equal monthly installments; or

(3) does not begin payment at the earliest possible date after annuitization.

(f) Effective for transactions, including the purchase of an annuity, occurring on or after February 8, 2006, ~~the purchase of an annuity~~ by or on behalf of an individual institutionalized person who has applied for or is receiving long-term care services or the individual's institutionalized person's spouse shall be treated as the disposal of an asset for less than fair market value unless the department is named as the a preferred remainder beneficiary in first position for an amount equal to at least the total amount of medical assistance paid on behalf of the individual or the individual's spouse; or the department is named as the remainder beneficiary in second position for an amount equal to at least the total amount of medical assistance paid on behalf of the individual or the individual's spouse

~~after the individual's community spouse or minor or disabled child and is named as the remainder beneficiary in the first position if the community spouse or a representative of the minor or disabled child disposes of the remainder for less than fair market value as described in section 256B.056, subdivision 11. Any subsequent change to the designation of the department as a preferred remainder beneficiary shall result in the annuity being treated as a disposal of assets for less than fair market value. The amount of such transfer shall be the maximum amount the individual institutionalized person or the individual's institutionalized person's spouse could receive from the annuity or similar financial instrument. Any change in the amount of the income or principal being withdrawn from the annuity or other similar financial instrument at the time of the most recent disclosure shall be deemed to be a transfer of assets for less than fair market value unless the individual institutionalized person or the individual's institutionalized person's spouse demonstrates that the transaction was for fair market value. In the event a distribution of income or principal has been improperly distributed or disbursed from an annuity or other retirement planning instrument of an institutionalized person or the institutionalized person's spouse, a cause of action exists against the individual receiving the improper distribution for the cost of medical assistance services provided or the amount of the improper distribution, whichever is less.~~

(g) Effective for transactions, including the purchase of an annuity, occurring on or after February 8, 2006, ~~the purchase of an annuity~~ by or on behalf of an individual institutionalized person applying for or receiving long-term care services shall be treated as a disposal of assets for less than fair market value unless it is:

(i) an annuity described in subsection (b) or (q) of section 408 of the Internal Revenue Code of 1986; or

(ii) purchased with proceeds from:

(A) an account or trust described in subsection (a), (c), or (p) of section 408 of the Internal Revenue Code;

(B) a simplified employee pension within the meaning of section 408(k) of the Internal Revenue Code; or

(C) a Roth IRA described in section 408A of the Internal Revenue Code; or

(iii) an annuity that is irrevocable and nonassignable; is actuarially sound as determined in accordance with actuarial publications of the Office of the Chief Actuary of the Social Security Administration; and provides for payments in equal amounts during the term of the annuity, with no deferral and no balloon payments made.

(h) For purposes of this section, long-term care services include services in a nursing facility, services that are eligible for payment according to section 256B.0625, subdivision 2, because they are provided in a swing bed, intermediate care facility for persons with developmental disabilities, and home and community-based services provided pursuant to sections 256B.0915, 256B.092, and 256B.49. For purposes of this subdivision and subdivisions 2, 3, and 4, "institutionalized person" includes a person who is an inpatient in a nursing facility or in a swing bed, or intermediate care facility for persons with developmental disabilities or who is receiving home and community-based services under sections 256B.0915, 256B.092, and 256B.49.

(i) This section applies to funds used to purchase a promissory note, loan, or mortgage unless

the note, loan, or mortgage:

(1) has a repayment term that is actuarially sound;

(2) provides for payments to be made in equal amounts during the term of the loan, with no deferral and no balloon payments made; and

(3) prohibits the cancellation of the balance upon the death of the lender.

In the case of a promissory note, loan, or mortgage that does not meet an exception in clauses (1) to (3), the value of such note, loan, or mortgage shall be the outstanding balance due as of the date of the ~~individual's application~~ institutionalized person's request for medical assistance payment of long-term care services.

(j) This section applies to the purchase of a life estate interest in another ~~individual's~~ person's home unless the purchaser resides in the home for a period of at least one year after the date of purchase.

Sec. 22. Minnesota Statutes 2006, section 256B.0595, subdivision 2, is amended to read:

Subd. 2. **Period of ineligibility.** (a) For any uncompensated transfer occurring on or before August 10, 1993, the number of months of ineligibility for long-term care services shall be the lesser of 30 months, or the uncompensated transfer amount divided by the average medical assistance rate for nursing facility services in the state in effect on the date of application. The amount used to calculate the average medical assistance payment rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year. The period of ineligibility begins with the month in which the assets were transferred. If the transfer was not reported to the local agency at the time of application, and the applicant received long-term care services during what would have been the period of ineligibility if the transfer had been reported, a cause of action exists against the transferee for the cost of long-term care services provided during the period of ineligibility, or for the uncompensated amount of the transfer, whichever is less. ~~The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G.~~ The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of compensation received.

(b) For uncompensated transfers made after August 10, 1993, the number of months of ineligibility for long-term care services shall be the total uncompensated value of the resources transferred divided by the average medical assistance rate for nursing facility services in the state in effect on the date of application. The amount used to calculate the average medical assistance payment rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year. The period of ineligibility begins with the first day of the month after the month in which the assets were transferred except that if one or more uncompensated transfers are made during a period of ineligibility, the total assets transferred during the ineligibility period shall be combined and a penalty period calculated to begin on the first day of the month after the month in which the first uncompensated transfer was made. If the transfer was reported to the local agency after the date that advance notice of a period of ineligibility that affects the next month could be provided to the recipient and the recipient received medical assistance services or the transfer was not reported to the local agency, and the applicant or recipient received medical assistance services during what would have been the period of ineligibility if the transfer had been reported, a cause of action exists against the transferee for ~~the cost of medical assistance~~ that portion of long-term

care services provided during the period of ineligibility, or for the uncompensated amount of the transfer, whichever is less. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G. The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of compensation received. Effective for transfers made on or after March 1, 1996, involving persons who apply for medical assistance on or after April 13, 1996, no cause of action exists for a transfer unless:

(1) the transferee knew or should have known that the transfer was being made by a person who was a resident of a long-term care facility or was receiving that level of care in the community at the time of the transfer;

(2) the transferee knew or should have known that the transfer was being made to assist the person to qualify for or retain medical assistance eligibility; or

(3) the transferee actively solicited the transfer with intent to assist the person to qualify for or retain eligibility for medical assistance.

(c) For uncompensated transfers made on or after February 8, 2006, the period of ineligibility:

(1) for uncompensated transfers by or on behalf of individuals receiving medical assistance payment of long-term care services, begins on the first day of the month in which following advance notice can be given following of the penalty period, but no later than the first day of the month in which assets have been transferred for less than fair market value, that follows three full calendar months from the date of the report or discovery of the transfer; or

(2) for uncompensated transfers by individuals requesting medical assistance payment of long-term care services, begins the date on which the individual is eligible for medical assistance under the Medicaid state plan and would otherwise be receiving long-term care services based on an approved application for such care but for the application of the penalty period, whichever is later; and which does not occur

(3) cannot begin during any other period of ineligibility.

(d) If a calculation of a penalty period results in a partial month, payments for long-term care services shall be reduced in an amount equal to the fraction.

(e) In the case of multiple fractional transfers of assets in more than one month for less than fair market value on or after February 8, 2006, the period of ineligibility is calculated by treating the total, cumulative, uncompensated value of all assets transferred during all months on or after February 8, 2006, as one transfer.

Sec. 23. Minnesota Statutes 2006, section 256B.0595, subdivision 3, is amended to read:

**Subd. 3. Homestead exception to transfer prohibition.** (a) An institutionalized person is not ineligible for long-term care services due to a transfer of assets for less than fair market value if the asset transferred was a homestead and:

(1) title to the homestead was transferred to the individual's:

(i) spouse;



(ii) child who is under age 21;

(iii) blind or permanently and totally disabled child as defined in the supplemental security income program;

(iv) sibling who has equity interest in the home and who was residing in the home for a period of at least one year immediately before the date of the individual's admission to the facility; or

(v) son or daughter who was residing in the individual's home for a period of at least two years immediately before the date ~~of the individual's admission to the facility~~ the individual became an institutionalized person, and who provided care to the individual that, as certified by the individual's attending physician, permitted the individual to reside at home rather than receive care in an institution or facility;

(2) a satisfactory showing is made that the individual intended to dispose of the homestead at fair market value or for other valuable consideration; or

(3) the local agency grants a waiver of a penalty resulting from a transfer for less than fair market value because denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being. Whenever an applicant or recipient is denied eligibility because of a transfer for less than fair market value, the local agency shall notify the applicant or recipient that the applicant or recipient may request a waiver of the penalty if the denial of eligibility will cause undue hardship. With the written consent of the individual or the personal representative of the individual, a long-term care facility in which an individual is residing may file an undue hardship waiver request, on behalf of the individual who is denied eligibility for long-term care services on or after July 1, 2006, due to a period of ineligibility resulting from a transfer on or after February 8, 2006. In evaluating a waiver, the local agency shall take into account whether the individual was the victim of financial exploitation, whether the individual has made reasonable efforts to recover the transferred property or resource, and other factors relevant to a determination of hardship. If the local agency does not approve a hardship waiver, the local agency shall issue a written notice to the individual stating the reasons for the denial and the process for appealing the local agency's decision.

(b) When a waiver is granted under paragraph (a), clause (3), a cause of action exists against the person to whom the homestead was transferred for that portion of long-term care services granted provided within:

(1) 30 months of a transfer made on or before August 10, 1993;

(2) 60 months if the homestead was transferred after August 10, 1993, to a trust or portion of a trust that is considered a transfer of assets under federal law;

(3) 36 months if transferred in any other manner after August 10, 1993, but prior to February 8, 2006; or

(4) 60 months if the homestead was transferred on or after February 8, 2006,

or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. ~~The action shall be brought by the state unless the state delegates this responsibility to the local agency responsible for providing medical assistance under chapter 256G.~~

Sec. 24. Minnesota Statutes 2006, section 256B.0595, subdivision 4, is amended to read:

Subd. 4. **Other exceptions to transfer prohibition.** An institutionalized person who has made, or whose spouse has made a transfer prohibited by subdivision 1, is not ineligible for long-term care services if one of the following conditions applies:

(1) the assets were transferred to the individual's spouse or to another for the sole benefit of the spouse; or

(2) the institutionalized spouse, prior to being institutionalized, transferred assets to a spouse, provided that the spouse to whom the assets were transferred does not then transfer those assets to another person for less than fair market value. (At the time when one spouse is institutionalized, assets must be allocated between the spouses as provided under section 256B.059); or

(3) the assets were transferred to the individual's child who is blind or permanently and totally disabled as determined in the supplemental security income program; or

(4) a satisfactory showing is made that the individual intended to dispose of the assets either at fair market value or for other valuable consideration; or

(5) the local agency determines that denial of eligibility for long-term care services would work an undue hardship and grants a waiver of a penalty resulting from a transfer for less than fair market value based on an imminent threat to the individual's health and well-being. Whenever an applicant or recipient is denied eligibility because of a transfer for less than fair market value, the local agency shall notify the applicant or recipient that the applicant or recipient may request a waiver of the penalty if the denial of eligibility will cause undue hardship. With the written consent of the individual or the personal representative of the individual, a long-term care facility in which an individual is residing may file an undue hardship waiver request, on behalf of the individual who is denied eligibility for long-term care services on or after July 1, 2006, due to a period of ineligibility resulting from a transfer on or after February 8, 2006. In evaluating a waiver, the local agency shall take into account whether the individual was the victim of financial exploitation, whether the individual has made reasonable efforts to recover the transferred property or resource, whether the individual has taken any action to prevent the designation of the department as a remainder beneficiary on an annuity as described in section 256B.056, subdivision 11, and other factors relevant to a determination of hardship. The local agency shall make a determination within 30 days of the receipt of all necessary information needed to make such a determination. If the local agency does not approve a hardship waiver, the local agency shall issue a written notice to the individual stating the reasons for the denial and the process for appealing the local agency's decision. When a waiver is granted, a cause of action exists against the person to whom the assets were transferred for that portion of long-term care services ~~granted~~ provided within:

(i) 30 months of a transfer made on or before August 10, 1993;

(ii) 60 months of a transfer if the assets were transferred after August 30, 1993, to a trust or portion of a trust that is considered a transfer of assets under federal law;

(iii) 36 months of a transfer if transferred in any other manner after August 10, 1993, but prior to February 8, 2006; or

(iv) 60 months of any transfer made on or after February 8, 2006,

or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. ~~The action shall be brought by the state unless the state delegates this responsibility to the local agency responsible for providing medical assistance under this chapter; or~~

(6) for transfers occurring after August 10, 1993, the assets were transferred by the person or person's spouse: (i) into a trust established for the sole benefit of a son or daughter of any age who is blind or disabled as defined by the Supplemental Security Income program; or (ii) into a trust established for the sole benefit of an individual who is under 65 years of age who is disabled as defined by the Supplemental Security Income program.

"For the sole benefit of" has the meaning found in section 256B.059, subdivision 1.

Sec. 25. Minnesota Statutes 2006, section 256B.0595, is amended by adding a subdivision to read:

Subd. 8. Cause of action; transfer prior to death. (a) A cause of action exists against a transferee who receives assets for less than fair market value, either:

(1) from a person who was a recipient of medical assistance and who made an uncompensated transfer that was known to the county agency but a penalty period could not be implemented under this section due to the death of the person; or

(2) from a person who was a recipient of medical assistance who made an uncompensated transfer that was not known to the county agency and the transfer was made with the intent to hinder, delay, or defraud the state or local agency from recovering as allowed under section 256B.15. In determining intent under this clause consideration may be given, among other factors, to whether:

(i) the transfer was to a family member;

(ii) the transferor retained possession or control of the property after the transfer;

(iii) the transfer was concealed;

(iv) the transfer included the majority of the transferor's assets;

(v) the value of the consideration received was not reasonably equivalent to the fair market value of the property; and

(vi) the transfer occurred shortly before the death of the transferor.

(b) No cause of action exists under this subdivision unless:

(1) the transferee knew or should have known that the transfer was being made by a person who was receiving medical assistance as described in section 256B.15, subdivision 1, paragraph (b); and

(2) the transferee received the asset without providing a reasonable equivalent fair market value in exchange for the transfer.

(c) The cause of action is for the uncompensated amount of the transfer or the amount of medical assistance paid on behalf of the person, whichever is less. The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of the compensation received.

Sec. 26. Minnesota Statutes 2006, section 256B.0595, is amended by adding a subdivision to read:

Subd. 9. **Filing cause of action; limitation.** (a) The county of financial responsibility under chapter 256G may bring a cause of action under any or all of the following:

- (1) subdivision 1, paragraph (f);
- (2) subdivision 2, paragraphs (a) and (b);
- (3) subdivision 3, paragraph (b);
- (4) subdivision 4, clause (5); and
- (5) subdivision 8

on behalf of the claimant who must be the commissioner.

(b) Notwithstanding any other law to the contrary, a cause of action under subdivision 2, paragraph (a) or (b), or subdivision 8, must be commenced within six years of the date the local agency determines that a transfer was made for less than fair market value. Notwithstanding any other law to the contrary, a cause of action under subdivision 3, paragraph (b), or subdivision 4, clause (5), must be commenced within six years of the date of approval of a waiver of the penalty period for a transfer for less than fair market value based on undue hardship.

Sec. 27. Minnesota Statutes 2006, section 256B.0625, subdivision 13g, is amended to read:

Subd. 13g. **Preferred drug list.** (a) The commissioner shall adopt and implement a preferred drug list by January 1, 2004. The commissioner may enter into a contract with a vendor ~~or one or more states~~ for the purpose of participating in a ~~multistate~~ preferred drug list and supplemental rebate program. The commissioner shall ensure that any contract meets all federal requirements and maximizes federal financial participation. The commissioner shall publish the preferred drug list annually in the State Register and shall maintain an accurate and up-to-date list on the agency Web site.

(b) The commissioner may add to, delete from, and otherwise modify the preferred drug list, after consulting with the Formulary Committee and appropriate medical specialists and providing public notice and the opportunity for public comment.

(c) The commissioner shall adopt and administer the preferred drug list as part of the administration of the supplemental drug rebate program. Reimbursement for prescription drugs not on the preferred drug list may be subject to prior authorization, unless the drug manufacturer signs a supplemental rebate contract.

(d) For purposes of this subdivision, "preferred drug list" means a list of prescription drugs within designated therapeutic classes selected by the commissioner, for which prior authorization based on the identity of the drug or class is not required.

(e) The commissioner shall seek any federal waivers or approvals necessary to implement this subdivision.

Sec. 28. Minnesota Statutes 2006, section 256B.0625, subdivision 13h, is amended to read:

Subd. 13h. **Medication therapy management services.** (a) Medical assistance and general assistance medical care cover medication therapy management services for a recipient taking four or more prescriptions to treat or prevent two or more chronic medical conditions, or a recipient with a drug therapy problem that is identified or prior authorized by the commissioner that has resulted or is likely to result in significant nondrug program costs. The commissioner may cover medical therapy management services under MinnesotaCare if the commissioner determines this is cost-effective. For purposes of this subdivision, "medication therapy management" means the provision of the following pharmaceutical care services by a licensed pharmacist to optimize the therapeutic outcomes of the patient's medications:

- (1) performing or obtaining necessary assessments of the patient's health status;
- (2) formulating a medication treatment plan;
- (3) monitoring and evaluating the patient's response to therapy, including safety and effectiveness;
- (4) performing a comprehensive medication review to identify, resolve, and prevent medication-related problems, including adverse drug events;
- (5) documenting the care delivered and communicating essential information to the patient's other primary care providers;
- (6) providing verbal education and training designed to enhance patient understanding and appropriate use of the patient's medications;
- (7) providing information, support services, and resources designed to enhance patient adherence with the patient's therapeutic regimens; and
- (8) coordinating and integrating medication therapy management services within the broader health care management services being provided to the patient.

Nothing in this subdivision shall be construed to expand or modify the scope of practice of the pharmacist as defined in section 151.01, subdivision 27.

(b) To be eligible for reimbursement for services under this subdivision, a pharmacist must meet the following requirements:

- (1) have a valid license issued under chapter 151;
- (2) have graduated from an accredited college of pharmacy on or after May 1996, or completed a structured and comprehensive education program approved by the Board of Pharmacy and the American Council of Pharmaceutical Education for the provision and documentation of pharmaceutical care management services that has both clinical and didactic elements;
- (3) be practicing in an ambulatory care or home care setting as part of a multidisciplinary team or have developed a structured patient care process that is offered in a patient's home or in a private or semiprivate patient care area that is separate from the commercial business that also occurs in the setting; and
- (4) make use of an electronic patient record system that meets state standards.

(c) For purposes of reimbursement for medication therapy management services, the commissioner may enroll individual pharmacists as medical assistance and general assistance medical care providers. The commissioner may also establish contact requirements between the pharmacist and recipient, including limiting the number of reimbursable consultations per recipient.

(d) The commissioner, after receiving recommendations from professional medical associations, professional pharmacy associations, and consumer groups, shall convene an 11-member Medication Therapy Management Advisory Committee to advise the commissioner on the implementation and administration of medication therapy management services. The committee shall be comprised of: two licensed physicians; two licensed pharmacists; two consumer representatives; two health plan company representatives; and three members with expertise in the area of medication therapy management, who may be licensed physicians or licensed pharmacists. The committee is governed by section 15.059, except that committee members do not receive compensation or reimbursement for expenses. The advisory committee expires on June 30, 2007.

(e) The commissioner shall evaluate the effect of medication therapy management on quality of care, patient outcomes, and program costs, and shall include a description of any savings generated in the medical assistance and general assistance medical care programs that can be attributable to this coverage. The evaluation shall be submitted to the legislature by December 15, 2007. The commissioner may contract with a vendor or an academic institution that has expertise in evaluating health care outcomes for the purpose of completing the evaluation.

Sec. 29. Minnesota Statutes 2007 Supplement, section 256B.0625, subdivision 49, is amended to read:

Subd. 49. **Community health worker.** (a) Medical assistance covers the care coordination and patient education services provided by a community health worker if the community health worker has:

(1) received a certificate from the Minnesota State Colleges and Universities System approved community health worker curriculum; or

(2) at least five years of supervised experience with an enrolled physician, registered nurse, or advanced practice registered nurse, or at least five years of supervised experience by a certified public health nurse operating under the direct authority of an enrolled unit of government.

Community health workers eligible for payment under clause (2) must complete the certification program by January 1, 2010, to continue to be eligible for payment.

(b) Community health workers must work under the supervision of a medical assistance enrolled physician, registered nurse, or advanced practice registered nurse, or work under the supervision of a certified public health nurse operating under the direct authority of an enrolled unit of government.

Sec. 30. Minnesota Statutes 2006, section 256B.075, subdivision 2, is amended to read:

Subd. 2. **Fee-for-service.** (a) The commissioner shall develop and implement a disease management program for medical assistance and general assistance medical care recipients who are not enrolled in the prepaid medical assistance or prepaid general assistance medical care programs and who are receiving services on a fee-for-service basis. The commissioner may contract with an outside organization to provide these services.

(b) The commissioner shall seek any federal approval necessary to implement this section and to obtain federal matching funds.

(c) The commissioner shall develop and implement a pilot intensive care management program for medical assistance children with complex and chronic medical issues ~~who are not able to participate in the metro-based U Special Kids program due to geographic distance.~~

Sec. 31. Minnesota Statutes 2006, section 256B.15, subdivision 4, is amended to read:

Subd. 4. **Other survivors.** (a) If the decedent who was single or the surviving spouse of a married couple is survived by one of the following persons, a claim exists against the estate payable first from the value of the nonhomestead property included in the estate and the personal representative shall make, execute, and deliver to the county agency a lien against the homestead property in the estate for any unpaid balance of the claim to the claimant as provided under this section:

~~(a)~~ (1) a sibling who resided in the decedent medical assistance recipient's home at least one year before the decedent's institutionalization and continuously since the date of institutionalization; or

~~(b)~~ (2) a son or daughter or a grandchild who resided in the decedent medical assistance recipient's home for at least two years immediately before the parent's or grandparent's institutionalization and continuously since the date of institutionalization, and who establishes by a preponderance of the evidence having provided care to the parent or grandparent who received medical assistance, that the care was provided before institutionalization, and that the care permitted the parent or grandparent to reside at home rather than in an institution.

(b) For purposes of this subdivision, "institutionalization" means receiving care: (1) in a nursing facility or swing bed, or intermediate care facility for persons with developmental disabilities; or (2) through home and community-based services under section 256B.0915, 256B.092, or 256B.49.

Sec. 32. Minnesota Statutes 2006, section 256B.69, subdivision 6, is amended to read:

Subd. 6. **Service delivery.** (a) Each demonstration provider shall be responsible for the health care coordination for eligible individuals. Demonstration providers:

(1) shall authorize and arrange for the provision of all needed health services including but not limited to the full range of services listed in sections 256B.02, subdivision 8, and 256B.0625 in order to ensure appropriate health care is delivered to enrollees; notwithstanding section 256B.0621, demonstration providers that provide nursing home and community-based services under this section shall provide relocation service coordination to enrolled persons age 65 and over;

(2) shall accept the prospective, per capita payment from the commissioner in return for the provision of comprehensive and coordinated health care services for eligible individuals enrolled in the program;

(3) may contract with other health care and social service practitioners to provide services to enrollees; and

(4) shall institute recipient grievance procedures according to the method established by the project, utilizing applicable requirements of chapter 62D. Disputes not resolved through this process shall be appealable to the commissioner as provided in subdivision 11.

(b) Demonstration providers must comply with the standards for claims settlement under section

72A.201, subdivisions 4, 5, 7, and 8, when contracting with other health care and social service practitioners to provide services to enrollees. A demonstration provider must pay a clean claim, as defined in Code of Federal Regulations, title 42, section 447.45(b), within 30 business days of the date of acceptance of the claim.

Sec. 33. Minnesota Statutes 2006, section 256B.69, subdivision 27, is amended to read:

Subd. 27. **Information for persons with limited English-language proficiency.** Managed care contracts entered into under this section and sections 256D.03, subdivision 4, paragraph (c), and 256L.12 must require demonstration providers to ~~inform enrollees that upon request the enrollee can obtain a certificate of coverage in the following languages: Spanish, Hmong, Laotian, Russian, Somali, Vietnamese, or Cambodian. Upon request, the demonstration provider must provide the enrollee with a certificate of coverage in the specified language of preference~~ provide language assistance to enrollees that ensures meaningful access to its programs and services according to Title VI of the Civil Rights Act and federal regulations adopted under that law or any guidance from the United States Department of Health and Human Services.

Sec. 34. Minnesota Statutes 2007 Supplement, section 256D.03, subdivision 3, is amended to read:

Subd. 3. **General assistance medical care; eligibility.** (a) General assistance medical care may be paid for any person who is not eligible for medical assistance under chapter 256B, including eligibility for medical assistance based on a spenddown of excess income according to section 256B.056, subdivision 5, or MinnesotaCare as defined in paragraph (b), except as provided in paragraph (c), and:

(1) who is receiving assistance under section 256D.05, except for families with children who are eligible under Minnesota family investment program (MFIP), or who is having a payment made on the person's behalf under sections 256I.01 to 256I.06; or

(2) who is a resident of Minnesota; and

(i) who has gross countable income not in excess of 75 percent of the federal poverty guidelines for the family size, using a six-month budget period and whose equity in assets is not in excess of \$1,000 per assistance unit. General assistance medical care is not available for applicants or enrollees who are otherwise eligible for medical assistance but fail to verify their assets. Enrollees who become eligible for medical assistance shall be terminated and transferred to medical assistance. Exempt assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in section 256B.056, subdivision 3, with the following exception: the maximum amount of undistributed funds in a trust that could be distributed to or on behalf of the beneficiary by the trustee, assuming the full exercise of the trustee's discretion under the terms of the trust, must be applied toward the asset maximum;

(ii) who has gross countable income above 75 percent of the federal poverty guidelines but not in excess of 175 percent of the federal poverty guidelines for the family size, using a six-month budget period, whose equity in assets is not in excess of the limits in section 256B.056, subdivision 3c, and who applies during an inpatient hospitalization; or

(iii) the commissioner shall adjust the income standards under this section each July 1 by the annual update of the federal poverty guidelines following publication by the United States



Department of Health and Human Services.

(b) Effective for applications and renewals processed on or after September 1, 2006, general assistance medical care may not be paid for applicants or recipients who are adults with dependent children under 21 whose gross family income is equal to or less than 275 percent of the federal poverty guidelines who are not described in paragraph (e).

(c) Effective for applications and renewals processed on or after September 1, 2006, general assistance medical care may be paid for applicants and recipients who meet all eligibility requirements of paragraph (a), clause (2), item (i), for a temporary period beginning the date of application. Immediately following approval of general assistance medical care, enrollees shall be enrolled in MinnesotaCare under section 256L.04, subdivision 7, with covered services as provided in section 256L.03 for the rest of the six-month general assistance medical care eligibility period, until their six-month renewal.

(d) To be eligible for general assistance medical care following enrollment in MinnesotaCare as required by paragraph (c), an individual must complete a new application.

(e) Applicants and recipients eligible under paragraph (a), clause (1); ~~who~~, are exempt from the MinnesotaCare enrollment requirements in this subdivision if they:

(1) have applied for and are awaiting a determination of blindness or disability by the state medical review team or a determination of eligibility for Supplemental Security Income or Social Security Disability Insurance by the Social Security Administration; who

(2) fail to meet the requirements of section 256L.09, subdivision 2; who

(3) are homeless as defined by United States Code, title 42, section 11301, et seq.; who

(4) are classified as end-stage renal disease beneficiaries in the Medicare program; who

(5) are enrolled in private health care coverage as defined in section 256B.02, subdivision 9; who

(6) are eligible under paragraph (j); ~~or who~~

(7) receive treatment funded pursuant to section 254B.02 ~~are exempt from the MinnesotaCare enrollment requirements of this subdivision; or~~

(8) reside in the Minnesota sex offender program defined in chapter 246B.

(f) For applications received on or after October 1, 2003, eligibility may begin no earlier than the date of application. For individuals eligible under paragraph (a), clause (2), item (i), a redetermination of eligibility must occur every 12 months. Individuals are eligible under paragraph (a), clause (2), item (ii), only during inpatient hospitalization but may reapply if there is a subsequent period of inpatient hospitalization.

(g) Beginning September 1, 2006, Minnesota health care program applications and renewals completed by recipients and applicants who are persons described in paragraph (c) and submitted to the county agency shall be determined for MinnesotaCare eligibility by the county agency. If all other eligibility requirements of this subdivision are met, eligibility for general assistance medical care shall be available in any month during which MinnesotaCare enrollment is pending.

Upon notification of eligibility for MinnesotaCare, notice of termination for eligibility for general assistance medical care shall be sent to an applicant or recipient. If all other eligibility requirements of this subdivision are met, eligibility for general assistance medical care shall be available until enrollment in MinnesotaCare subject to the provisions of paragraphs (c), (e), and (f).

(h) The date of an initial Minnesota health care program application necessary to begin a determination of eligibility shall be the date the applicant has provided a name, address, and Social Security number, signed and dated, to the county agency or the Department of Human Services. If the applicant is unable to provide a name, address, Social Security number, and signature when health care is delivered due to a medical condition or disability, a health care provider may act on an applicant's behalf to establish the date of an initial Minnesota health care program application by providing the county agency or Department of Human Services with provider identification and a temporary unique identifier for the applicant. The applicant must complete the remainder of the application and provide necessary verification before eligibility can be determined. The county agency must assist the applicant in obtaining verification if necessary.

(i) County agencies are authorized to use all automated databases containing information regarding recipients' or applicants' income in order to determine eligibility for general assistance medical care or MinnesotaCare. Such use shall be considered sufficient in order to determine eligibility and premium payments by the county agency.

(j) General assistance medical care is not available for a person in a correctional facility unless the person is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, and the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

(k) General assistance medical care is not available for applicants or recipients who do not cooperate with the county agency to meet the requirements of medical assistance.

(l) In determining the amount of assets of an individual eligible under paragraph (a), clause (2), item (i), there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 60 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the county agency, or if the transfer was not reported, the month in which the county agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the

first approved application.

(m) When determining eligibility for any state benefits under this subdivision, the income and resources of all noncitizens shall be deemed to include their sponsor's income and resources as defined in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, title IV, Public Law 104-193, sections 421 and 422, and subsequently set out in federal rules.

(n) Undocumented noncitizens and nonimmigrants are ineligible for general assistance medical care. For purposes of this subdivision, a nonimmigrant is an individual in one or more of the classes listed in United States Code, title 8, section 1101(a)(15), and an undocumented noncitizen is an individual who resides in the United States without the approval or acquiescence of the United States Citizenship and Immigration Services.

(o) Notwithstanding any other provision of law, a noncitizen who is ineligible for medical assistance due to the deeming of a sponsor's income and resources, is ineligible for general assistance medical care.

(p) Effective July 1, 2003, general assistance medical care emergency services end.

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

Sec. 35. Minnesota Statutes 2006, section 524.3-803, is amended to read:

**524.3-803 LIMITATIONS ON PRESENTATION OF CLAIMS.**

(a) All claims as defined in section 524.1-201(6), against a decedent's estate which arose before the death of the decedent, including claims of the state and any subdivision thereof, whether due or to become due, absolute or contingent, liquidated or unliquidated, if not barred earlier by other statute of limitations, are barred against the estate, the personal representative, and the heirs and devisees of the decedent, unless presented as follows:

(1) in the case of a creditor who is only entitled, under the United States Constitution and under the Minnesota Constitution, to notice by publication under section 524.3-801, within four months after the date of the court administrator's notice to creditors which is subsequently published pursuant to section 524.3-801;

(2) in the case of a creditor who was served with notice under section 524.3-801(c), within the later to expire of four months after the date of the first publication of notice to creditors or one month after the service;

(3) within the later to expire of one year after the decedent's death, or one year after June 16, 1989, whether or not notice to creditors has been published or served under section 524.3-801, provided, however, that in the case of a decedent who died before June 16, 1989, no claim which was then barred by any provision of law may be deemed to have been revived by the amendment of this section. Claims authorized by section 246.53, 256B.15, or 256D.16 must not be barred after one year as provided in this clause.

(b) All claims against a decedent's estate which arise at or after the death of the decedent, including claims of the state and any subdivision thereof, whether due or to become due, absolute or contingent, liquidated or unliquidated, are barred against the estate, the personal representative, and the heirs and devisees of the decedent, unless presented as follows:

(1) a claim based on a contract with the personal representative, within four months after performance by the personal representative is due;

(2) any other claim, within four months after it arises.

(c) Nothing in this section affects or prevents:

(1) any proceeding to enforce any mortgage, pledge, or other lien upon property of the estate;

(2) any proceeding to establish liability of the decedent or the personal representative for which there is protection by liability insurance, to the limits of the insurance protection only;

(3) the presentment and payment at any time within one year after the decedent's death of any claim arising before the death of the decedent that is referred to in section 524.3-715, clause (18), although the same may be otherwise barred under this section; or

(4) the presentment and payment at any time before a petition is filed in compliance with section 524.3-1001 or 524.3-1002 or a closing statement is filed under section 524.3-1003, of:

(i) any claim arising after the death of the decedent that is referred to in section 524.3-715, clause (18), although the same may be otherwise barred hereunder;

(ii) any other claim, including claims subject to clause (3), which would otherwise be barred hereunder, upon allowance by the court upon petition of the personal representative or the claimant for cause shown on notice and hearing as the court may direct.

Sec. 36. **REPEALER.**

(a) Minnesota Statutes 2006, section 256B.0571, subdivision 8a, is repealed.

(b) Laws 2003, First Special Session chapter 5, section 11, is repealed."

Delete the title and insert:

"A bill for an act relating to human services; amending health care services provisions; making changes to general assistance medical care, medical assistance, and MinnesotaCare; modifying claims, liens, and treatment of assets; establishing a statewide information exchange; modifying regulation of certain home care service providers; clarifying coverage of community health worker education services; amending Minnesota Statutes 2006, sections 125A.02, subdivision 1; 144A.45, subdivision 1, by adding a subdivision; 256.01, by adding a subdivision; 256B.055, subdivision 12; 256B.056, subdivisions 2, 4a, 11, by adding a subdivision; 256B.057, subdivision 1; 256B.0571, subdivisions 6, 8, 9, 15, by adding a subdivision; 256B.058; 256B.059, subdivisions 1, 1a; 256B.0594; 256B.0595, subdivisions 1, 2, 3, 4, by adding subdivisions; 256B.0625, subdivisions 13g, 13h; 256B.075, subdivision 2; 256B.15, subdivision 4; 256B.69, subdivisions 6, 27; 524.3-803; Minnesota Statutes 2007 Supplement, sections 256B.055, subdivision 14; 256B.0625, subdivision 49; 256D.03, subdivision 3; repealing Minnesota Statutes 2006, section 256B.0571, subdivision 8a; Laws 2003, First Special Session chapter 5, section 11."

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. 3227:** A bill for an act relating to health; making changes to nursing home moratorium provisions; amending Minnesota Statutes 2006, section 144A.073, 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 144.0724, subdivision 7, is amended to read:

Subd. 7. **Notice of resident reimbursement classification.** (a) ~~A facility must elect between the options in clauses (1) and (2) to provide notice to a resident of the resident's case mix classification.~~

~~(1) The commissioner of health shall provide to a nursing facility a notice for each resident of the reimbursement classification established under subdivision 1. The notice must inform the resident of the classification that was assigned, the opportunity to review the documentation supporting the classification, the opportunity to obtain clarification from the commissioner, and the opportunity to request a reconsideration of the classification. The commissioner must send transmit the notice of resident classification by first class mail electronic means to the nursing facility. A nursing facility is responsible for the distribution of the notice to each resident, to the person responsible for the payment of the resident's nursing home expenses, or to another person designated by the resident. This notice must be distributed within three working days after the facility's receipt of the electronic file of notice of case mix classifications from the commissioner of health.~~

~~(2) A facility may choose to provide a classification notice, as prescribed by the commissioner of health, to a resident upon receipt of the confirmation of the case mix classification calculated by a facility or a corrected case mix classification as indicated on the final validation report from the commissioner. A nursing facility is responsible for the distribution of the notice to each resident, to the person responsible for the payment of the resident's nursing home expenses, or to another person designated by the resident. This notice must be distributed within three working days after the facility's receipt of the validation report from the commissioner. If a facility elects this option, the commissioner of health shall provide the facility with a list of residents and their case mix classifications as determined by the commissioner. A nursing facility may make this election to be effective on the day of implementation of the revised case mix system.~~

~~(3) After implementation of the revised case mix system, a nursing facility shall elect a notice of resident reimbursement classification procedure as described in clause (1) or (2) by reporting to the commissioner of health, as prescribed by the commissioner. The election is effective July 1.~~

(b) If a facility submits a correction to the most recent assessment used to establish a case mix classification conducted under subdivision 3 that results in a change in case mix classification, the facility shall give written notice to the resident or the resident's representative about the item that was corrected and the reason for the correction. The notice of corrected assessment may be provided at the same time that the resident or resident's representative is provided the resident's corrected notice of classification.

Sec. 2. Minnesota Statutes 2006, section 144.6503, is amended to read:

**144.6503 FACILITIES FOR ALZHEIMER'S DISEASE OR RELATED DISORDER.**

(a) If a nursing facility ~~markets or otherwise promotes services for~~ serves persons with Alzheimer's disease or related disorders, whether in a segregated or general unit, the facility's direct care staff and their supervisors must be trained in dementia care.

(b) Areas of required training include:

- (1) an explanation of Alzheimer's disease and related disorders;
- (2) assistance with activities of daily living;
- (3) problem solving with challenging behaviors; and
- (4) communication skills.

(c) The facility shall provide to consumers in written or electronic form a description of the training program, the categories of employees trained, the frequency of training, and the basic topics covered.

(d) The facility shall document compliance with this section.

(e) The commissioner of health has enforcement authority under section 144A.10, subdivision 1, to ensure compliance of the training requirements in this section.

(f) At each facility inspection under section 144A.10, subdivision 2, if the facility is not in compliance, the commissioner has authority to issue a correction order under section 144A.10, subdivision 4.

Sec. 3. Minnesota Statutes 2006, section 144A.073, as amended by Laws 2007, chapter 147, article 7, section 1, is amended to read:

**144A.073 EXCEPTIONS TO THE MORATORIUM; REVIEW.**

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

(a) "Conversion" means the relocation of a nursing home bed from a nursing home to an attached hospital.

(b) "Relocation" means the movement of licensed nursing home beds or certified boarding care beds as permitted under subdivision 4, clause (3), and subdivision 5.

(c) "Renovation" means extensive remodeling of, ~~or construction of an addition to, a facility on an existing site~~ an existing facility with a total cost exceeding ten percent of the appraised value of the facility or \$200,000, whichever is less. A renovation may include the replacement or upgrade of existing mechanical or electrical systems.

(d) "Replacement" means the ~~demolition, delicensure, reconstruction, or construction of an addition to all or part of an existing~~ construction of a complete new facility.

(e) "Addition" means the construction of new space to an existing facility.

(f) "Upgrading" means a change in the level of licensure of a bed from a boarding care bed to a nursing home bed in a certified boarding care facility.

(g) "Phased project" means a proposal that identifies construction occurring with more than one distinct completion date. To be considered a distinct completion, each phase must have construction that is ready for resident use, as determined by the commissioner, that is not dependent on similar commissioner approval for future phases of construction. The commissioner of human services shall only allow rate adjustments for construction projects in phases if the proposal from a facility identifies construction in phases and each phase can be approved for use independent of the other phases.

Subd. 2. **Request for proposals.** At the authorization by the legislature of additional medical assistance expenditures for exceptions to the moratorium on nursing homes, the commissioner shall publish in the State Register a request for proposals for nursing home and certified boarding care home projects to be licensed or certified under section 144A.071, subdivision 4a, clause (c) for conversion, relocation, renovation, replacement, upgrading, or addition. The public notice of this funding and the request for proposals must specify how the approval criteria will be prioritized by the commissioner. The notice must describe the information that must accompany a request and state that proposals must be submitted to the commissioner within ~~90~~ 150 days of the date of publication. The notice must include the amount of the legislative appropriation available for the additional costs to the medical assistance program of projects approved under this section. ~~If no money is appropriated for a year, the commissioner shall publish a notice to that effect, and no proposals shall be requested.~~ If money is appropriated, the commissioner shall initiate the application and review process described in this section at least ~~twice~~ once each biennium ~~and up to four times each biennium, according to dates established by rule.~~ Authorized funds shall be allocated proportionally to the number of processes. A second application and review process must occur if remaining funds are either greater than \$300,000 or more than 50 percent of the baseline appropriation for the biennium. Authorized funds may be awarded in full in the first review process of the biennium. Appropriated funds not encumbered by an earlier process within a biennium shall carry forward to subsequent iterations of the process. Authorization for expenditures does not carry forward into the following biennium. To be considered for approval, a proposal must include the following information:

(1) whether the request is for renovation, replacement, upgrading, conversion, addition, or relocation;

(2) a description of the ~~problem~~ problems the project is designed to address;

(3) a description of the proposed project;

(4) an analysis of projected costs of the nursing facility ~~proposal, which are not required to exceed the cost threshold referred to in section 144A.071, subdivision 1, to be considered under this section~~ proposed project, including:

(i) initial construction and remodeling costs;

(ii) site preparation costs;

(iii) equipment and technology costs;

(iv) financing costs, including the current estimated long-term financing costs of the proposal, which consists of is to include details of any proposed funding mechanism already arranged or being considered, including estimates of the amount and sources of money, reserves if required under the

proposed funding mechanism, annual payments schedule, interest rates, length of term, closing costs and fees, insurance costs, and any completed marketing study or underwriting review; and

(v) estimated operating costs during the first two years after completion of the project;

(5) for proposals involving replacement of all or part of a facility, the proposed location of the replacement facility and an estimate of the cost of addressing the problem through renovation;

(6) for proposals involving renovation, an estimate of the cost of addressing the problem through replacement;

(7) the proposed timetable for commencing construction and completing the project;

(8) a statement of any licensure or certification issues, such as certification survey deficiencies;

(9) the proposed relocation plan for current residents if beds are to be closed ~~so that the Department of Human Services can estimate the total costs of a proposal~~ according to section 144A.161; and

(10) other information required by permanent rule of the commissioner of health in accordance with subdivisions 4 and 8.

**Subd. 3. Review and approval of proposals.** Within the limits of money specifically appropriated to the medical assistance program for this purpose, the commissioner of health may grant exceptions to the nursing home licensure or certification moratorium for proposals that satisfy the requirements of this section. The commissioner of health shall approve or disapprove a project. The commissioner of health shall base approvals or disapprovals on a comparison and ranking of proposals using only the criteria in subdivision 4 and in rules adopted by the commissioner. The cost to the medical assistance program of the proposals approved must be within the limits of the appropriations specifically made for this purpose. Approval of a proposal expires 18 months after approval by the commissioner of health unless the facility has commenced construction as defined in section 144A.071, subdivision 1a, paragraph (d).

**Subd. 3b. Amendments to approved projects.** (a) Nursing facilities that have received approval on or after July 1, 1993, for exceptions to the moratorium on nursing homes through the process described in this section may request amendments to the designs of the projects by writing the commissioner within ~~48~~ 15 months of receiving approval. Applicants shall submit supporting materials that demonstrate how the amended projects meet the criteria described in paragraph (b).

(b) The commissioner shall approve requests for amendments for projects approved on or after July 1, 1993, according to the following criteria:

(1) the amended project designs must provide solutions to all of the problems addressed by the original application that are at least as effective as the original solutions;

(2) the amended project designs may not reduce the space in each resident's living area or in the total amount of common space devoted to resident and family uses by more than five percent;

(3) the costs recognized for reimbursement of amended project designs shall be the threshold amount of the original proposal as identified according to section 144A.071, subdivision 2, except under conditions described in clause (4); and



(4) total costs up to ten percent greater than the cost identified in clause (3) may be recognized for reimbursement if the proposer can document that one of the following circumstances is true:

- (i) changes are needed due to a natural disaster;
- (ii) conditions that affect the safety or durability of the project that could not have reasonably been known prior to approval are discovered;
- (iii) state or federal law require changes in project design; or
- (iv) documentable circumstances occur that are beyond the control of the owner and require changes in the design.

(c) Approval of a request for an amendment does not alter the expiration of approval of the project according to subdivision 3.

**Subd. 3c. Cost neutral relocation projects.** (a) Notwithstanding subdivision 3, the commissioner may at any time accept proposals, or amendments to proposals previously approved under this section, for relocations that are cost neutral with respect to state costs as defined in section 144A.071, subdivision 5a. The commissioner, in consultation with the commissioner of human services, shall evaluate proposals according to subdivision 4, clauses (1), (2), ~~and (3), and~~ (9) and other criteria established in rule. The commissioner shall approve or disapprove a project within 90 days. Proposals and amendments approved under this subdivision are not subject to the six-mile limit in subdivision 5, paragraph (e).

(b) For the purposes of paragraph (a), cost neutrality shall be measured over the first three 12-month periods of operation after completion of the project.

~~Subd. 3d. Project amendment authorized.~~ Notwithstanding the provisions of subdivision 3b:

~~(1) the commissioner may approve a request by a nursing facility located in the city of Duluth with 48 licensed beds as of January 1, 2005, that received approval under this section in 2002 for a moratorium exception project for amendment of the project design that:~~

~~(i) reduces the total amount of common space devoted to resident and family uses by more than five percent if the total amount of common space in the facility, including that added by the project, is at least 175 percent of the state requirement for common space; and~~

~~(ii) reduces the space for no more than two residents' living areas by increasing the size of a majority of the single bed rooms from the size in the project design as originally approved and converting two single bed rooms in the project design as originally approved to one semi-private room; and~~

~~(2) the commissioner may approve a request by a nursing facility located in the city of Duluth with 129 licensed beds as of January 1, 2005, that received approval under this section in 2002 for a moratorium exception project for amendment of the project design that:~~

~~(i) reduces the total amount of common space devoted to resident and family uses by more than five percent if the total amount of common space in the facility, including that added by the project, is at least 175 percent of the state requirement for common space; and~~

~~(ii) reduces the space for no more than four residents' living areas by increasing the size of a~~

~~majority of the single bed rooms from the size in the project design as originally approved and converting four single bed rooms in the project design as originally approved to two semi-private rooms; and~~

~~(3) the amended project designs in clauses (1) and (2) must provide solutions to all of the problems addressed by the original application that are at least as effective as the original solutions.~~

**Subd. 4. Criteria for review.** The following criteria shall be used in a consistent manner to compare, evaluate, and rank all proposals submitted. Except for the criteria specified in clause (3), the application of criteria listed under this subdivision shall not reflect any distinction based on the geographic location of the proposed project:

(1) the extent to which the proposal furthers state long-term care goals, including the goal of enhancing the availability and use of alternative care services and the goal of reducing the number of long-term care resident rooms with more than two beds;

(2) the proposal's long-term effects on state costs including the cost estimate of the project according to section 144A.071, subdivision 5a;

(3) the extent to which the proposal promotes equitable access to long-term care services in nursing homes through redistribution of the nursing home bed supply, as measured by the number of beds relative to the population 85 or older, ~~projected to the year 2000 by the state demographer, and according to items (i) to (iv);~~ using data published according to requirements in section 144A.351;

~~(i) reduce beds in counties where the supply is high, relative to the statewide mean, and increase beds in counties where the supply is low, relative to the statewide mean;~~

~~(ii) adjust the bed supply so as to create the greatest benefits in improving the distribution of beds;~~

~~(iii) adjust the existing bed supply in counties so that the bed supply in a county moves toward the statewide mean; and~~

~~(iv) adjust the existing bed supply so that the distribution of beds as projected for the year 2020 would be consistent with projected need, based on the methodology outlined in the Interagency Long-Term Care Committee's nursing home bed distribution study;~~

(4) the extent to which the project improves conditions that affect the health or safety of residents, such as narrow corridors, narrow door frames, unenclosed fire exits, and wood frame construction, and similar provisions contained in fire and life safety codes and licensure and certification rules;

(5) the extent to which the project improves conditions that affect the comfort or quality of life of residents in a facility or the ability of the facility to provide efficient care, such as a relatively high number of residents in a room; inadequate lighting or ventilation; poor access to bathing or toilet facilities; a lack of available ancillary space for dining rooms, day rooms, or rooms used for other activities; problems relating to heating, cooling, or energy efficiency; inefficient location of nursing stations; ~~narrow corridors;~~ or other provisions contained in the licensure and certification rules;

(6) the extent to which the applicant demonstrates the delivery of quality care, as defined in state and federal statutes and rules, to residents as evidenced by the two most recent state agency certification surveys and the applicants' response to those surveys;

(7) the extent to which the project removes the need for waivers or variances previously granted by either the licensing agency, certifying agency, fire marshal, or local government entity;

(8) the extent to which the project increases the number of private or single bed rooms;

(9) the extent to which the applicant demonstrates the continuing need for nursing facility care in the community and adjacent communities; and

(10) other factors that may be developed in permanent rule by the commissioner of health that evaluate and assess how the proposed project will further promote or protect the health, safety, comfort, treatment, or well-being of the facility's residents.

**Subd. 5. Replacement restrictions.** (a) Proposals submitted or approved under this section involving replacement must provide for replacement of the facility on the existing site except as allowed in this subdivision.

(b) Facilities located in a metropolitan statistical area other than the Minneapolis-St. Paul seven-county metropolitan area may relocate to a site within the same census tract or a contiguous census tract.

(c) Facilities located in the Minneapolis-St. Paul seven-county metropolitan area may relocate to a site within the same or contiguous health planning area as adopted in March 1982 by the Metropolitan Council.

(d) Facilities located outside a metropolitan statistical area may relocate to a site within the same city or township, or within a contiguous township.

(e) A facility relocated to a different site under paragraph (b), (c), or (d) must not be relocated to a site more than six miles from the existing site.

(f) The relocation of part of an existing first facility to a second location, under paragraphs (d) and (e), may include the relocation to the second location of up to four beds from part of an existing third facility located in a township contiguous to the location of the first facility. The six-mile limit in paragraph (e) does not apply to this relocation from the third facility.

(g) For proposals approved on January 13, 1994, under this section involving the replacement of 102 licensed and certified beds, the relocation of the existing first facility to the new location under paragraphs (d) and (e) may include the relocation of up to 75 beds of the existing facility. The six-mile limit in paragraph (e) does not apply to this relocation.

**Subd. 6. Conversion restrictions.** Proposals submitted or approved under this section involving conversion must satisfy the following conditions:

(a) Conversion is limited to a total of five beds.

(b) An equivalent number of hospital beds must be delicensed.

(c) The average occupancy rate in the existing nursing home beds must be greater than 96 percent according to the most recent annual statistical and cost report of the Department of Health Human Services.

(d) The cost of remodeling the hospital rooms to meet current nursing home construction

standards must not exceed ten percent of the appraised value of the nursing home or \$200,000, whichever is less.

(e) The conversion must not result in an increase in operating costs.

Subd. 7. **Upgrading restrictions.** Proposals submitted or approved under this section involving upgrading must satisfy the following conditions:

(a) The facility must meet minimum nursing home ~~care standards~~ licensure requirements.

(b) If beds are upgraded to nursing home beds, the number of boarding care beds in a facility must not increase in the future.

~~(c) The average occupancy rate in the existing nursing home beds in an attached facility must be greater than 96 percent according to the most recent annual statistical report of the Department of Health.~~

Subd. 8. **Rulemaking.** The commissioner of health shall adopt rules to implement this section. The permanent rules must be in accordance with and implement only the criteria listed in this section. ~~The authority to adopt permanent rules continues until July 1, 1996.~~

Subd. 9. **Budget request.** The commissioner of human services, in consultation with the commissioner of finance, shall include in each biennial budget request a line item for the nursing home moratorium exception process. If the commissioner of human services does not request funding for this item, the commissioner of human services must justify the decision in the budget pages.

~~Subd. 10. **Extension of approval of moratorium exception.** Notwithstanding subdivision 3, the commissioner of health shall extend project approval for an additional 36 months for any proposed exception to the nursing home licensure and certification moratorium if the proposal was approved under this section between July 1, 2001, and June 30, 2003.~~

Subd. 11. **Funding from expired and canceled proposals.** The commissioner shall monitor the status of projects approved under this section to identify, in consultation with each facility with an approved project, if projects will be canceled or will expire. For projects that have been canceled or have expired, if originally approved after June 30, 2001, the commissioner's approval authority for the estimated annual state cost to medical assistance shall carry forward and shall be available for the issuance of a new moratorium round later in that fiscal year or in either of the following two fiscal years.

Sec. 4. Minnesota Statutes 2006, section 144A.10, subdivision 4, is amended to read:

Subd. 4. **Correction orders.** Whenever a duly authorized representative of the commissioner of health finds upon inspection of a nursing home, that the facility or a controlling person or an employee of the facility is not in compliance with sections 144.411 to 144.417, 144.651, 144.6503, 144A.01 to 144A.155, or 626.557 or the rules promulgated thereunder, a correction order shall be issued to the facility. The correction order shall state the deficiency, cite the specific rule or statute violated, state the suggested method of correction, and specify the time allowed for correction. If the commissioner finds that the nursing home had uncorrected or repeated violations which create a risk to resident care, safety, or rights, the commissioner shall notify the commissioner of human services who shall require the facility to use any efficiency incentive payments received under

section 256B.431, subdivision 2b, paragraph (d), to correct the violations and shall require the facility to forfeit incentive payments for failure to correct the violations as provided in section 256B.431, subdivision 2p. The forfeiture shall not apply to correction orders issued for physical plant deficiencies.

Sec. 5. Minnesota Statutes 2006, section 144A.11, subdivision 2, is amended to read:

Subd. 2. **Mandatory proceedings.** (a) The commissioner of health shall initiate proceedings within 60 days of notification to suspend or revoke a nursing home license or shall refuse to renew a license if within the preceding two years the nursing home has incurred the following number of uncorrected or repeated violations:

(1) two or more uncorrected violations or one or more repeated violations which created an imminent risk to direct resident care or safety; or

(2) four or more uncorrected violations or two or more repeated violations of any nature for which the fines are in the four highest daily fine categories prescribed in rule.

(b) Notwithstanding paragraph (a), the commissioner is not required to revoke, suspend, or refuse to renew a facility's license if the facility corrects the violation.

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

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. 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.

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

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2007 Supplement, section 245A.07, subdivision 3, is amended to read:

Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend or revoke a license, or impose a fine if a license holder fails to comply fully with applicable laws or rules, if a license holder, a controlling individual, or an individual living in the household where the licensed services are provided or is otherwise subject to a background study has a disqualification which has not been set aside under section 245C.22, or if a license holder knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license, in connection with the background study status of an individual, during an investigation, or regarding compliance with applicable laws or rules. A license holder who has had a license suspended, revoked, or has been ordered to pay a fine must be given notice of the action

by certified mail or personal service. If mailed, the notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state the reasons the license was suspended, revoked, or a fine was ordered.

(b) If the license was suspended or revoked, the notice must inform the license holder of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking a license. The appeal of an order suspending or revoking a license must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the license has been suspended or revoked. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order. Except as provided in subdivision 2a, paragraph (c), a timely appeal of an order suspending or revoking a license shall stay the suspension or revocation until the commissioner issues a final order.

(c)(1) If the license holder was ordered to pay a fine, the notice must inform the license holder of the responsibility for payment of fines and the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an order to pay a fine must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the fine has been ordered. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order.

(2) The license holder shall pay the fines assessed on or before the payment date specified. If the license holder fails to fully comply with the order, the commissioner may issue a second fine or suspend the license until the license holder complies. If the license holder receives state funds, the state, county, or municipal agencies or departments responsible for administering the funds shall withhold payments and recover any payments made while the license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(3) A license holder shall promptly notify the commissioner of human services, in writing, when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify the license holder by certified mail or personal service that a second fine has been assessed. The license holder may appeal the second fine as provided under this subdivision.

(4) Fines shall be assessed as follows: the license holder shall forfeit \$1,000 for each determination of maltreatment of a child under section 626.556 or the maltreatment of a vulnerable adult under section 626.557 for which the license holder is determined responsible for the maltreatment under section 626.556, subdivision 10e, paragraph (i), or section 626.557, subdivision 9c, paragraph (c); the license holder shall forfeit \$200 for each occurrence of a violation of law or rule governing matters of health, safety, or supervision, including but not limited to the provision of adequate staff-to-child or adult ratios, and failure to submit a background study; and the license holder shall forfeit \$100 for each occurrence of a violation of law or rule other than those subject to a \$1,000 or \$200 fine above. For purposes of this section, "occurrence" means each violation identified in the commissioner's fine order. Fines assessed against a license holder that holds a license to provide the residential-based habilitation services, as defined under section 245B.02, subdivision 20, and a license to provide foster care, may be assessed against both licenses for the

same occurrence, but the combined amount of the fines shall not exceed the amount specified in this clause for that occurrence.

(5) When a fine has been assessed, the license holder may not avoid payment by closing, selling, or otherwise transferring the licensed program to a third party. In such an event, the license holder will be personally liable for payment. In the case of a corporation, each controlling individual is personally and jointly liable for payment."

Page 3, after line 9, insert:

"Sec. 3. Laws 2007, chapter 147, article 19, section 3, subdivision 8, is amended to read:

**Subd. 8. Continuing Care Grants**

The amounts that may be spent from the appropriation for each purpose are as follows:

**(a) Aging and Adult Services Grants**

General	14,357,000	14,727,000
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**Information and Assistance Reimbursement.** Federal administrative reimbursement obtained from information and assistance services provided by the Senior LinkAge Line to people who are identified as eligible for medical assistance is appropriated to the commissioner for this activity.

**Senior Companion Program.** Of this appropriation, \$42,000 each year is for the senior companion program under Minnesota Statutes, section 256.977.

**Volunteer Senior Citizens.** Of this appropriation, \$42,000 each year is for the volunteer programs for retired senior citizens under Minnesota Statutes, section 256.9753.

**Foster Grandparent Program.** Of this appropriation, \$41,000 each year is for the foster grandparent program in Minnesota Statutes, section 256.976.

**Senior Nutrition.** Of this appropriation, \$125,000 each year is for the senior nutrition programs under Minnesota Statutes, section 256.9752. The commissioner shall give priority to ~~increase services to: (1) persons facing language or cultural barriers, (2)~~

~~persons with special diets, (3) persons living in isolated rural areas, and (4) other hard-to-serve populations~~ maintaining home delivery and congregate dining services existing on July 1, 2007.

**Base Adjustment.** The general fund base is \$14,774,000 in fiscal year 2010 and \$14,899,000 in fiscal year 2011.

**(b) Alternative Care Grants**

General	49,858,000	51,758,000
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**Alternative Care Transfer.** Any money allocated to the alternative care program that is not spent for the purposes indicated does not cancel but is transferred to the medical assistance account.

**Base Adjustment.** The general fund base is \$52,120,000 in fiscal year 2010 and \$52,277,000 in fiscal year 2011 for alternative care grants.

**(c) Medical Assistance Grants - Long-Term Care Facilities**

General	496,920,000	499,556,000
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**Long-Term Care Consultation Funding Increase.** For the rate year beginning October 1, 2008, the county long-term care consultation allocations in Minnesota Statutes, section 256B.0911, subdivision 6, must be increased based on the number of transitional long-term care consultation visits projected by the commissioner in each county. For the rate year beginning October 1, 2009, final allocations must be determined based on the average between the actual number of transitional long-term care visits that were conducted in the prior 12-month period and the projected number of consultations that will be provided in the rate year beginning October 1, 2009. Notwithstanding any contrary provision in this article, this paragraph expires June 30,



2010.

**Nursing Facility Sprinkler Systems.** Of the general fund appropriation, \$2,500,000 the first year is to reimburse the costs of nursing facility sprinkler systems under Minnesota Statutes, section 256B.434, subdivision 4, paragraph (e). Any portion of this appropriation not spent in the first year shall not cancel but shall be available for the second year.

**Nursing Home Moratorium Exceptions.** During fiscal year 2008, the commissioner of health may approve moratorium exception projects under Minnesota Statutes, section 144A.073, for which the full annualized state share of medical assistance costs does not exceed \$3,000,000. During fiscal year 2009, the commissioner of health may approve moratorium exception projects under Minnesota Statutes, section 144A.073, for which the full annualized state share of medical assistance costs does not exceed \$3,000,000 less the amount approved during the first year. Priority shall be given to proposals that entail:

- (1) complete building replacement in conjunction with reductions in the number of beds in a county, with greater weight given to projects in counties with a greater than average number of beds per 1,000 elderly;
- (2) technology improvements;
- (3) improvements in life safety;
- (4) construction of nursing facilities that are part of senior services campuses; and
- (5) improvements in the work environment.

**(d) Medical Assistance Grants - Long-Term Care Waivers and Home Care Grants**

General	957,020,000	1,075,074,000
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**County CADI allocation adjustment. (1)**  
The commissioner shall adjust 2007 home

and community-based allocations under Minnesota Statutes, section 256B.49, to qualifying counties that transferred persons to the community alternatives for disabled individuals (CADI) waiver program under Laws 2006, chapter 282, article 20, section 35. The adjustment shall reflect the amount that county-authorized funding for CADI waiver services exceeded the allowable amount as shown in the Medicaid Management Information System (MMIS) on March 1, 2007.

(2) A county that may qualify under paragraph (1) shall apply to the commissioner by June 10, 2007. Following a review of the county request and the MMIS documentation, the commissioner shall adjust the county allocation, as appropriate, by June 25, 2007.

(3) The amounts provided to a county under this section shall become part of the county's base level state allocation for the CADI waiver for the biennium beginning July 1, 2007.

(4) This rider is effective the day following final enactment.

**(e) Mental Health Grants**

	Appropriations by Fund	
General	59,632,000	62,217,000
Health Care Access	750,000	750,000
Lottery Prize	1,933,000	1,633,000

**Mental Health Crisis Services.** Of the general fund appropriation, \$2,528,000 in fiscal year 2008 and \$3,278,000 in fiscal year 2009 are for statewide funding of adult mental health crisis services. Providers must utilize all available funding streams.

**Adult Mental Health Evidence-Based and Best Practices.** Of the general fund appropriation, \$375,000 in fiscal year 2008 and \$750,000 in fiscal year 2009 are for adult mental health evidence-based and best practices including,

but not limited to, Assertive Community Treatment and Integrated Dual Diagnosis Treatment services. The commissioner shall require grantees to utilize all available third-party reimbursement sources as a condition of using state grant funds.

**Culturally Specific Mental Health Treatment Grants.** Of the general fund appropriation, \$75,000 in fiscal year 2008 and \$300,000 in fiscal year 2009 are for adult mental health grants to support increased availability of mental health services for persons from cultural and ethnic minorities within the state. The commissioner shall use at least 20 percent of these funds to help members of cultural and ethnic minority communities to become qualified mental health professionals and practitioners. The commissioner shall assist grantees to meet third-party credentialing requirements and require them to utilize all available third-party reimbursement sources as a condition of using state grant funds.

**Mental Health Services for Adults with Special Treatment Needs.** Of the general fund appropriation, \$50,000 in fiscal year 2008 and \$200,000 in fiscal year 2009 are for adult mental health grants to support increased availability of mental health services for adults with special treatment needs. These adults shall include, but not be limited to: victims of trauma, including persons subjected to abuse or neglect, veterans and their families, and refugee populations; person's with complex treatment needs, such as eating disorders; and those with low incidence disorders.

**Supportive Housing Services for Adults with Mental Illness.** Of the general fund appropriation, \$1,750,000 in fiscal year 2008 and \$1,500,000 in fiscal year 2009 are for adult mental health grants to support increased availability of a range of housing options with supports for persons with serious mental illness.

**National Council on Problem Gambling.** (1)

Of the appropriation from the lottery prize fund, \$225,000 each year is for a grant to the state affiliate recognized by the National Council on Problem Gambling. The affiliate must provide services to increase public awareness of problem gambling, education, and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research relating to problem gambling. These services must be complementary to and not duplicative of the services provided through the problem gambling program administered by the commissioner of human services. This grant does not prevent the commissioner from regular monitoring and oversight of the grant or the ability to reallocate the funds to other services within the problem gambling program for nonperformance of duties by the grantee.

(2) Of this appropriation, \$100,000 in fiscal year 2008 and \$100,000 in fiscal year 2009 are contingent on the contribution of nonstate matching funds. Matching funds may be either cash or qualifying in-kind contributions. The commissioner of finance may disburse the state portion of the matching funds in increments of \$25,000 upon receipt of a commitment for an equal amount of matching nonstate funds. The general fund base shall be \$100,000 in fiscal year 2010 and \$100,000 in fiscal year 2011.

(3) Of the lottery prize fund appropriation, \$100,000 in fiscal year 2008 is for a grant or grants to be awarded competitively to develop programs and services for problem gambling treatment, prevention, and education in immigrant communities. This appropriation is available until June 30, 2009, at which time the project must be completed and final products delivered, unless an earlier completion date is specified in the work program.

**Compulsive Gambling.** Of the lottery prize

fund appropriation, \$300,000 in fiscal year 2008 and \$100,000 in fiscal year 2009 are for purposes of compulsive gambling education, assessment, and treatment under Minnesota Statutes, section 245.98.

**Compulsive Gambling Study.** Of the lottery prize fund appropriation, \$100,000 in fiscal year 2008 is to continue the study currently being done on compulsive gambling treatment effectiveness and long-term effects of gambling.

**Base Adjustment.** The general fund base is \$59,460,000 in each of fiscal years 2010 and 2011.

**Base Adjustment.** The lottery prize fund base is \$1,508,000 in each of fiscal years 2010 and 2011.

**(f) Deaf and Hard-of-Hearing Grants**

General	1,730,000	1,964,000
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**Hearing Loss Mentors.** Of the general fund appropriation, \$40,000 each year is to provide mentors who have a hearing loss to parents of newly identified infants and children with hearing loss.

**Base Adjustment.** The general fund base is \$1,968,000 in each of fiscal years 2010 and 2011.

**(g) Chemical Dependency Entitlement Grants**

General	78,225,000	88,138,000
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**(h) Chemical Dependency Nonentitlement Grants**

General	1,655,000	1,805,000
TANF	150,000	150,000

**Methamphetamine Abuse Grants.** Of the general fund appropriation, \$175,000 in the first year and \$375,000 in the second year are for grants to existing programs that treat

methamphetamine abuse, and the abuse of other substances in Carlton, Faribault, Martin, Olmsted, and Anoka Counties, that received grant funds under Laws 2005, chapter 136, article 1, section 9, subdivision 6. The commissioner shall administer the grants to programs that the commissioner deems successful, and may discontinue grants to programs after an evaluation of the program and a determination by the commissioner that the program should no longer receive funds. This appropriation shall not become part of base level funding.

**Native American Juvenile Treatment Center.**

Of the general fund appropriation, \$50,000 is to conduct a feasibility study of and to predesign a Native American juvenile treatment center on or near the White Earth Reservation. The facility must house and treat Native American juveniles and provide culturally specific programming to juveniles placed in the treatment center. The commissioner of human services may contract with parties who have experience in the design and construction of juvenile treatment centers to assist in the feasibility study and predesign. On or before January 15, 2008, the commissioner shall present the results of the feasibility study and the predesign of the facility to the chairs of house of representatives and senate committees having jurisdiction over human services finance, public safety finance, and capital investment.

**Leech Lake Youth Treatment Center.** Of the general fund appropriation, \$75,000 each year are for a grant to the Leech Lake Youth Treatment Center project partners, in order to pay the salaries and other directly related costs associated with the development of this project. This is a onetime appropriation.

**Base Adjustment.** The general fund base is \$1,055,000 in each of fiscal years 2010 and 2011.

**(i) Other Continuing Care Grants**

General	21,409,000	16,983,000
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**Repayment.** Of the general fund appropriation, \$4,302,000 the first year is to repay the amount of overspending in the waiver program for persons with developmental disabilities incurred by Fillmore, Steele, and St. Louis Counties in calendar years 2004 and 2005. \* **(The preceding text beginning "Repayment. Of the general fund" was indicated as vetoed by the governor.)**

**Department of Employment and Economic Development Transfer.** For fiscal year 2008, the commissioner of finance shall transfer \$200,000 from the methamphetamine abatement loan fund to the commissioner of human services for methamphetamine treatment programs.

**Disability Linkage Line.** Of the general fund appropriation, \$469,000 in fiscal year 2008 and \$626,000 in fiscal year 2009 are to establish and maintain the disability linkage line.

**Base Adjustment.** The general fund base is \$17,103,000 in fiscal year 2010 and \$17,141,000 in fiscal year 2011 for other continuing care grants."

Reorder the sections in sequence

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert "clarifying licensing fines; clarifying senior nutrition appropriations;"

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. 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.

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. 2232:** A bill for an act relating to public health; allowing municipalities to enact an ordinance authorizing dogs to accompany persons patronizing outdoor areas of food and beverage service establishments; proposing coding for new law in Minnesota Statutes, chapter 157.

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

Page 1, line 7, delete "COMPANION"

Page 1, line 9, delete "Notwithstanding any statute or rule to the contrary,"

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. 3225, 3716, 3201, 2007, 914, 3120, 3396, 2645, 3674, 3235, 3574, 3555, 3494, 3461, 3168, 3227, 3563 and 3571 were read the second time.

## MOTIONS AND RESOLUTIONS - CONTINUED

Senator Lourey moved that S.F. No. 3571, on General Orders, be stricken and re-referred to the Committee on State and Local Government Operations and Oversight. The motion prevailed.

## MEMBERS EXCUSED

Senators Fischbach, Johnson, Moua, Pariseau and Robling were excused from the Session of today. Senator Senjem was excused from the Session of today from 11:00 to 11:25 a.m. Senators Bakk and Skoe were excused from the Session of today from 11:00 to 11:30 a.m. Senator Limmer was excused from the Session of today from 11:00 a.m. to 12:05 p.m.



91ST DAY]

MONDAY, MARCH 17, 2008

7731

**ADJOURNMENT**

Senator Pogemiller moved that the Senate do now adjourn until 11:00 a.m., Tuesday, March 18, 2008. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



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