

THIRTY-SIXTH DAY

St. Paul, Minnesota, Monday, April 20, 2009

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. Dennis J. Johnson.

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

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 communications were received.

April 16, 2009

The Honorable James P. Metzen
President of the Senate

Dear President Metzen:

Please be advised that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 743, 451, 896, 811, 757, 265 and 335.

Sincerely,
Tim Pawlenty, Governor

April 16, 2009

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2009 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2009	Date Filed 2009
743		17	2:12 p.m. April 16	April 16
451		18	2:13 p.m. April 16	April 16
896		19	2:15 p.m. April 16	April 16
811		20	2:16 p.m. April 16	April 16
757		21	2:18 p.m. April 16	April 16
265		22	2:19 p.m. April 16	April 16
335		23	2:20 p.m. April 16	April 16

Sincerely,
Mark Ritchie
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 166: A bill for an act relating to insurance; regulating life insurance; prohibiting stranger-originated life insurance; proposing coding for new law in Minnesota Statutes, chapter 60A; repealing Minnesota Statutes 2008, sections 61A.073; 61A.074.

There has been appointed as such committee on the part of the House:

Knuth, Atkins, Hilstrom, Hortman and Loon.

Senate File No. 166 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 17, 2009

REPORTS OF COMMITTEES

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

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

H.F. No. 417 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
417	528				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 417 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 417, the second engrossment; and insert the language after the enacting clause of S.F. No. 528, the second engrossment; further, delete the title of H.F. No. 417, the second engrossment; and insert the title of S.F. No. 528, the second engrossment.

And when so amended H.F. No. 417 will be identical to S.F. No. 528, and further recommends that H.F. No. 417 be given its second reading and substituted for S.F. No. 528, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 523 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
523	402				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 523 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 523, the first engrossment; and insert the language after the enacting clause of S.F. No. 402, the first engrossment; further, delete the title of H.F. No. 523, the first engrossment; and insert the title of S.F. No. 402, the first engrossment.

And when so amended H.F. No. 523 will be identical to S.F. No. 402, and further recommends that H.F. No. 523 be given its second reading and substituted for S.F. No. 402, and that the Senate File be indefinitely postponed.

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

SECOND READING OF HOUSE BILLS

H.F. Nos. 417 and 523 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Sparks introduced—

S.F. No. 2093: A bill for an act relating to taxation; wind energy production tax; modifying distributions; amending Minnesota Statutes 2008, section 272.029, subdivision 6.

Referred to the Committee on Taxes.

Senator Sparks introduced—

S.F. No. 2094: A bill for an act relating to education finance; creating a one-year transition aid payment for school districts no longer receiving wind energy production tax revenue; appropriating money.

Referred to the Committee on Finance.

Senator Bakk introduced—

S.F. No. 2095: A bill for an act relating to taxation; providing a tax credit advance loan program; proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Taxes.

Senator Tomassoni introduced—

S.F. No. 2096: A bill for an act relating to judgments; providing for the recovery of attorney fees incurred in collecting conciliation court judgments; amending Minnesota Statutes 2008, section 491A.02, subdivision 9, by adding a subdivision.

Referred to the Committee on Judiciary.

Senator Latz introduced—

S.F. No. 2097: A bill for an act relating to insurance; requiring the Joint Underwriting Association to provide liquor liability insurance on the same basis as other insurance; amending Minnesota Statutes 2008, section 62I.13, subdivision 2.

Referred to the Committee on Commerce and Consumer Protection.

Senator Anderson introduced—

S.F. No. 2098: A bill for an act relating to state government; prohibiting the state from purchasing products from Jennie-O Turkey Store or its subsidiaries until a certain date.

Referred to the Committee on Business, Industry and Jobs.

Senators Anderson, Saxhaug, Frederickson and Kubly introduced—

S.F. No. 2099: A bill for an act relating to state government; appropriating money for environment, natural resources, and energy; establishing fees; providing for disposition of certain fees; establishing certain programs; requiring identification of certain harmful chemicals in products; modifying composting requirements; providing for a greenhouse gas emissions registry; requiring reports; modifying and establishing assessments for certain regulatory expenses; amending Minnesota Statutes 2008, sections 84.415, subdivision 5, by adding a subdivision; 84.63; 84.631; 84.632; 84D.15, subdivision 2; 85.015, subdivisions 1b, 13; 92.685; 93.481, subdivisions 1, 3, 5, 7; 94.342, subdivision 3; 97A.061, subdivision 1; 97A.075, subdivision 1; 103G.271, subdivision 6; 103G.301, subdivisions 2, 3; 115A.1314, subdivision 2; 115A.557, subdivision 1; 115A.931; 116.0711; 116C.779, subdivision 2; 216B.62, subdivisions 3, 4, 5, by adding a subdivision; 216C.41, subdivision 5a; 477A.12, subdivision 1; 477A.14, subdivision 1; Laws 2005, chapter 156, article 2, section 45, as amended; proposing coding for new law in Minnesota Statutes, chapters 86A; 93; 115A; 116; 116J; 216C; 216H; 325E; 383B; repealing Laws 2008, chapter 363, article 5, section 30.

Referred to the Committee on Finance. Senator Chaudhary questioned the reference thereon and, under Rule 4.10, the bill was referred to the Committee on Rules and Administration.

MOTIONS AND RESOLUTIONS

Senator Berglin moved that the name of Senator Sheran be added as a co-author to S.F. No. 1442. The motion prevailed.

Senator Berglin moved that the name of Senator Sheran be added as a co-author to S.F. No.

1444. The motion prevailed.

Senators Dibble, Higgins, Berglin, Kelash and Torres Ray introduced –

Senate Resolution No. 80: A Senate resolution congratulating the Washburn High School boys basketball team on winning the 2009 State High School Class AAA boys basketball championship.

Referred to the Committee on Rules and Administration.

CALL OF THE SENATE

Senator Pogemiller imposed a call of the Senate for the balance of the proceedings on the Calendar and Special Orders. The Sergeant at Arms was instructed to bring in the absent members.

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

CALENDAR

S.F. No. 615: A bill for an act relating to health; providing an exception to the hospital construction moratorium; amending Minnesota Statutes 2008, section 144.551, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDERS

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

S.F. Nos. 2082 and 802.

SPECIAL ORDER

S.F. No. 2082: A bill for an act relating to government operations; modifying provisions for general legislative and administrative expenses of state government; regulating state and local government operations; establishing a statewide electronic licensing system; requiring reports; appropriating money; amending Minnesota Statutes 2008, sections 5.12, subdivision 1; 5.29; 5.32; 5A.03; 10A.31, subdivision 4; 16A.133, subdivision 1; 16B.24, subdivision 5; 43A.49; 45.24; 270C.63, subdivision 13; 302A.821; 303.14; 303.16, subdivision 4; 308A.995; 308B.121, subdivisions 1, 2; 317A.823; 321.0206; 321.0210; 321.0810; 322B.960; 323A.1003; 333.055; 336A.04, subdivision 3; 336A.09, subdivision 2; 359.01, subdivision 3; 469.175, subdivisions 1, 6; proposing coding for new law in Minnesota Statutes, chapters 5; 16E; repealing Minnesota Statutes 2008, section 240A.08.

Senator Day moved to amend S.F. No. 2082 as follows:

Page 41, after line 2, insert:

"ARTICLE 3 OPERATIONS

Section 1. Minnesota Statutes 2008, section 349A.01, subdivision 10, is amended to read:

Subd. 10. **Lottery procurement contract.** "Lottery procurement contract" means a contract to provide lottery products, gaming machines, maintenance of gaming machines, computer hardware and software used to monitor sales of lottery tickets and gaming machine plays, equipment used to conduct and monitor other lottery games at a gaming facility, equipment used for the conducting of other lottery games, and lottery tickets. "Lottery procurement contract" does not include a contract to provide an annuity or prize payment agreement or materials, supplies, equipment, or services common to the ordinary operation of a state agency.

Sec. 2. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 14. **Gaming machine.** "Gaming machine" means any machine, system, or device which, upon payment of consideration in order to play a game, may award or entitle a player to a prize by reason of skill of the player or application of the element of chance, or both.

Sec. 3. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 15. **Gaming machine game.** "Gaming machine game" means a game operated by a gaming machine as authorized by the director.

Sec. 4. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 16. **Gaming machine play.** "Gaming machine play" means a record that proves participation in a gaming machine game.

Sec. 5. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 17. **Adjusted gross gaming machine revenue.** "Adjusted gross gaming machine

revenue" means the sum of all money received for gaming machine plays less the amount paid out in prizes.

Sec. 6. Minnesota Statutes 2008, section 349A.04, is amended to read:

349A.04 LOTTERY GAME PROCEDURES.

The director may adopt game procedures governing the following elements of the lottery:

- (1) lottery games;
- (2) ticket prices;
- (3) number and size of prizes;
- (4) methods of selecting winning tickets; ~~and~~
- (5) frequency and method of drawings;
- (6) gaming machine games; and
- (7) cost of gaming machine plays.

The adoption of lottery game procedures is not subject to chapter 14.

Sec. 7. Minnesota Statutes 2008, section 349A.10, subdivision 3, is amended to read:

Subd. 3. **Lottery operations.** (a) The director shall establish a lottery operations account in the lottery fund. The director shall pay all costs of operating the lottery, including payroll costs or amounts transferred to the state treasury for payroll costs, but not including lottery prizes, from the lottery operating account. The director shall credit to the lottery operations account amounts sufficient to pay the operating costs of the lottery.

(b) Except as provided in paragraph (e), the director may not credit in any fiscal year thereafter amounts to the lottery operations account which when totaled exceed nine percent of gross revenue to the lottery fund in that fiscal year. In computing total amounts credited to the lottery operations account under this paragraph the director shall disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation and amounts transferred to or retained by a racetrack pursuant to a location contract under section 349A.17.

(c) The director of the lottery may not expend after July 1, 1991, more than 2-3/4 percent of gross revenues in a fiscal year for contracts for the preparation, publication, and placement of advertising.

(d) Except as the director determines, the lottery is not subject to chapter 16A relating to budgeting, payroll, and the purchase of goods and services.

(e) In addition to the amounts credited to the lottery operations account under paragraph (b), the director is authorized, if necessary, to meet the current obligations of the lottery and to credit up to 25 percent of an amount equal to the average annual amount which was authorized to be credited to the lottery operations account for the previous three fiscal years but was not needed to meet the obligations of the lottery.

(f) Notwithstanding the provisions of this subdivision, the director may not credit, in any fiscal year, to the lottery operations account which when totaled exceed ten percent of adjusted gross

revenue from the operation of gaming machines at the racetrack.

Sec. 8. Minnesota Statutes 2008, section 349A.10, subdivision 6, is amended to read:

Subd. 6. **Budget; plans.** The director shall prepare and submit a biennial budget plan to the commissioner of finance. The governor shall recommend the maximum amount available for the lottery in the budget the governor submits to the legislature under section 16A.11. The maximum amount available to the lottery for operating expenses and capital expenditures shall be determined by law. Operating expenses shall not include expenses that are a direct function of lottery sales, which include the cost of lottery prizes, amounts paid to lottery retailers as sales commissions or other compensation, amounts paid to produce and deliver scratch lottery games, ~~and~~ amounts paid to an outside vendor to operate and maintain an online gaming system, amounts paid to an outside vendor to operate and maintain a central system for gaming machines, and amounts paid to acquire and maintain gaming machines. In addition, the director shall appear at least once each fiscal year before the senate and house of representatives committees having jurisdiction over gambling policy to present and explain the lottery's plans for future games and the related advertising and promotions and spending plans for the next fiscal year.

Sec. 9. Minnesota Statutes 2008, section 349A.13, is amended to read:

349A.13 RESTRICTIONS.

Nothing in this chapter:

(1) authorizes the director to conduct a lottery game or contest the winner or winners of which are determined by the result of a sporting event other than a horse race conducted under chapter 240;

(2) authorizes the director to install or operate a lottery device operated by coin or currency which when operated determines the winner of a game except as authorized under section 349A.17; and

(3) authorizes the director to sell pull-tabs as defined under section 349.12, subdivision 32.

Sec. 10. **[349A.17] GAMING MACHINES.**

Subdivision 1. **Location contract.** (a) The director may enter into a contract with a person to provide locations for gaming machines. Contracts entered into under this section are not subject to chapter 16C. The director may only enter a contract under this subdivision with a person that holds a class A license under chapter 240. The gaming machines may only be placed at the racetrack for which the class A license under chapter 240 was issued.

(b) In order to be eligible for a contract under this section, the class A licensee must have conducted at least 50 days of live racing at the racetrack each year. A contract under this section must contain a provision under which the contract terminates on the first day of any calendar year following a calendar year during which the class A licensee has not conducted at least 50 days of live racing at the licensee's racetrack.

(c) Contracts entered into must provide for compensation to the licensee in an amount equal to at least 55 percent of adjusted gross gaming machine revenue. From the amount received by the licensee under this section, the licensee shall annually remit an amount equal to one percent of the adjusted gross gaming machine revenue to both the city or town and the county where the racetrack

is located.

(d) The director may cancel, suspend, or refuse to renew the location contract or impose a civil penalty if the licensee:

(1) no longer holds a class A license under chapter 240;

(2) fails to account for proceeds from the gaming machines;

(3) fails to remit funds to the director in accordance with the location contract;

(4) violates a law, rule, or order of the director;

(5) fails to comply with any of the terms of the location contract; or

(6) has acted in a manner prejudicial to public confidence in the integrity of the operation of the gaming machines.

The cancellation, suspension, or refusal to renew the location contract or imposition of a civil penalty under this paragraph is a contested case under sections 14.57 to 14.69.

(e) No gaming machines may be located within a home rule charter or statutory city or town unless the governing body of the city or town adopts a resolution approving the location of the gaming machines within the city or town.

(f) The contract entered into under this section must provide for the following provisions:

(1) Liquidated damages to recover the initial investment by the licensee in the event the state, through legislation or constitutional amendment, revokes all or substantially all of the forms of gambling authorized under this section. The liquidated damages may not be greater than the unpaid balance of any debt incurred by the licensee after the location contract has been executed and is limited to the debt incurred by the licensee for the gaming facility license, initial construction, or acquisition of the gaming facility less the present market value of the property or other assets related to the debt. Any liquidated damages provision must expire within ten years.

(2) All costs associated with managing the day-to-day activity of gaming machines, including, but not limited to, routine and minor service and maintenance, security monitoring, verifying winners, paying winners, collecting money from gaming machines, and advertising and marketing of gaming machines shall be borne by the licensee.

Subd. 2. **Operation.** (a) All gaming machines that are placed at a racetrack pursuant to subdivision 1 must be operated and controlled by the director.

(b) Gaming machines must be owned or leased by the director.

(c) Gaming machines must be maintained by the lottery, or by a vendor that is under the control and direction of the director.

(d) The director must have a central communications system that monitors activities and provides auditing program information on each gaming machine. The central communications system must be located at a lottery office.

(e) The director must approve the general security arrangements associated with and relating to

the operation of the gaming machines.

(f) Advertising and promotional material produced by the licensee relating to gaming machines located at the racetrack must be approved by the director.

(g) There must be a reasonable number of gaming machines that are accessible to individuals with disabilities. For the purposes of this subdivision, "individuals with disabilities" includes any person who has a physical or sensory impairment which materially limits one or more major life activities.

(h) A reasonable number of gaming machines that are placed at a racetrack pursuant to subdivision 1 must afford players the option to receive winnings in the form of either coins or tokens rather than in the form of a paper receipt.

(i) Gaming machines must maintain on nonresettable meters a permanent record, capable of being printed out, of all transactions by the machine and all entries into the machine.

(j) The director may implement other controls as are deemed necessary to ensure and maintain the integrity of gaming machines operated under this section.

Subd. 3. **Games.** The director shall specify the games that may be placed on a gaming machine as set forth under section 349A.04. Gaming machines may conduct pari-mutuel wagering and display horse races pursuant to specifications set forth by the director.

Subd. 4. **Examination of machines.** The director shall examine prototypes of gaming machines and require that the manufacturer of the machine pay the cost of the examination. The director may contract for the examination of gaming machines. The director may require working models of a gaming machine transported to the locations the director designates for testing, examination, and analysis. The manufacturer shall pay all costs of any testing, examination, analysis, and transportation of the machine model.

Subd. 5. **Prizes.** A person who plays a gaming machine or plays any other lottery game at the gaming facility agrees to be bound by the rules and game procedures applicable to that particular game. The player acknowledges that the determination of whether the player has won a prize is subject to the rules and game procedures adopted by the director, claim procedures established by the director for that game, and any confidential or public validation tests established by the director for that game. A prize claimed from the play of a gaming machine game or the conduct of any other lottery game is not subject to section 349A.08, subdivision 8.

Subd. 6. **Odds.** The approximate odds of winning a prize from a gaming machine must be displayed on the face of the screen.

Subd. 7. **Prohibitions.** A person under the age of 18 years may not play a game on a gaming machine or claim a prize from the operation of a gaming machine.

Subd. 8. **Compulsive gambling notice.** The licensee shall prominently post, in areas of the gaming facility where gaming machines are located, the toll-free telephone number established by the commissioner of human services in connection with the problem and compulsive gambling program. The licensee shall establish, with the approval of the director, a proactive plan relating to problem and compulsive gambling.

Subd. 9. **Local licenses; local fees.** A political subdivision may not require a license to operate a gaming machine, restrict or regulate the placement of gaming machines, or impose a tax or fee on the business of operating gaming machines.

Subd. 10. **Reimbursement; racing commission.** The racing commission under section 240.02 shall require the licensee to reimburse the commission's actual costs, including personnel costs, of regulating the licensee under this section. Amounts received under this subdivision must be deposited as provided in section 240.155, subdivision 1.

Sec. 11. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 4

CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 2008, section 240.35, subdivision 1, is amended to read:

Subdivision 1. **Generally.** A licensee of the commission may detain a person if the licensee has probable cause to believe that the person detained has violated section 609.76 while at a card club authorized by section 240.30 or at a racetrack where gaming machines are located under section 349A.17. For purposes of this section, "licensee" means the commission's director of racing security or a security officer licensed under Minnesota Rules, chapter 7878.

Sec. 2. Minnesota Statutes 2008, section 299L.02, subdivision 1, is amended to read:

Subdivision 1. **Lottery.** (a) The director shall when required under chapter 349A or when requested by the director of the lottery conduct background checks on employees of the State Lottery, lottery retailers, and bidders of lottery procurement contracts.

(b) The director shall, when so requested by the director of the State Lottery or when the director believes it to be reasonable and necessary, conduct investigations of lottery retailers, applicants for lottery retailer contracts, suppliers of goods or services to the State Lottery, and persons bidding on contracts for goods or services with the State Lottery.

(c) The director shall conduct an annual security audit of the State Lottery, or arrange for such an audit by an outside agency or person, firm, or corporation. The director shall report to the director of the lottery on the results of the audit.

(d) The director shall deposit in a separate account in the state treasury all money received from the director of the State Lottery for charges for investigations and background checks relating to the owning and operating of gaming machines under chapter 349A. Money in the account is appropriated to the director for the purpose of carrying out the director's powers and duties under this subdivision.

Sec. 3. Minnesota Statutes 2008, section 299L.07, subdivision 2, is amended to read:

Subd. 2. **Exclusions.** Notwithstanding subdivision 1, a gambling device:

(1) may be sold by a person who is not licensed under this section, if the person (i) is not engaged in the trade or business of selling gambling devices, and (ii) does not sell more than one gambling

device in any calendar year;

(2) may be sold by the governing body of a federally recognized Indian tribe described in subdivision 2a, paragraph (b), clause (1), which is not licensed under this section, if (i) the gambling device was operated by the Indian tribe, (ii) the sale is to a distributor licensed under this section, and (iii) the licensed distributor notifies the commissioner of the purchase, in the same manner as is required when the licensed distributor ships a gambling device into Minnesota;

(3) may be possessed by a person not licensed under this section if the person holds a permit issued under section 299L.08; ~~and~~

(4) may be possessed by a state agency, with the written authorization of the director, for display or evaluation purposes only and not for the conduct of gambling; and

(5) may be possessed by the State Lottery as authorized under chapter 349A.

Sec. 4. Minnesota Statutes 2008, section 299L.07, subdivision 2a, is amended to read:

Subd. 2a. **Restrictions.** (a) A manufacturer licensed under this section may sell, offer to sell, lease, or rent, in whole or in part, a gambling device only to a distributor licensed under this section or to the State Lottery as authorized under chapter 349A.

(b) A distributor licensed under this section may sell, offer to sell, market, rent, lease, or otherwise provide, in whole or in part, a gambling device only to:

(1) the governing body of a federally recognized Indian tribe that is authorized to operate the gambling device under a tribal state compact under the Indian Gaming Regulatory Act, Public Law 100-497, and future amendments to it;

(2) a person for use in the person's dwelling for display or amusement purposes in a manner that does not afford players an opportunity to obtain anything of value;

(3) another distributor licensed under this section; ~~or~~

(4) a person in another state who is authorized under the laws of that state to possess the gambling device; or

(5) the State Lottery as authorized under chapter 349A.

Sec. 5. Minnesota Statutes 2008, section 340A.410, subdivision 5, is amended to read:

Subd. 5. **Gambling prohibited.** (a) Except as otherwise provided in this subdivision, no retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized by (1) chapter 349, (2) a tribal ordinance in conformity with the Indian Gaming Regulatory Act, Public Law 100-497, or (3) a tribal-state compact authorized under section 3.9221.

(c) Lottery tickets may be purchased and sold within the licensed premises as authorized by the director of the lottery under chapter 349A.

(d) Dice may be kept and used on licensed premises and adjoining rooms as authorized by section 609.761, subdivision 4.

(e) Gambling devices may be operated and gambling permitted at a racetrack as authorized by chapter 349A.

Sec. 6. Minnesota Statutes 2008, section 541.20, is amended to read:

541.20 RECOVERY OF MONEY LOST.

Every person who, by playing at cards, dice, or other game, or by betting on the hands or sides of such as are gambling, shall lose to any person so playing or betting any sum of money or any goods, and pays or delivers the same, or any part thereof, to the winner, may sue for and recover such money by a civil action, before any court of competent jurisdiction. For purposes of this section, gambling shall not include pari-mutuel wagering conducted under a license issued pursuant to chapter 240, purchase or sale of tickets in the state lottery, purchase of gaming machine plays as authorized under chapter 349A, or gambling authorized under chapters 349 and 349A.

Sec. 7. Minnesota Statutes 2008, section 541.21, is amended to read:

541.21 COMMITMENTS FOR GAMBLING DEBT VOID.

Every note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration shall be for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money knowingly lent or advanced at the time and place of such gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, shall be void and of no effect as between the parties to the same, and as to all persons except such as hold or claim under them in good faith, without notice of the illegality of the consideration of such contract or conveyance. The provisions of this section shall not apply to: (1) pari-mutuel wagering conducted under a license issued pursuant to chapter 240; (2) purchase of tickets in the state lottery or other wagering authorized under chapter 349A; (3) gaming activities conducted pursuant to the Indian Gaming Regulatory Act, 25 U.S.C. 2701 et seq.; or (4) lawful gambling activities permitted under chapter 349.

Sec. 8. Minnesota Statutes 2008, section 609.651, subdivision 1, is amended to read:

Subdivision 1. **Felony Fraud.** A person is guilty of a felony and may be sentenced under subdivision 4 if the person does any of the following with intent to defraud the State Lottery:

(1) alters or counterfeits a state lottery ticket or a credit receipt from a state lottery gaming machine;

(2) knowingly presents an altered or counterfeited state lottery ticket or credit receipt from a state lottery gaming machine for payment;

(3) knowingly transfers an altered or counterfeited state lottery ticket or credit receipt from a state lottery gaming machine to another person; ~~or~~

(4) tampers with or manipulates the outcome, prize payable, or operation of a state lottery gaming machine; or

(5) otherwise claims a lottery prize by means of fraud, deceit, or misrepresentation.

Sec. 9. Minnesota Statutes 2008, section 609.75, subdivision 3, is amended to read:

Subd. 3. **What are not bets.** The following are not bets:

(1) a contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance;

(2) a contract for the purchase or sale at a future date of securities or other commodities;

(3) offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest;

(4) the game of bingo when conducted in compliance with sections 349.11 to 349.23;

(5) a private social bet not part of or incidental to organized, commercialized, or systematic gambling;

(6) the operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the Gambling Control Board or an organization exempt from licensing under section 349.166;

(7) pari-mutuel betting on horse racing when the betting is conducted under chapter 240; and

(8) the purchase and sale of state lottery tickets and plays on a gaming machine under chapter 349A.

Sec. 10. Minnesota Statutes 2008, section 609.75, subdivision 4, is amended to read:

Subd. 4. **Gambling device.** A gambling device is a contrivance the purpose of which is that for a consideration a player is afforded an opportunity to obtain something of value, other than free plays, automatically from the machine or otherwise, the award of which is determined principally by chance, whether or not the contrivance is actually played. "Gambling device" also includes a video game of chance, as defined in subdivision 8, but does not include a gaming machine operated by the State Lottery under chapter 349A.

Sec. 11. Minnesota Statutes 2008, section 609.761, is amended by adding a subdivision to read:

Subd. 6. **Gaming machines.** Sections 609.755 and 609.76 do not prohibit the manufacture, possession, sale, or operation of a gaming machine under chapter 349A.

Sec. 12. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 5

REVENUE

Section 1. **[16A.823] STATE APPROPRIATION BONDS.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Appropriation bond" means a bond, note, or other evidence of obligation of the state payable during a biennium from one or more of the following sources:

(1) money appropriated by law in any biennium for debt service due with respect to obligations described in subdivision 2, paragraph (b);

(2) proceeds of the sale of obligations described in subdivision 2, paragraph (b);

(3) payments received for that purpose under agreements and ancillary arrangements described in subdivision 2, paragraph (d); and

(4) investment earnings on amounts in clauses (1) to (3).

(c) "Debt service" means the amount payable in any biennium of principal, premium, if any, and interest on appropriation bonds.

Subd. 2. **Authority.** (a) Subject to the limitations of this subdivision, the commissioner of Minnesota Management and Budget may sell and issue appropriation bonds of the state under this section for public purposes as authorized by law. The proceeds of such bonds must be credited to a special appropriation bonds proceeds account in the state treasury. Net income from investment of the proceeds, as estimated by the commissioner, must be credited to the special appropriation bonds proceeds account.

(b) Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient funds for achieving the purposes authorized as provided under paragraph (a), and pay debt service, pay costs of issuance, make deposits to reserve funds, pay accrued interest, pay the costs of credit enhancement, or make payments under other agreements entered into under paragraph (d); provided, however, that bonds issued and unpaid shall not exceed \$1,085,000,000 in principal amount, excluding refunding bonds sold and issued under subdivision 4.

(c) Appropriation bonds may be issued in one or more series on the terms and conditions the commissioner determines to be in the best interests of the state, but the term on any series of bonds may not exceed 20 years.

(d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter into agreements and ancillary arrangements relating to the appropriation bonds, including trust indentures, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to such agreement or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner included in an interest exchange agreement that such agreement relates to an appropriation bond shall be conclusive.

Subd. 3. **Form; procedure.** (a) Appropriation bonds may be issued in the form of bonds, notes, or other evidences of obligation, and in the manner provided in section 16A.672. In the event that any provision of section 16A.672 conflicts with this section, this section shall control.

(b) Every appropriation bond shall include a conspicuous statement of the limitation established in subdivision 6.

(c) Appropriation bonds may be sold at either public or private sale and may be sold at any price or percentage of par value. Any bid received at public sale may be rejected.

(d) Appropriation bonds may bear interest at a fixed or variable rate.

Subd. 4. **Refunding bonds.** The commissioner from time to time may issue appropriation bonds for the purpose of refunding any appropriation bonds then outstanding, including the payment of any redemption premiums on the bonds, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the appropriation bonds to be refunded, to the redemption of the outstanding bonds on any redemption date, or to pay interest on the refunding bonds and may, pending application, be placed in escrow to be applied to the purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on the investment may also be applied to the payment of the bonds to be refunded, interest or premiums on the refunded bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance of such proceeds and any investment income may be returned to the general fund or, if applicable, the appropriation bonds proceeds account, for use in any lawful manner. All refunding bonds issued under the provisions of this subdivision must be prepared, executed, delivered, and secured by appropriations in the same manner as the bonds to be refunded.

Subd. 5. **Appropriation bonds as legal investments.** Any of the following entities may legally invest any sinking funds, money, or other funds belonging to them or under their control in any appropriation bonds issued under this section:

(1) the state, the investment board, public officers, municipal corporations, political subdivisions, and public bodies;

(2) banks and bankers, savings and loan associations, credit unions, trust companies, savings banks and institutions, investment companies, insurance companies, insurance associations, and other persons carrying on a banking or insurance business; and

(3) personal representatives, guardians, trustees, and other fiduciaries.

Subd. 6. **No full faith and credit; state not required to make appropriations.** The appropriation bonds are not public debt of the state, and the full faith, credit, and taxing powers of the state are not pledged to the payment of the appropriation bonds or to any payment that the state agrees to make under this section. Appropriation bonds shall not be obligations paid directly, in whole or in part, from a tax of statewide application on any class of property, income, transaction, or privilege. Appropriation bonds shall be payable in each fiscal year only from amounts that the legislature may appropriate for debt service for any fiscal year, provided that nothing in this section shall be construed to require the state to appropriate funds sufficient to make debt service payments with respect to the bonds in any fiscal year.

Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds and interest credited to the special appropriation bonds proceeds account are appropriated to the commissioner for payment of nonoperating, capital expenses as permitted by state and federal law, and nonsalary expenses incurred in conjunction with the sale of the appropriation bonds.

Subd. 8. **Appropriation for debt service.** The amount needed to pay principal and interest on appropriation bonds issued under this section is appropriated each year to the commissioner from the general fund subject to the repeal, unallotment under section 16A.152, or cancellation otherwise pursuant to subdivision 6.

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

Sec. 2. Minnesota Statutes 2008, section 240.13, is amended by adding a subdivision to read:

Subd. 5a. **Purses; gaming machines.** From the commission received by a licensee pursuant to a gaming machine location contract entered into under section 349A.17, the licensee must set aside an amount equal to not less than 7.25 percent of the adjusted gross gaming machine revenues as defined under chapter 349A, for purses for live horse races conducted by the licensee. Purse payments made pursuant to this subdivision are in addition to purse payments otherwise established by law or contract. Twenty percent of the money set aside for purses pursuant to this subdivision shall be transferred to the commission and used for the purposes in section 240.18, subdivisions 2, paragraph (d), and 3, paragraph (b), subject to the proportionality requirement in section 240.18, subdivision 1. The licensee and the horseperson's organization representing the majority of horsepersons who have raced at the racetrack during the preceding 12 months may negotiate percentages different from those stated in this section if the agreement is in writing and filed with the racing commission.

Sec. 3. **[297A.651] LOTTERY GAMING MACHINES; IN-LIEU TAX.**

Adjusted gross revenue from the operation of gaming machines authorized under chapter 349A are exempt from the tax imposed under section 297A.62. The State Lottery must on or before the 20th day of each month transmit to the commissioner an amount equal to the adjusted gross revenue from the operation of gaming machines, as defined in section 349A.01, for the previous month multiplied by 35 percent. The commissioner shall deposit the money transmitted under this section in the state treasury as provided in section 297A.94.

Sec. 4. Minnesota Statutes 2008, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

~~(e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and for fiscal year 2004 and thereafter, 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:~~

~~(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;~~

~~(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;~~

~~(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;~~

~~(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and~~

~~(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.~~

(f) Revenue, including interest and penalties, transmitted to the commissioner under section 297A.651 must be deposited by the commissioner in the general fund and is dedicated for the payment of debt service on state appropriation bonds under section 16A.823, subdivision 8.

~~(g)~~ (g) The revenue dedicated under paragraph (e) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (e) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (e) must be allocated for field operations.

Sec. 5. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 6

MISCELLANEOUS

Section 1. **LOTTERY BUDGET; GAMING MACHINES.**

The director of the State Lottery shall submit a budget for the operation of gaming machines at a racetrack as authorized under Minnesota Statutes, section 349A.17, to the commissioner of finance. Notwithstanding Minnesota Statutes, section 349A.10, subdivision 6, the director of the State Lottery may expend amounts necessary to operate gaming machines. Amounts expended by the director of the State Lottery for the conduct of gaming machines in fiscal years 2010 and 2011 are not subject to the maximum amount set in law for the operation of the lottery.

Sec. 2. **SEVERABILITY; SAVINGS.**

If any part of this act is found to be invalid because it is in conflict with a provision of the Constitution of the state of Minnesota or the Constitution of the United States, or for any other reason, all other provisions of this act shall remain valid and any rights, remedies, and privileges that have been otherwise accrued by this act, shall remain in effect and may be proceeded with and concluded under the provisions of this act.

Sec. 3. **EFFECTIVE DATE.**

This article is effective the day following final enactment."

Amend the title accordingly

Senator Tomassoni moved to amend the Day amendment to S.F. No. 2082 as follows:

Page 16, after line 29, insert:

"ARTICLE 7

VIDEO LOTTERY TERMINALS

Section 1. **[297A.652] LOTTERY GAMING MACHINES; IN-LIEU TAX.**

Net terminal income from the operation of video lottery terminals authorized under section 349A.071 is exempt from the tax imposed under section 297A.62. The State Lottery must on or before the 20th day of each month transmit to the commissioner an amount equal to the net terminal income from the operation of video lottery terminals as defined in section 349A.01, for the previous month multiplied by 33 percent. The commissioner shall deposit the money transmitted under this section in the state treasury to be credited as provided in section 297A.94.

Sec. 2. Minnesota Statutes 2008, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit

them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and for fiscal year 2004 and thereafter, 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth

Zoo.

(f) Revenues transmitted to the commissioner under section 297A.652 must be deposited by the commissioner in the state treasury in the general fund.

~~(f)~~ (g) The revenue dedicated under ~~paragraph~~ paragraphs (e) and (f) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (e) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (e) must be allocated for field operations.

Sec. 3. Minnesota Statutes 2008, section 297E.02, subdivision 1, is amended to read:

Subdivision 1. **Imposition.** A tax is imposed on all lawful gambling ~~other than (1) pull-tab deals or games; (2) tipboard deals or games; and (3) items listed in section 297E.01, subdivision 8, clauses (4) and (5),~~ at the rate of 8.5 percent on the gross receipts as defined in section 297E.01, subdivision 8, less prizes actually paid. The tax imposed by this subdivision is in lieu of the tax imposed by section 297A.62 and all local taxes and license fees except a fee authorized under section 349.16, subdivision 8, or a tax authorized under subdivision 5.

The tax imposed under this subdivision is payable by the organization or party conducting, directly or indirectly, the gambling.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 4. Minnesota Statutes 2008, section 299L.02, subdivision 1, is amended to read:

Subdivision 1. **Lottery.** (a) The director shall when required under chapter 349A or when requested by the director of the lottery conduct background checks on employees of the State Lottery, lottery retailers, and bidders of lottery procurement contracts.

(b) The director shall, when so requested by the director of the State Lottery or when the director believes it to be reasonable and necessary, conduct investigations of lottery retailers, applicants for lottery retailer contracts, suppliers of goods or services to the State Lottery, and persons bidding on contracts for goods or services with the State Lottery.

(c) The director shall conduct an annual security audit of the State Lottery, or arrange for such an audit by an outside agency or person, firm, or corporation. The director shall report to the director of the lottery on the results of the audit.

(d) The director shall deposit in a separate account in the state treasury all money received from the director of the State Lottery for charges for investigations and background checks relating to the owning and operating of video lottery terminals under chapter 349A. Money in the account is appropriated to the director for the purpose of carrying out the director's powers and duties under this subdivision.

Sec. 5. Minnesota Statutes 2008, section 299L.07, subdivision 2, is amended to read:

Subd. 2. **Exclusions.** Notwithstanding subdivision 1, a gambling device:

(1) may be sold by a person who is not licensed under this section, if the person (i) is not engaged in the trade or business of selling gambling devices, and (ii) does not sell more than one gambling device in any calendar year;

(2) may be sold by the governing body of a federally recognized Indian tribe described in subdivision 2a, paragraph (b), clause (1), which is not licensed under this section, if (i) the gambling device was operated by the Indian tribe, (ii) the sale is to a distributor licensed under this section, and (iii) the licensed distributor notifies the commissioner of the purchase, in the same manner as is required when the licensed distributor ships a gambling device into Minnesota;

(3) may be possessed by a person not licensed under this section if the person holds a permit issued under section 299L.08; ~~and~~

(4) may be possessed by a state agency, with the written authorization of the director, for display or evaluation purposes only and not for the conduct of gambling; and

(5) may be possessed by the State Lottery as authorized under chapter 349A.

Sec. 6. Minnesota Statutes 2008, section 299L.07, subdivision 2a, is amended to read:

Subd. 2a. **Restrictions.** (a) A manufacturer licensed under this section may sell, offer to sell, lease, or rent, in whole or in part, a gambling device only to a distributor licensed under this section or to the State Lottery as authorized under chapter 349A.

(b) A distributor licensed under this section may sell, offer to sell, market, rent, lease, or otherwise provide, in whole or in part, a gambling device only to:

(1) the governing body of a federally recognized Indian tribe that is authorized to operate the gambling device under a tribal state compact under the Indian Gaming Regulatory Act, Public Law 100-497, and future amendments to it;

(2) a person for use in the person's dwelling for display or amusement purposes in a manner that does not afford players an opportunity to obtain anything of value;

(3) another distributor licensed under this section; ~~or~~

(4) a person in another state who is authorized under the laws of that state to possess the gambling device; or

(5) the State Lottery as authorized under chapter 349A.

Sec. 7. Minnesota Statutes 2008, section 340A.410, subdivision 5, is amended to read:

Subd. 5. **Gambling prohibited.** (a) Except as otherwise provided in this subdivision, no retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized by (1) chapter 349, (2) a tribal ordinance in conformity with the Indian Gaming Regulatory Act, Public Law 100-497, or

(3) a tribal-state compact authorized under section 3.9221.

(c) Lottery tickets may be purchased and sold within the licensed premises as authorized by the director of the lottery under chapter 349A.

(d) Dice may be kept and used on licensed premises and adjoining rooms as authorized by section 609.761, subdivision 4.

(e) Gambling devices may be operated and gambling permitted as authorized by chapter 349A.

Sec. 8. Minnesota Statutes 2008, section 349.15, subdivision 1, is amended to read:

Subdivision 1. **Expenditure restrictions.** (a) Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized by the membership of the conducting organization at a monthly meeting of the organization's membership.

~~Provided that~~ (b) Except as provided in paragraph (c), no more than 70 percent of the gross profit from bingo, and no more than 60 percent of the gross profit from other forms of lawful gambling, may be expended biennially during the term of the license for allowable expenses related to lawful gambling, except that for the period of July 1, 2008, to June 30, 2009, no more than 75 percent of the gross profit from bingo, and no more than 65 percent of the gross profit from other forms of lawful gambling, may be expended for allowable expenses related to lawful gambling. For licenses issued after June 30, 2006, compliance with this subdivision will be measured on a biennial basis that is concurrent with the term of the license. Compliance with this subdivision is a condition for the renewal of any license beginning on July 1, 2008. For licenses renewed with an effective date between July 1, 2006, and June 30, 2008, an organization shall carry forward an amount equal to 15 percent of any positive allowable expense carryover amount. This balance must be used to offset any future negative expense balance at the time of license renewal.

(c) Money received by an organization from net video lottery terminal income under section 349A.06, subdivision 6a, may be expended only for lawful purposes.

Sec. 9. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 9a. **Lottery game.** "Lottery game" means any game operated by the lottery where the prize is determined primarily by chance.

Sec. 10. Minnesota Statutes 2008, section 349A.01, subdivision 10, is amended to read:

Subd. 10. **Lottery procurement contract.** "Lottery procurement contract" means a contract to provide lottery products, computer hardware and software used to monitor sales of lottery tickets and sales on a video lottery terminal, and lottery tickets, video lottery terminals, and maintenance of video lottery terminals. "Lottery procurement contract" does not include a contract to provide an annuity or prize payment agreement or materials, supplies, equipment, or services common to the ordinary operation of a state agency.

Sec. 11. Minnesota Statutes 2008, section 349A.01, subdivision 11, is amended to read:

Subd. 11. **Lottery retailer.** "Lottery retailer" means a person with whom the director has contracted to sell lottery tickets to the public. A lottery retailer includes a person with whom the director has contracted to place a video lottery terminal within its premises where video lottery terminal plays are sold.

Sec. 12. Minnesota Statutes 2008, section 349A.01, subdivision 12, is amended to read:

Subd. 12. **Lottery ticket or ticket.** "Lottery ticket" or "ticket" means any tangible evidence issued by the lottery to prove participation in a lottery game other than a video lottery game.

Sec. 13. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 14. **Net terminal income.** "Net terminal income" means the sum of all money spent for video lottery terminal plays less the value of video lottery credit receipts.

Sec. 14. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 15. **Video lottery credit.** "Video lottery credit" means the basic unit of play for a video lottery terminal.

Sec. 15. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 16. **Video lottery credit receipt.** "Video lottery credit receipt" means a receipt generated by a video lottery terminal that provides evidence of cash payment due a player from play on a video lottery terminal.

Sec. 16. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 17. **Video lottery game.** "Video lottery game" means an electronically simulated game authorized by the director that is displayed and played on a video lottery terminal for consideration and with prizes awarded for designated results. Video lottery game includes video poker games, keno, and video pull-tabs.

Sec. 17. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 18. **Video lottery terminal.** "Video lottery terminal" means any machine, system, or device which upon payment of consideration permits the play of a video lottery game.

Sec. 18. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 19. **Video lottery terminal play.** "Video lottery terminal play" means an electronic record that proves participation in a video lottery game.

Sec. 19. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 20. **Win percentage.** "Win percentage" means the portion of the money wagered by players on a video lottery terminal that is available for the payment of prizes to winning players.

Sec. 20. Minnesota Statutes 2008, section 349A.04, is amended to read:

349A.04 LOTTERY GAME PROCEDURES.

The director may adopt game procedures governing the following elements of the lottery:

- (1) lottery games;
- (2) ticket prices;
- (3) number and size of prizes;

- (4) methods of selecting winning tickets; ~~and~~
- (5) frequency and method of drawings;
- (6) video lottery terminals; and
- (7) cost of video lottery plays.

The adoption of lottery game procedures is not subject to chapter 14.

Sec. 21. Minnesota Statutes 2008, section 349A.06, subdivision 1, is amended to read:

Subdivision 1. **Contracts.** The director shall sell tickets and operate video lottery terminals for the lottery through lottery retailers with whom the director contracts. Contracts under this section are not subject to the provisions of sections 16C.03, 16C.05, 16C.06, 16C.08, 16C.09, and 16C.10, and are valid for a period of one year. The director may permit a retailer to sell tickets and operate video lottery terminals at more than one business location under a contract entered into under this section.

Sec. 22. Minnesota Statutes 2008, section 349A.06, subdivision 5, is amended to read:

Subd. 5. **Restrictions on lottery retailers.** (a) A lottery retailer may sell lottery tickets or have a video lottery terminal placed only on the premises described in the contract.

(b) A lottery retailer must prominently display a certificate issued by the director on the premises where lottery tickets will be sold or where video lottery terminals are operated.

(c) A lottery retailer must keep a complete set of books of account, correspondence, and all other records necessary to show fully the retailer's lottery transactions, and make them available for inspection by employees of the lottery at all times during business hours. The director may require a lottery retailer to furnish information as the director deems necessary to carry out the purposes of this chapter, and may require an audit to be made of the books of account and records. The director may select an auditor to perform the audit and may require the retailer to pay the cost of the audit. The auditor has the same right of access to the books of account, correspondence, and other records as is given to employees of the lottery.

(d) A contract issued under this section may not be transferred or assigned.

(e) The director shall require that lottery tickets may be sold by retailers only for cash.

(f) A lottery retailer must prominently post at the point of sale of lottery tickets and the area where video lottery terminals are located, in a manner approved by the commissioner of human services, the toll-free telephone number established by the commissioner of human services in connection with the compulsive gambling program established under section 245.98.

Sec. 23. Minnesota Statutes 2008, section 349A.06, is amended by adding a subdivision to read:

Subd. 5a. **Restrictions on lottery retailers; video lottery terminals.** (a) The director may only enter into a lottery retailer contract for games operated by a video lottery terminal with a retailer that has a license to sell alcoholic beverages for consumption on the premises where sold. This does not include a retailer who has only a temporary on-sale license or a retailer of 3.2 percent malt liquor whose total gross receipts from the premises were less than 50 percent attributable to the sale of 3.2

percent malt liquor.

(b) The director may not contract with a retailer for games operated by a video lottery terminal unless the retailer has an organization licensed under chapter 349 authorized and conducting lawful gambling on the premises.

(c) A lottery retailer authorized to sell games operated by a video lottery terminal may not cancel or refuse to renew a lease with an organization licensed under chapter 349 authorized and conducting lawful gambling on its premises for three years following the effective date of this act, unless the organization has failed to comply with its lease with the retailer.

(d) A lottery retailer may have up to five video lottery terminals on the retailer's premises, as determined by the director.

(e) A lottery retailer that is authorized to operate a video lottery terminal may not make reference to the establishment being a "casino," or use the word "casino" in its name or in any of its advertisements.

(f) The director, or any employee of the director, may inspect any video lottery terminal at any time during the hours when alcoholic beverages may be sold at on-sale under section 340A.504, subdivisions 1, 2, and 3, without notice, to ensure compliance with this chapter and any rules adopted by the director.

Sec. 24. Minnesota Statutes 2008, section 349A.06, is amended by adding a subdivision to read:

Subd. 6a. **Retention by retailers; video lottery terminals.** A lottery retailer who has a contract for placement of video lottery terminals may retain 31 percent of the net terminal income from the terminals located within its premises as commission. The lottery retailer receiving commission under this subdivision shall transmit to an organization licensed under chapter 349, and conducting lawful gambling on the premises of the retailer, 29 percent of the lottery retailer's commission received under this subdivision. If more than one organization conducts lawful gambling on the premises, the payment must be reasonably allocated between the organizations, pro rata based on their respective gross receipts.

Sec. 25. Minnesota Statutes 2008, section 349A.06, subdivision 8, is amended to read:

Subd. 8. **Proceeds of sales.** All proceeds from the sale of lottery tickets or proceeds from the sale of video lottery terminal plays received by a lottery retailer constitute a trust fund until paid to the director. The lottery retailer is personally liable for all proceeds.

Sec. 26. Minnesota Statutes 2008, section 349A.06, subdivision 10, is amended to read:

Subd. 10. **Local licenses.** No political subdivision may require a local license to operate as a lottery retailer, restrict or regulate the placement of a video lottery terminal, or impose a tax or fee on the business of operating as a lottery retailer.

Sec. 27. **[349A.071] VIDEO LOTTERY TERMINALS.**

Subdivision 1. **Operation.** (a) All video lottery terminals must be operated and controlled by the director.

(b) Video lottery terminals must be owned or leased by the director.

(c) Video lottery terminals must be maintained by the lottery, or by a vendor: (1) that is under the control and direction of the director; and (2) whose principal place of business is in Minnesota.

(d) The director must have a central communications system that monitors activities and provides auditing program information on each video lottery terminal.

(e) The director must approve the general security arrangements associated with and relating to the operation of the video lottery terminal.

(f) Video lottery terminals must maintain on nonresettable meters, a permanent record, capable of being printed out, of all transactions by the terminal and all entries into the terminal.

(g) The director may implement other controls as are deemed necessary to ensure and maintain the integrity of video lottery terminals operated under this section.

Subd. 2. **Testing and examination of machines.** The director shall examine prototypes of video lottery terminals and require that the manufacturer of the terminal pay the cost of the examination. The director may contract for the examination of video lottery terminals. The director may require working models of a video lottery terminal transported to the locations the director designates for testing, examination, and analysis. The manufacturer shall pay all costs of any testing, examination, analysis, and transportation of the terminal model.

Subd. 3. **Deactivation of terminal.** The director may deactivate a video lottery terminal without notice if the lottery retailer has violated any provision of this chapter, rule, or provision of its contract with the director.

Sec. 28. Minnesota Statutes 2008, section 349A.08, subdivision 1, is amended to read:

Subdivision 1. **Agreement by players.** A person who buys a lottery ticket or plays a video lottery game agrees to be bound by the rules and game procedures applicable to ~~the~~ that particular lottery game for which the ticket is purchased. The player acknowledges that the determination of whether a ticket or video lottery credit receipt is a valid winning ticket is subject to under the rules of and game procedures adopted by the director, claims procedures established by the director for that game, and any confidential or public validation tests established by the director for that game.

Sec. 29. Minnesota Statutes 2008, section 349A.08, subdivision 5, is amended to read:

Subd. 5. **Payment; unclaimed prizes.** (a) Except as provided in this subdivision, a prize in the State Lottery must be claimed by the winner within one year of the date of the drawing at which the prize was awarded or the last day sales were authorized for a game where a prize was determined in a manner other than by means of a drawing. If a valid claim is not made for a prize payable directly by the lottery by the end of this period, the prize money is considered unclaimed and the winner of the prize shall have no further claim to the prize.

(b) A video lottery credit receipt from a video lottery terminal must be presented for payment within 60 days of the date the video lottery credit receipt was printed. If a valid claim for a video lottery credit receipt is not made by the end of this period, the video lottery credit receipt is considered unclaimed and the player shall have no further claim to the amount due from the video lottery credit receipt.

(c) A prize won by a person who purchased the winning ticket or played a video lottery game

in violation of section 349A.12, subdivision 1, or won by a person ineligible to be awarded a prize under subdivision 7 must be treated as an unclaimed prize under this section. The director must transfer all unclaimed prize money at the end of each fiscal year from the lottery cash flow account to the general fund.

Sec. 30. Minnesota Statutes 2008, section 349A.08, subdivision 8, is amended to read:

Subd. 8. **Withholding of delinquent state taxes or other debts.** The director shall report the name, address, and Social Security number of each winner of a lottery prize of \$600 or more, or a video lottery prize of \$1,200 or more, to the Department of Revenue to determine whether the person who has won the prize is delinquent in payment of state taxes or owes a debt as defined in section 270A.03, subdivision 5. If the person is delinquent in payment of state taxes or owes a debt as defined in section 270A.03, subdivision 5, the director shall withhold the delinquent amount from the person's prize for remittance to the Department of Revenue for payment of the delinquent taxes or distribution to a claimant agency in accordance with chapter 270A. Section 270A.10 applies to the priority of claims.

Sec. 31. Minnesota Statutes 2008, section 349A.09, subdivision 1, is amended to read:

Subdivision 1. **Odds; required information.** (a) The director shall include on each brochure, pamphlet, booklet, or other similar material the director publishes to promote or explain any lottery game, a prominent and clear statement of the approximate odds of winning each prize offered in that lottery game.

(b) Except for the operation of a video lottery terminal, each lottery retailer must post prominently at or near the point of ticket sale a notice or notices printed and provided by the director of the approximate odds of winning each prize in each game for which the lottery retailer sells tickets.

(c) The approximate odds of winning a prize from a video lottery terminal must be displayed on the face or screen of the video lottery terminal.

Sec. 32. Minnesota Statutes 2008, section 349A.10, subdivision 2, is amended to read:

Subd. 2. **Deposit in Prize fund.** (a) The director shall establish a lottery prize fund outside the state treasury. The fund consists of all money deposited in it under this subdivision and all interest earned thereon.

(b) The director shall deposit in the lottery prize fund, from gross receipts from the sale of lottery tickets, an amount sufficient to pay lottery prizes from the lottery prize fund according to the following provisions:

(1) for games which require online terminal connections, the prizes paid in any fiscal year must be at least 45 percent of gross receipts from those games in that fiscal year;

(2) for games which do not require online terminal connections, the prizes paid in any fiscal year must be at least the following percentages of gross receipts from those games:

(i) ~~50 percent through fiscal year 1991;~~

(ii) ~~55 percent from July 1, 1991, to June 30, 1992; and~~

~~(iii)~~ 60 percent ~~thereafter~~ of gross receipts from those games in that fiscal year.

(c) For lottery games played on a video lottery terminal, the win percentage in any fiscal year will be the win percentage established by the game procedures adopted for the game, but shall be at least 80 percent but not more than 95 percent.

Sec. 33. Minnesota Statutes 2008, section 349A.10, subdivision 3, is amended to read:

Subd. 3. **Lottery operations.** (a) The director shall establish a lottery operations account in the lottery fund. The director shall pay all costs of operating the lottery, including payroll costs or amounts transferred to the state treasury for payroll costs, but not including lottery prizes, from the lottery operating account. The director shall credit to the lottery operations account amounts sufficient to pay the operating costs of the lottery.

(b) Except as provided in paragraph (e), the director may not credit in any fiscal year ~~thereafter~~ amounts to the lottery operations account which when totaled exceed nine percent of gross revenue, exclusive of net terminal income, and 12 percent of net terminal income to the lottery fund in that fiscal year. In computing total amounts credited to the lottery operations account under this paragraph the director shall disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation.

(c) The director of the lottery may not expend ~~after July 1, 1991,~~ more than 2-3/4 percent of gross revenues in a fiscal year for contracts for the preparation, publication, and placement of advertising.

(d) Except as the director determines, the lottery is not subject to chapter 16A relating to budgeting, payroll, and the purchase of goods and services.

(e) In addition to the amounts credited to the lottery operations account under paragraph (b), the director is authorized, if necessary, to meet the current obligations of the lottery and to credit up to 25 percent of an amount equal to the average annual amount which was authorized to be credited to the lottery operations account for the previous three fiscal years but was not needed to meet the obligations of the lottery.

Sec. 34. Minnesota Statutes 2008, section 349A.10, subdivision 4, is amended to read:

Subd. 4. **Deposit of receipts.** (a) The director may require lottery retailers to:

(1) deposit in a separate account to the credit of the lottery fund, in banks designated by the director, all money received by the lottery retailer from the sale of lottery tickets and video lottery terminal plays, less money retained as the lottery retailer's commission and for payment of prizes;

(2) file with the director reports of the lottery retailer's receipts and transactions in ticket sales and video lottery terminal plays in a form that the director prescribes; and

(3) allow money deposited by the lottery retailer from the sale of lottery tickets and video lottery terminal plays to be transferred to the lottery through electronic fund transfer.

(b) The director may make arrangements for any person, including a financial institution, to perform functions, activities, or services in connection with the receipt and distribution of lottery revenues.

(c) A lottery retailer who fails to pay any money due to the director within the time prescribed

by the director shall pay interest on the amount owed at the rate determined by rule.

Sec. 35. Minnesota Statutes 2008, section 349A.10, subdivision 6, is amended to read:

Subd. 6. **Budget; plans.** The director shall prepare and submit a biennial budget plan to the commissioner of finance. The governor shall recommend the maximum amount available for the lottery in the budget the governor submits to the legislature under section 16A.11. The maximum amount available to the lottery for operating expenses and capital expenditures shall be determined by law. Operating expenses shall not include expenses that are a direct function of lottery sales, which include the cost of lottery prizes, amounts paid to lottery retailers as sales commissions or other compensation, amounts paid to produce and deliver scratch lottery games, ~~and~~ amounts paid to an outside vendor to operate and maintain an online gaming system, amounts paid to an outside vendor to operate and maintain a central system for video lottery terminals, and amounts paid to acquire and maintain video lottery terminals. In addition, the director shall appear at least once each fiscal year before the senate and house of representatives committees having jurisdiction over gambling policy to present and explain the lottery's plans for future games and the related advertising and promotions and spending plans for the next fiscal year.

Sec. 36. Minnesota Statutes 2008, section 349A.11, subdivision 1, is amended to read:

Subdivision 1. **Lottery ticket; retailer.** The director, an employee of the lottery, a member of the immediate family of the director or employee residing in the same household may not:

- (1) purchase a lottery ticket or play a game on a video lottery terminal; or
- (2) have any personal pecuniary interest in any vendor holding a lottery procurement contract, or in any lottery retailer; or
- (3) receive any gift, gratuity, or other thing of value, excluding food or beverage, from any lottery vendor or lottery retailer, or person applying to be a retailer or vendor, in excess of \$100 in any calendar year.

Sec. 37. Minnesota Statutes 2008, section 349A.12, subdivision 1, is amended to read:

Subdivision 1. **Purchase by minors.** A person under the age of 18 years may not buy or redeem for a prize a ticket in the state lottery and a person under the age of 21 years may not play a game or redeem a video lottery credit receipt from a video lottery terminal.

Sec. 38. Minnesota Statutes 2008, section 349A.12, subdivision 2, is amended to read:

Subd. 2. **Sale to minors.** A lottery retailer may not sell and a lottery retailer or other person may not furnish or redeem for a prize a ticket in the state lottery to any person under the age of 18 years, or allow a person under the age of 21 years to play a game or redeem a video lottery credit receipt from a video lottery terminal. It is an affirmative defense to a charge under this subdivision for the lottery retailer or other person to prove by a preponderance of the evidence that the lottery retailer or other person reasonably and in good faith relied upon representation of proof of age described in section 340A.503, subdivision 6, in making the sale or furnishing or redeeming the ticket or allowing the play of a video lottery game or redeem a video lottery credit receipt from a video lottery terminal.

Sec. 39. Minnesota Statutes 2008, section 349A.13, is amended to read:

349A.13 RESTRICTIONS.

Nothing in this chapter:

(1) authorizes the director to conduct a lottery game or contest the winner or winners of which are determined by the result of a sporting event other than a horse race conducted under chapter 240; or

~~(2) authorizes the director to install or operate a lottery device operated by coin or currency which when operated determines the winner of a game; and~~

~~(3) authorizes the director to sell pull-tabs as defined under section 349.12, subdivision 32.~~

Sec. 40. Minnesota Statutes 2008, section 541.20, is amended to read:

541.20 RECOVERY OF MONEY LOST.

Every person who, by playing at cards, dice, or other game, or by betting on the hands or sides of such as are gambling, shall lose to any person so playing or betting any sum of money or any goods, and pays or delivers the same, or any part thereof, to the winner, may sue for and recover such money by a civil action, before any court of competent jurisdiction. For purposes of this section, gambling shall not include pari-mutuel wagering conducted under a license issued pursuant to chapter 240, purchase or sale of tickets in the state lottery, purchase of video lottery plays as authorized under chapter 349A, or gambling authorized under chapters 349 and 349A.

Sec. 41. Minnesota Statutes 2008, section 541.21, is amended to read:

541.21 COMMITMENTS FOR GAMBLING DEBT VOID.

Every note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration shall be for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money knowingly lent or advanced at the time and place of such gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, shall be void and of no effect as between the parties to the same, and as to all persons except such as hold or claim under them in good faith, without notice of the illegality of the consideration of such contract or conveyance. The provisions of this section shall not apply to: (1) pari-mutuel wagering conducted under a license issued pursuant to chapter 240; (2) purchase of tickets in the state lottery or other wagering authorized under chapter 349A; (3) gaming activities conducted pursuant to the Indian Gaming Regulatory Act, 25 U.S.C. 2701 et seq.; or (4) lawful gambling activities permitted under chapter 349.

Sec. 42. Minnesota Statutes 2008, section 609.651, subdivision 1, is amended to read:

Subdivision 1. ~~Felony-Fraud.~~ A person is guilty of a felony and may be sentenced under subdivision 4 if the person does any of the following with intent to defraud the State Lottery:

(1) alters or counterfeits a state lottery ticket or a video lottery credit receipt from a State Lottery video lottery terminal;

(2) knowingly presents an altered or counterfeited state lottery ticket or video lottery credit receipt from a State Lottery video lottery terminal for payment;

(3) knowingly transfers an altered or counterfeited state lottery ticket or video lottery credit

receipt from a State Lottery video lottery terminal to another person; or

(4) tampers with or manipulates the outcome, prize payable, or operation of a State Lottery video lottery terminal; or

(5) otherwise claims a lottery prize by means of fraud, deceit, or misrepresentation.

Sec. 43. Minnesota Statutes 2008, section 609.75, subdivision 3, is amended to read:

Subd. 3. **What are not bets.** The following are not bets:

(1) a contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance;

(2) a contract for the purchase or sale at a future date of securities or other commodities;

(3) offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest;

(4) the game of bingo when conducted in compliance with sections 349.11 to 349.23;

(5) a private social bet not part of or incidental to organized, commercialized, or systematic gambling;

(6) the operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the Gambling Control Board or an organization exempt from licensing under section 349.166;

(7) pari-mutuel betting on horse racing when the betting is conducted under chapter 240; and

(8) the purchase and sale of state lottery tickets and plays on a video lottery terminal under chapter 349A.

Sec. 44. Minnesota Statutes 2008, section 609.75, subdivision 4, is amended to read:

Subd. 4. **Gambling device.** A gambling device is a contrivance the purpose of which is that for a consideration a player is afforded an opportunity to obtain something of value, other than free plays, automatically from the machine or otherwise, the award of which is determined principally by chance, whether or not the contrivance is actually played. "Gambling device" also includes a video game of chance, as defined in subdivision 8, but does not include a video lottery terminal operated by the State Lottery under chapter 349A.

Sec. 45. Minnesota Statutes 2008, section 609.761, subdivision 2, is amended to read:

Subd. 2. **State lottery.** Sections 609.755 and 609.76 do not prohibit the operation of the state lottery ~~or~~; the sale, possession, or purchase of tickets for the state lottery; or the manufacture, possession, or operation of a video lottery terminal for the state lottery under chapter 349A.

Sec. 46. **LOTTERY BUDGET; VIDEO LOTTERY TERMINALS.**

The director of the State Lottery shall submit a budget for the operation of video lottery terminals as authorized under Minnesota Statutes, section 349A.071, to the commissioner of finance. Notwithstanding Minnesota Statutes, section 349A.10, subdivision 6, the director of the

State Lottery may expend amounts necessary to operate video lottery terminals. Amounts expended by the director of the State Lottery for the conduct of video lottery terminals in fiscal year 2010 are not subject to the maximum amount set in law for the operation of the lottery.

Sec. 47. **REPEALER.**

Minnesota Statutes 2008, sections 297E.01, subdivision 7; and 297E.02, subdivisions 4, 6, and 7, are repealed.

Sec. 48. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective the day following final enactment."

The question was taken on the adoption of the Tomassoni amendment to the Day amendment.

The roll was called, and there were yeas 28 and nays 38, as follows:

Those who voted in the affirmative were:

Berglin	Ingebrigtsen	Lynch	Robling	Sparks
Dahle	Johnson	Metzen	Rosen	Stumpf
Day	Jungbauer	Michel	Saltzman	Tomassoni
Erickson Ropes	Koering	Olson, G.	Scheid	Wiger
Fischbach	Kubly	Ortman	Senjem	
Gimse	Latz	Pariseau	Skogen	

Those who voted in the negative were:

Anderson	Dille	Kelash	Olseen	Sheran
Bakk	Doll	Koch	Olson, M.	Sieben
Betzold	Fobbe	Langseth	Pappas	Skoe
Carlson	Foley	Limmer	Pogemiller	Torres Ray
Chaudhary	Frederickson	Lourey	Prettner Solon	Vanderveer
Clark	Gerlach	Marty	Rest	Vickerman
Cohen	Hann	Moua	Rummel	
Dibble	Higgins	Murphy	Saxhaug	

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

The question was taken on the adoption of the Day amendment.

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

Those who voted in the affirmative were:

Dahle	Ingebrigtsen	Langseth	Olson, G.	Saltzman
Day	Johnson	Latz	Ortman	Scheid
Erickson Ropes	Jungbauer	Lynch	Pariseau	Senjem
Fischbach	Koch	Metzen	Robling	Sparks
Gimse	Koering	Michel	Rosen	Tomassoni

Those who voted in the negative were:

Anderson	Dille	Kubly	Pogemiller	Stumpf
Bakk	Doll	Limmer	Prettner Solon	Torres Ray
Berglin	Fobbe	Lourey	Rest	Vanderveer
Betzold	Foley	Marty	Rummel	Vickerman
Carlson	Frederickson	Moua	Saxhaug	Wiger
Chaudhary	Gerlach	Murphy	Sheran	
Clark	Hann	Olseen	Sieben	
Cohen	Higgins	Olson, M.	Skoe	
Dibble	Kelash	Pappas	Skogen	

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

Senator Robling moved to amend S.F. No. 2082 as follows:

Page 21, after line 8, insert:

"Sec. 14. Minnesota Statutes 2008, section 179A.03, subdivision 14, is amended to read:

Subd. 14. **Public employee or employee.** "Public employee" or "employee" means any person appointed or employed by a public employer except:

- (a) elected public officials;
- (b) election officers;
- (c) commissioned or enlisted personnel of the Minnesota National Guard;
- (d) emergency employees who are employed for emergency work caused by natural disaster;
- (e) part-time employees whose service does not exceed the lesser of 14 hours per week or 35 percent of the normal work week in the employee's appropriate unit;
- (f) employees whose positions are basically temporary or seasonal in character and: (1) are not for more than 67 working days in any calendar year; or (2) are not for more than 100 working days in any calendar year and the employees (i) are under the age of 22, or (ii) veterans, as defined in section 197.447, and the employees are full-time students enrolled in a nonprofit or public educational institution prior to being hired by the employer, and have indicated, either in an application for employment or by being enrolled at an educational institution for the next academic year or term, an intention to continue as students during or after their temporary employment;
- (g) employees providing services for not more than two consecutive quarters to the Board of Trustees of the Minnesota State Colleges and Universities under the terms of a professional or technical services contract as defined in section 16C.08, subdivision 1;
- (h) employees of charitable hospitals as defined by section 179.35, subdivision 3;
- (i) full-time undergraduate students employed by the school which they attend under a work-study program or in connection with the receipt of financial aid, irrespective of number of hours of service per week;
- (j) an individual who is employed for less than 300 hours in a fiscal year as an instructor in an adult vocational education program;
- (k) an individual hired by the Board of Trustees of the Minnesota State Colleges and Universities to teach one course for three or fewer credits for one semester in a year;

(l) with respect to court employees:

- (1) personal secretaries to judges;
- (2) law clerks;
- (3) managerial employees;

(4) confidential employees; and

(5) supervisory employees;

(m) with respect to employees of Hennepin Healthcare System, Inc., managerial, supervisory, and confidential employees.

The following individuals are public employees regardless of the exclusions of clauses (e) and (f):

(i) An employee hired by a school district or the Board of Trustees of the Minnesota State Colleges and Universities except at the university established in section 136F.13 or for community services or community education instruction offered on a noncredit basis: (A) to replace an absent teacher or faculty member who is a public employee, where the replacement employee is employed more than 30 working days as a replacement for that teacher or faculty member; or (B) to take a teaching position created due to increased enrollment, curriculum expansion, courses which are a part of the curriculum whether offered annually or not, or other appropriate reasons;

(ii) An employee hired for a position under clause (f)(1) if that same position has already been filled under clause (f)(1) in the same calendar year and the cumulative number of days worked in that same position by all employees exceeds 67 calendar days in that year. For the purpose of this paragraph, "same position" includes a substantially equivalent position if it is not the same position solely due to a change in the classification or title of the position; and

(iii) an early childhood family education teacher employed by a school district."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 39, as follows:

Those who voted in the affirmative were:

Day	Gimse	Koering	Pappas	Sheran
Dille	Hann	Limmer	Pariseau	Stumpf
Erickson Ropes	Ingebrigtsen	Michel	Robling	Vandev eer
Fischbach	Johnson	Olson, G.	Rosen	
Frederickson	Jungbauer	Olson, M.	Saltzman	
Gerlach	Koch	Ortman	Senjem	

Those who voted in the negative were:

Anderson	Dahle	Langseth	Olseen	Skoe
Bakk	Dibble	Latz	Pogemiller	Skogen
Berglin	Doll	Lourey	Prettner Solon	Sparks
Betzold	Fobbe	Lynch	Rest	Tomassoni
Carlson	Foley	Marty	Rummel	Torres Ray
Chaudhary	Higgins	Metzen	Saxhaug	Vickerman
Clark	Kelash	Moua	Scheid	Wiger
Cohen	Kubly	Murphy	Sieben	

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

Senator Hann moved to amend S.F. No. 2082 as follows:

Page 16, after line 3, insert:

"Sec. 8. Minnesota Statutes 2008, section 8.02, subdivision 1, is amended to read:

Subdivision 1. **Appointment of deputies and assistants.** The attorney general may appoint, and at pleasure remove, ~~six~~ one deputy ~~attorneys~~ attorney general and ~~35~~ four assistant attorneys general. The appointees shall render such aid as is required of them in the discharge of the official duties of the attorney general. To the extent authorized in writing by the attorney general, they shall have authority to appear before grand juries or in any court of this state, as the attorney general personally might do.

The attorney general shall have power to employ such assistance, whether lay, legal, or expert, as the attorney general deems necessary for the protection of the interests of the state through the proper conduct of its legal business.

Except as provided in section 43A.08, subdivision 1, clause (11), the employees of the attorney general are in the classified civil service."

Page 19, after line 23, insert:

"Sec. 13. Minnesota Statutes 2008, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees who are:

- (1) chosen by election or appointed to fill an elective office;
- (2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;
- (3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a and in the Office of Strategic and Long-Range Planning;
- (4) the confidential secretary to each of the elective officers of this state and, for the secretary of state and state auditor, an additional deputy, clerk, or employee;
- (5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;
- (6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the Office of the Adjutant General;
- (7) employees of the Washington, D.C., office of the state of Minnesota;
- (8) employees of the legislature and of legislative committees or commissions; provided that employees of the Legislative Audit Commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;
- (9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal Economic Opportunity Act work study program in the Perpich Center for Arts Education and the Minnesota State Colleges and Universities, but not the custodial, clerical, or maintenance employees, or any professional or

managerial employee performing duties in connection with the business administration of these institutions;

(10) officers and enlisted persons in the National Guard;

(11) ~~attorneys, legal assistants~~ one deputy attorney general, four assistant attorneys general, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the Department of Labor and Industry;

(13) members of the State Patrol; provided that selection and appointment of State Patrol troopers must be made in accordance with applicable laws governing the classified service;

(14) examination monitors and intermittent training instructors employed by the Departments of Finance and Commerce and by professional examining boards and intermittent staff employed by the technical colleges for the administration of practical skills tests and for the staging of instructional demonstrations;

(15) student workers;

(16) executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;

(17) employees unclassified pursuant to other statutory authority;

(18) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation;

(19) the administrators and the deputy administrators at the State Academies for the Deaf and the Blind; and

(20) chief executive officers in the Department of Human Services."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 42, as follows:

Those who voted in the affirmative were:

Dille	Hann	Koch	Olson, G.	Rosen
Frederickson	Ingebrigtsen	Koering	Ortman	Vanderveer
Gerlach	Johnson	Limmer	Pariseau	
Gimse	Jungbauer	Michel	Robling	

Those who voted in the negative were:

Anderson	Chaudhary	Doll	Kelash	Lynch
Bakk	Clark	Erickson Ropes	Kubly	Marty
Berglin	Cohen	Fobbe	Langseth	Metzen
Betzold	Dahle	Foley	Latz	Moua
Carlson	Dibble	Higgins	Lourey	Olseen

Olson, M.
Pogemiller
Prettner Solon
Rest

Rummel
Saltzman
Saxhaug
Sheran

Sieben
Skoe
Skogen
Sparks

Stumpf
Tomassoni
Torres Ray
Vickerman

Wiger

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

Senator Jungbauer moved to amend S.F. No. 2082 as follows:

Page 7, after line 30, insert:

"\$125,000 the first year and \$125,000 the second year is for the Office of Grants Management. The commissioner must deduct an amount from appropriations for state grants to nongovernmental entities in each fiscal year that will yield \$125,000 each year, but may not exceed .5 percent of the amount of the grant. The amount deducted from appropriations for these grants is transferred and appropriated to the commissioner for the purposes of Minnesota Statutes, sections 16B.97 and 16B.98."

Senator Berglin moved to amend the Jungbauer amendment to S.F. No. 2082 as follows:

Page 1, line 5, after the period, insert "Except for grants (1) made by the commissioners of health and human services; or (2) that include federal stimulus funding,"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Jungbauer amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Senator Hann moved to amend S.F. No. 2082 as follows:

Page 3, line 4, delete the first "\$5,712,000" and insert "\$5,727,000"

Page 5, line 4, delete the first "23,013,000" and insert "22,998,000"

Correct the subdivision and section totals and the appropriations by fund

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 41, as follows:

Those who voted in the affirmative were:

Dille
Fischbach
Frederickson
Gerlach

Gimse
Hann
Ingebrigtsen
Johnson

Jungbauer
Koch
Koering
Limmer

Michel
Olson, G.
Ortman
Pariseau

Robling
Rosen
Senjem
Vanderveer

Those who voted in the negative were:

Anderson

Bakk

Betzold

Carlson

Clark

Cohen	Kelash	Murphy	Saltzman	Tomassoni
Dahle	Kubly	Olseen	Saxhaug	Torres Ray
Dibble	Latz	Olson, M.	Sheran	Vickerman
Doll	Lourey	Pappas	Sieben	Wiger
Erickson Ropes	Lynch	Pogemiller	Skoe	
Fobbe	Marty	Prettner Solon	Skogen	
Foley	Metzen	Rest	Sparks	
Higgins	Moua	Rummel	Stumpf	

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

Senator Vandever moved to amend S.F. No. 2082 as follows:

Page 18, delete subdivision 3

Page 19, delete subdivision 5

Renumber the subdivisions in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 36, as follows:

Those who voted in the affirmative were:

Berglin	Hann	Koering	Ortman	Sheran
Erickson Ropes	Ingebrigtsen	Kubly	Pariseau	Skogen
Fischbach	Johnson	Limmer	Prettner Solon	Sparks
Gerlach	Kelash	Lourey	Robling	Vandever
Gimse	Koch	Lynch	Saltzman	Wiger

Those who voted in the negative were:

Anderson	Dille	Marty	Pogemiller	Stumpf
Bakk	Doll	Metzen	Rest	Tomassoni
Betzold	Fobbe	Michel	Rosen	Torres Ray
Carlson	Foley	Moua	Saxhaug	Vickerman
Clark	Higgins	Murphy	Scheid	
Cohen	Jungbauer	Olseen	Senjem	
Dahle	Langseth	Olson, M.	Sieben	
Dibble	Latz	Pappas	Skoe	

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

Senator Senjem moved to amend S.F. No. 2082 as follows:

Page 12, after line 2, insert:

"Section 1. Minnesota Statutes 2008, section 3.099, subdivision 1, is amended to read:

Subdivision 1. **Salary; pay days; mileage; per diem.** The ~~compensation~~ salary of each member of the legislature is \$29,583 per year. Salary is due on the first day of the regular legislative session of the term and payable in equal parts on January 15, in the first month of each term and on the first day of each following month during the term for which the member was elected. The ~~compensation~~ salary of each member of the legislature elected at a special election is due on the day the member takes the oath of office and payable within ten days of taking the oath for the remaining part of the month in which the oath was taken, and then in equal parts on the first day of each following month during the term for which the member was elected.

Each member shall receive mileage for necessary travel to the place of meeting and returning to the member's residence in the amount and for trips as authorized by the senate for senate members and by the house of representatives for house members.

Each member shall also receive per diem living expenses during a regular or special session of the legislature in the amounts and for the purposes as determined by the senate for senate members and by the house of representatives for house members.

On January 15 in the first month of each term and on the first day of each following month, the secretary of the senate and the chief clerk of the house of representatives shall certify to the commissioner of finance, in duplicate, the amount of compensation then payable to each member of their respective houses and its total.

Sec. 2. [4.042] SALARIES.

The salary of the governor is \$114,288 per year. For the purposes of section 15A.0815, the salary of the governor is the amount that was paid to the governor in 2008. The salary of the lieutenant governor is \$74,287 per year."

Page 12, after line 26, insert:

"Sec. 5. [5.075] SALARY.

The salary of the secretary of state is \$85,715 per year."

Page 16, after line 3, insert:

"Sec. 11. [6.015] SALARY.

The salary of the state auditor is \$97,145 per year.

Sec. 12. [8.015] SALARY.

The salary of the attorney general is \$108,574 per year."

Page 40, after line 32, insert:

"Sec. 40. EFFECTIVE DATE.

Sections 1, 2, 5, 11, and 12 are effective the day following final enactment. Salaries payable in 2009 under sections 1, 2, 5, 11, and 12 must be prorated so that the amount paid in calendar year 2009 does not exceed the annual limits provided."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 39, as follows:

Those who voted in the affirmative were:

Carlson	Fischbach	Gimse	Koering	Olson, M.
Doll	Fobbe	Hann	Limmer	Ortman
Erickson Ropes	Gerlach	Koch	Michel	Pariseau

Robling
Rosen

Saltzman
Scheid

Senjem
Sheran

Vandev eer

Those who voted in the negative were:

Anderson
Bakk
Betzold
Chaudhary
Clark
Cohen
Dahle
Dibble

Dille
Foley
Frederickson
Higgins
Ingebrigtsen
Kelash
Kubly
Latz

Lourey
Lynch
Marty
Metzen
Moua
Murphy
Olseen
Olson, G.

Pappas
Pogemiller
Prettner Solon
Rest
Rummel
Saxhaug
Sieben
Skoe

Skogen
Sparks
Stumpf
Tomassoni
Torres Ray
Vickerman
Wiger

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

Senator Michel moved to amend S.F. No. 2082 as follows:

Page 12, after line 2, insert:

"Section 1. Minnesota Statutes 2008, section 3.099, subdivision 1, is amended to read:

Subdivision 1. **Pay days; mileage; per diem.** The compensation of each member of the legislature is due on the first day of the regular legislative session of the term and payable in equal parts on January 15, in the first month of each term and on the first day of each following month during the term for which the member was elected. The compensation of each member of the legislature elected at a special election is due on the day the member takes the oath of office and payable within ten days of taking the oath for the remaining part of the month in which the oath was taken, and then in equal parts on the first day of each following month during the term for which the member was elected.

Each member shall receive mileage for necessary travel to the place of meeting and returning to the member's residence in the amount and for trips as authorized by the senate for senate members and by the house of representatives for house members.

Each member shall also receive per diem living expenses during a regular or special session of the legislature in the amounts and for the purposes as determined by the senate for senate members and by the house of representatives for house members, except that if any of the omnibus appropriation bills necessary to fund the operations of state or local government are not enacted into law by the constitutional deadline set for adjournment in the odd-numbered year, no member may receive per diem payments for any special session of the legislature called to enact any of the omnibus appropriation bills.

On January 15 in the first month of each term and on the first day of each following month, the secretary of the senate and the chief clerk of the house of representatives shall certify to the commissioner of finance, in duplicate, the amount of compensation then payable to each member of their respective houses and its total."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 36, as follows:

Those who voted in the affirmative were:

Dille	Gerlach	Koch	Pariseau	Sheran
Erickson Ropes	Gimse	Michel	Robling	Sieben
Fischbach	Hann	Olson, M.	Rosen	Sparks
Fobbe	Ingebrigtsen	Ortman	Senjem	Vandevveer

Those who voted in the negative were:

Anderson	Dibble	Lourey	Pogemiller	Tomassoni
Bakk	Doll	Lynch	Rummel	Torres Ray
Betzold	Foley	Marty	Saltzman	Vickerman
Carlson	Frederickson	Metzen	Saxhaug	Wiger
Chaudhary	Higgins	Moua	Scheid	
Clark	Kelash	Murphy	Skoe	
Cohen	Kubly	Olseen	Skogen	
Dahle	Latz	Pappas	Stumpf	

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

Senator Hann moved to amend S.F. No. 2082 as follows:

Page 16, delete section 9

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 14 and nays 42, as follows:

Those who voted in the affirmative were:

Dille	Gimse	Johnson	Ortman	Senjem
Fischbach	Hann	Koch	Pariseau	Vandevveer
Gerlach	Ingebrigtsen	Michel	Robling	

Those who voted in the negative were:

Anderson	Doll	Lynch	Rest	Sparks
Bakk	Erickson Ropes	Marty	Rummel	Stumpf
Betzold	Fobbe	Metzen	Saltzman	Tomassoni
Carlson	Foley	Moua	Saxhaug	Torres Ray
Chaudhary	Higgins	Olseen	Scheid	Vickerman
Clark	Kelash	Olson, M.	Sheran	Wiger
Cohen	Kubly	Pappas	Sieben	
Dahle	Latz	Pogemiller	Skoe	
Dibble	Lourey	Prettner Solon	Skogen	

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

Senator Tomassoni moved to amend S.F. No. 2082 as follows:

Page 41, after line 2, insert:

"ARTICLE 3

VIDEO LOTTERY TERMINALS

Section 1. [297A.652] LOTTERY GAMING MACHINES; IN-LIEU TAX.

Net terminal income from the operation of video lottery terminals authorized under section 349A.071 is exempt from the tax imposed under section 297A.62. The State Lottery must on or before the 20th day of each month transmit to the commissioner an amount equal to the net terminal income from the operation of video lottery terminals as defined in section 349A.01, for the previous month multiplied by 33 percent. The commissioner shall deposit the money transmitted under this section in the state treasury to be credited as provided in section 297A.94.

Sec. 2. Minnesota Statutes 2008, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and for fiscal year 2004 and thereafter, 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural

resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(f) Revenues transmitted to the commissioner under section 297A.652 must be deposited by the commissioner in the state treasury in the general fund. 50 percent of the revenue deposited in the general fund under this paragraph is annually appropriated to the commissioner of education for purposes in section 126C.13, subdivision 5.

~~(f)~~ (g) The revenue dedicated under ~~paragraph~~ paragraphs (e) and (f) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (e) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (e) must be allocated for field operations.

Sec. 3. Minnesota Statutes 2008, section 297E.02, subdivision 1, is amended to read:

Subdivision 1. **Imposition.** A tax is imposed on all lawful gambling ~~other than (1) pull-tab deals or games; (2) tipboard deals or games; and (3) items listed in section 297E.01, subdivision 8, clauses (4) and (5),~~ at the rate of 8.5 percent on the gross receipts as defined in section 297E.01, subdivision 8, less prizes actually paid. The tax imposed by this subdivision is in lieu of the tax imposed by section 297A.62 and all local taxes and license fees except a fee authorized under section 349.16, subdivision 8, or a tax authorized under subdivision 5.

The tax imposed under this subdivision is payable by the organization or party conducting, directly or indirectly, the gambling.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 4. Minnesota Statutes 2008, section 299L.02, subdivision 1, is amended to read:

Subdivision 1. **Lottery.** (a) The director shall when required under chapter 349A or when requested by the director of the lottery conduct background checks on employees of the State Lottery, lottery retailers, and bidders of lottery procurement contracts.

(b) The director shall, when so requested by the director of the State Lottery or when the director believes it to be reasonable and necessary, conduct investigations of lottery retailers, applicants for

lottery retailer contracts, suppliers of goods or services to the State Lottery, and persons bidding on contracts for goods or services with the State Lottery.

(c) The director shall conduct an annual security audit of the State Lottery, or arrange for such an audit by an outside agency or person, firm, or corporation. The director shall report to the director of the lottery on the results of the audit.

(d) The director shall deposit in a separate account in the state treasury all money received from the director of the State Lottery for charges for investigations and background checks relating to the owning and operating of video lottery terminals under chapter 349A. Money in the account is appropriated to the director for the purpose of carrying out the director's powers and duties under this subdivision.

Sec. 5. Minnesota Statutes 2008, section 299L.07, subdivision 2, is amended to read:

Subd. 2. **Exclusions.** Notwithstanding subdivision 1, a gambling device:

(1) may be sold by a person who is not licensed under this section, if the person (i) is not engaged in the trade or business of selling gambling devices, and (ii) does not sell more than one gambling device in any calendar year;

(2) may be sold by the governing body of a federally recognized Indian tribe described in subdivision 2a, paragraph (b), clause (1), which is not licensed under this section, if (i) the gambling device was operated by the Indian tribe, (ii) the sale is to a distributor licensed under this section, and (iii) the licensed distributor notifies the commissioner of the purchase, in the same manner as is required when the licensed distributor ships a gambling device into Minnesota;

(3) may be possessed by a person not licensed under this section if the person holds a permit issued under section 299L.08; ~~and~~

(4) may be possessed by a state agency, with the written authorization of the director, for display or evaluation purposes only and not for the conduct of gambling; and

(5) may be possessed by the State Lottery as authorized under chapter 349A.

Sec. 6. Minnesota Statutes 2008, section 299L.07, subdivision 2a, is amended to read:

Subd. 2a. **Restrictions.** (a) A manufacturer licensed under this section may sell, offer to sell, lease, or rent, in whole or in part, a gambling device only to a distributor licensed under this section or to the State Lottery as authorized under chapter 349A.

(b) A distributor licensed under this section may sell, offer to sell, market, rent, lease, or otherwise provide, in whole or in part, a gambling device only to:

(1) the governing body of a federally recognized Indian tribe that is authorized to operate the gambling device under a tribal state compact under the Indian Gaming Regulatory Act, Public Law 100-497, and future amendments to it;

(2) a person for use in the person's dwelling for display or amusement purposes in a manner that does not afford players an opportunity to obtain anything of value;

(3) another distributor licensed under this section; ~~or~~

(4) a person in another state who is authorized under the laws of that state to possess the gambling device; or

(5) the State Lottery as authorized under chapter 349A.

Sec. 7. Minnesota Statutes 2008, section 340A.410, subdivision 5, is amended to read:

Subd. 5. **Gambling prohibited.** (a) Except as otherwise provided in this subdivision, no retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized by (1) chapter 349, (2) a tribal ordinance in conformity with the Indian Gaming Regulatory Act, Public Law 100-497, or (3) a tribal-state compact authorized under section 3.9221.

(c) Lottery tickets may be purchased and sold within the licensed premises as authorized by the director of the lottery under chapter 349A.

(d) Dice may be kept and used on licensed premises and adjoining rooms as authorized by section 609.761, subdivision 4.

(e) Gambling devices may be operated and gambling permitted as authorized by chapter 349A.

Sec. 8. Minnesota Statutes 2008, section 349.15, subdivision 1, is amended to read:

Subdivision 1. **Expenditure restrictions.** (a) Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized by the membership of the conducting organization at a monthly meeting of the organization's membership.

~~Provided that~~ (b) Except as provided in paragraph (c), no more than 70 percent of the gross profit from bingo, and no more than 60 percent of the gross profit from other forms of lawful gambling, may be expended biennially during the term of the license for allowable expenses related to lawful gambling, except that for the period of July 1, 2008, to June 30, 2009, no more than 75 percent of the gross profit from bingo, and no more than 65 percent of the gross profit from other forms of lawful gambling, may be expended for allowable expenses related to lawful gambling. For licenses issued after June 30, 2006, compliance with this subdivision will be measured on a biennial basis that is concurrent with the term of the license. Compliance with this subdivision is a condition for the renewal of any license beginning on July 1, 2008. For licenses renewed with an effective date between July 1, 2006, and June 30, 2008, an organization shall carry forward an amount equal to 15 percent of any positive allowable expense carryover amount. This balance must be used to offset any future negative expense balance at the time of license renewal.

(c) Money received by an organization from net video lottery terminal income under section 349A.06, subdivision 6a, may be expended only for lawful purposes.

Sec. 9. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 9a. **Lottery game.** "Lottery game" means any game operated by the lottery where the prize is determined primarily by chance.

Sec. 10. Minnesota Statutes 2008, section 349A.01, subdivision 10, is amended to read:

Subd. 10. **Lottery procurement contract.** "Lottery procurement contract" means a contract to provide lottery products, computer hardware and software used to monitor sales of lottery tickets and sales on a video lottery terminal, ~~and lottery tickets, video lottery terminals, and maintenance of video lottery terminals.~~ "Lottery procurement contract" does not include a contract to provide an annuity or prize payment agreement or materials, supplies, equipment, or services common to the ordinary operation of a state agency.

Sec. 11. Minnesota Statutes 2008, section 349A.01, subdivision 11, is amended to read:

Subd. 11. **Lottery retailer.** "Lottery retailer" means a person with whom the director has contracted to sell lottery tickets to the public. A lottery retailer includes a person with whom the director has contracted to place a video lottery terminal within its premises where video lottery terminal plays are sold.

Sec. 12. Minnesota Statutes 2008, section 349A.01, subdivision 12, is amended to read:

Subd. 12. **Lottery ticket or ticket.** "Lottery ticket" or "ticket" means any tangible evidence issued by the lottery to prove participation in a lottery game other than a video lottery game.

Sec. 13. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 14. **Net terminal income.** "Net terminal income" means the sum of all money spent for video lottery terminal plays less the value of video lottery credit receipts.

Sec. 14. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 15. **Video lottery credit.** "Video lottery credit" means the basic unit of play for a video lottery terminal.

Sec. 15. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 16. **Video lottery credit receipt.** "Video lottery credit receipt" means a receipt generated by a video lottery terminal that provides evidence of cash payment due a player from play on a video lottery terminal.

Sec. 16. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 17. **Video lottery game.** "Video lottery game" means an electronically simulated game authorized by the director that is displayed and played on a video lottery terminal for consideration and with prizes awarded for designated results. Video lottery game includes video poker games, keno, and video pull-tabs.

Sec. 17. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 18. **Video lottery terminal.** "Video lottery terminal" means any machine, system, or device which upon payment of consideration permits the play of a video lottery game.

Sec. 18. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 19. **Video lottery terminal play.** "Video lottery terminal play" means an electronic record that proves participation in a video lottery game.

Sec. 19. Minnesota Statutes 2008, section 349A.01, is amended by adding a subdivision to read:

Subd. 20. **Win percentage.** "Win percentage" means the portion of the money wagered by players on a video lottery terminal that is available for the payment of prizes to winning players.

Sec. 20. Minnesota Statutes 2008, section 349A.04, is amended to read:

349A.04 LOTTERY GAME PROCEDURES.

The director may adopt game procedures governing the following elements of the lottery:

- (1) lottery games;
- (2) ticket prices;
- (3) number and size of prizes;
- (4) methods of selecting winning tickets; ~~and~~
- (5) frequency and method of drawings;
- (6) video lottery terminals; and
- (7) cost of video lottery plays.

The adoption of lottery game procedures is not subject to chapter 14.

Sec. 21. Minnesota Statutes 2008, section 349A.06, subdivision 1, is amended to read:

Subdivision 1. **Contracts.** The director shall sell tickets and operate video lottery terminals for the lottery through lottery retailers with whom the director contracts. Contracts under this section are not subject to the provisions of sections 16C.03, 16C.05, 16C.06, 16C.08, 16C.09, and 16C.10, and are valid for a period of one year. The director may permit a retailer to sell tickets and operate video lottery terminals at more than one business location under a contract entered into under this section.

Sec. 22. Minnesota Statutes 2008, section 349A.06, subdivision 5, is amended to read:

Subd. 5. **Restrictions on lottery retailers.** (a) A lottery retailer may sell lottery tickets or have a video lottery terminal placed only on the premises described in the contract.

(b) A lottery retailer must prominently display a certificate issued by the director on the premises where lottery tickets will be sold or where video lottery terminals are operated.

(c) A lottery retailer must keep a complete set of books of account, correspondence, and all other records necessary to show fully the retailer's lottery transactions, and make them available for inspection by employees of the lottery at all times during business hours. The director may require a lottery retailer to furnish information as the director deems necessary to carry out the purposes of this chapter, and may require an audit to be made of the books of account and records. The director may select an auditor to perform the audit and may require the retailer to pay the cost of the audit. The auditor has the same right of access to the books of account, correspondence, and other records as is given to employees of the lottery.

(d) A contract issued under this section may not be transferred or assigned.

(e) The director shall require that lottery tickets may be sold by retailers only for cash.

(f) A lottery retailer must prominently post at the point of sale of lottery tickets and the area where video lottery terminals are located, in a manner approved by the commissioner of human services, the toll-free telephone number established by the commissioner of human services in connection with the compulsive gambling program established under section 245.98.

Sec. 23. Minnesota Statutes 2008, section 349A.06, is amended by adding a subdivision to read:

Subd. 5a. **Restrictions on lottery retailers; video lottery terminals.** (a) The director may only enter into a lottery retailer contract for games operated by a video lottery terminal with a retailer that has a license to sell alcoholic beverages for consumption on the premises where sold. This does not include a retailer who has only a temporary on-sale license or a retailer of 3.2 percent malt liquor whose total gross receipts from the premises were less than 50 percent attributable to the sale of 3.2 percent malt liquor.

(b) The director may not contract with a retailer for games operated by a video lottery terminal unless the retailer has an organization licensed under chapter 349 authorized and conducting lawful gambling on the premises.

(c) A lottery retailer authorized to sell games operated by a video lottery terminal may not cancel or refuse to renew a lease with an organization licensed under chapter 349 authorized and conducting lawful gambling on its premises for three years following the effective date of this act, unless the organization has failed to comply with its lease with the retailer.

(d) A lottery retailer may have up to five video lottery terminals on the retailer's premises, as determined by the director.

(e) A lottery retailer that is authorized to operate a video lottery terminal may not make reference to the establishment being a "casino," or use the word "casino" in its name or in any of its advertisements.

(f) The director, or any employee of the director, may inspect any video lottery terminal at any time during the hours when alcoholic beverages may be sold at on-sale under section 340A.504, subdivisions 1, 2, and 3, without notice, to ensure compliance with this chapter and any rules adopted by the director.

Sec. 24. Minnesota Statutes 2008, section 349A.06, is amended by adding a subdivision to read:

Subd. 6a. **Retention by retailers; video lottery terminals.** A lottery retailer who has a contract for placement of video lottery terminals may retain 31 percent of the net terminal income from the terminals located within its premises as commission. The lottery retailer receiving commission under this subdivision shall transmit to an organization licensed under chapter 349, and conducting lawful gambling on the premises of the retailer, 29 percent of the lottery retailer's commission received under this subdivision. If more than one organization conducts lawful gambling on the premises, the payment must be reasonably allocated between the organizations, pro rata based on their respective gross receipts.

Sec. 25. Minnesota Statutes 2008, section 349A.06, subdivision 8, is amended to read:

Subd. 8. **Proceeds of sales.** All proceeds from the sale of lottery tickets or proceeds from the

sale of video lottery terminal plays received by a lottery retailer constitute a trust fund until paid to the director. The lottery retailer is personally liable for all proceeds.

Sec. 26. Minnesota Statutes 2008, section 349A.06, subdivision 10, is amended to read:

Subd. 10. **Local licenses.** No political subdivision may require a local license to operate as a lottery retailer, restrict or regulate the placement of a video lottery terminal, or impose a tax or fee on the business of operating as a lottery retailer.

Sec. 27. **[349A.071] VIDEO LOTTERY TERMINALS.**

Subdivision 1. **Operation.** (a) All video lottery terminals must be operated and controlled by the director.

(b) Video lottery terminals must be owned or leased by the director.

(c) Video lottery terminals must be maintained by the lottery, or by a vendor: (1) that is under the control and direction of the director; and (2) whose principal place of business is in Minnesota.

(d) The director must have a central communications system that monitors activities and provides auditing program information on each video lottery terminal.

(e) The director must approve the general security arrangements associated with and relating to the operation of the video lottery terminal.

(f) Video lottery terminals must maintain on nonresettable meters, a permanent record, capable of being printed out, of all transactions by the terminal and all entries into the terminal.

(g) The director may implement other controls as are deemed necessary to ensure and maintain the integrity of video lottery terminals operated under this section.

Subd. 2. **Testing and examination of machines.** The director shall examine prototypes of video lottery terminals and require that the manufacturer of the terminal pay the cost of the examination. The director may contract for the examination of video lottery terminals. The director may require working models of a video lottery terminal transported to the locations the director designates for testing, examination, and analysis. The manufacturer shall pay all costs of any testing, examination, analysis, and transportation of the terminal model.

Subd. 3. **Deactivation of terminal.** The director may deactivate a video lottery terminal without notice if the lottery retailer has violated any provision of this chapter, rule, or provision of its contract with the director.

Sec. 28. Minnesota Statutes 2008, section 349A.08, subdivision 1, is amended to read:

Subdivision 1. **Agreement by players.** A person who buys a lottery ticket or plays a video lottery game agrees to be bound by the rules and game procedures applicable to ~~the~~ that particular lottery game for which the ticket is purchased. The player acknowledges that the determination of whether a ticket or video lottery credit receipt is a valid winning ticket is subject to under the rules of and game procedures adopted by the director, claims procedures established by the director for that game, and any confidential or public validation tests established by the director for that game.

Sec. 29. Minnesota Statutes 2008, section 349A.08, subdivision 5, is amended to read:

Subd. 5. **Payment; unclaimed prizes.** (a) Except as provided in this subdivision, a prize in the State Lottery must be claimed by the winner within one year of the date of the drawing at which the prize was awarded or the last day sales were authorized for a game where a prize was determined in a manner other than by means of a drawing. If a valid claim is not made for a prize payable directly by the lottery by the end of this period, the prize money is considered unclaimed and the winner of the prize shall have no further claim to the prize.

(b) A video lottery credit receipt from a video lottery terminal must be presented for payment within 60 days of the date the video lottery credit receipt was printed. If a valid claim for a video lottery credit receipt is not made by the end of this period, the video lottery credit receipt is considered unclaimed and the player shall have no further claim to the amount due from the video lottery credit receipt.

(c) A prize won by a person who purchased the winning ticket or played a video lottery game in violation of section 349A.12, subdivision 1, or won by a person ineligible to be awarded a prize under subdivision 7 must be treated as an unclaimed prize under this section. The director must transfer all unclaimed prize money at the end of each fiscal year from the lottery cash flow account to the general fund.

Sec. 30. Minnesota Statutes 2008, section 349A.08, subdivision 8, is amended to read:

Subd. 8. **Withholding of delinquent state taxes or other debts.** The director shall report the name, address, and Social Security number of each winner of a lottery prize of \$600 or more, or a video lottery prize of \$1,200 or more, to the Department of Revenue to determine whether the person who has won the prize is delinquent in payment of state taxes or owes a debt as defined in section 270A.03, subdivision 5. If the person is delinquent in payment of state taxes or owes a debt as defined in section 270A.03, subdivision 5, the director shall withhold the delinquent amount from the person's prize for remittance to the Department of Revenue for payment of the delinquent taxes or distribution to a claimant agency in accordance with chapter 270A. Section 270A.10 applies to the priority of claims.

Sec. 31. Minnesota Statutes 2008, section 349A.09, subdivision 1, is amended to read:

Subdivision 1. **Odds; required information.** (a) The director shall include on each brochure, pamphlet, booklet, or other similar material the director publishes to promote or explain any lottery game, a prominent and clear statement of the approximate odds of winning each prize offered in that lottery game.

(b) Except for the operation of a video lottery terminal, each lottery retailer must post prominently at or near the point of ticket sale a notice or notices printed and provided by the director of the approximate odds of winning each prize in each game for which the lottery retailer sells tickets.

(c) The approximate odds of winning a prize from a video lottery terminal must be displayed on the face or screen of the video lottery terminal.

Sec. 32. Minnesota Statutes 2008, section 349A.10, subdivision 2, is amended to read:

Subd. 2. **Deposit in Prize fund.** (a) The director shall establish a lottery prize fund outside the state treasury. The fund consists of all money deposited in it under this subdivision and all interest earned thereon.

(b) The director shall deposit in the lottery prize fund, from gross receipts from the sale of lottery tickets, an amount sufficient to pay lottery prizes from the lottery prize fund according to the following provisions:

(1) for games which require online terminal connections, the prizes paid in any fiscal year must be at least 45 percent of gross receipts from those games in that fiscal year;

(2) for games which do not require online terminal connections, the prizes paid in any fiscal year must be at least ~~the following percentages of gross receipts from those games:~~

~~(i) 50 percent through fiscal year 1991;~~

~~(ii) 55 percent from July 1, 1991, to June 30, 1992; and~~

~~(iii) 60 percent thereafter of gross receipts from those games in that fiscal year.~~

(c) For lottery games played on a video lottery terminal, the win percentage in any fiscal year will be the win percentage established by the game procedures adopted for the game, but shall be at least 80 percent but not more than 95 percent.

Sec. 33. Minnesota Statutes 2008, section 349A.10, subdivision 3, is amended to read:

Subd. 3. Lottery operations. (a) The director shall establish a lottery operations account in the lottery fund. The director shall pay all costs of operating the lottery, including payroll costs or amounts transferred to the state treasury for payroll costs, but not including lottery prizes, from the lottery operating account. The director shall credit to the lottery operations account amounts sufficient to pay the operating costs of the lottery.

(b) Except as provided in paragraph (e), the director may not credit in any fiscal year ~~thereafter~~ amounts to the lottery operations account which when totaled exceed nine percent of gross revenue, exclusive of net terminal income, and 12 percent of net terminal income to the lottery fund in that fiscal year. In computing total amounts credited to the lottery operations account under this paragraph the director shall disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation.

(c) The director of the lottery may not expend ~~after July 1, 1991,~~ more than 2-3/4 percent of gross revenues in a fiscal year for contracts for the preparation, publication, and placement of advertising.

(d) Except as the director determines, the lottery is not subject to chapter 16A relating to budgeting, payroll, and the purchase of goods and services.

(e) In addition to the amounts credited to the lottery operations account under paragraph (b), the director is authorized, if necessary, to meet the current obligations of the lottery and to credit up to 25 percent of an amount equal to the average annual amount which was authorized to be credited to the lottery operations account for the previous three fiscal years but was not needed to meet the obligations of the lottery.

Sec. 34. Minnesota Statutes 2008, section 349A.10, subdivision 4, is amended to read:

Subd. 4. Deposit of receipts. (a) The director may require lottery retailers to:

(1) deposit in a separate account to the credit of the lottery fund, in banks designated by the

director, all money received by the lottery retailer from the sale of lottery tickets and video lottery terminal plays, less money retained as the lottery retailer's commission and for payment of prizes;

(2) file with the director reports of the lottery retailer's receipts and transactions in ticket sales and video lottery terminal plays in a form that the director prescribes; and

(3) allow money deposited by the lottery retailer from the sale of lottery tickets and video lottery terminal plays to be transferred to the lottery through electronic fund transfer.

(b) The director may make arrangements for any person, including a financial institution, to perform functions, activities, or services in connection with the receipt and distribution of lottery revenues.

(c) A lottery retailer who fails to pay any money due to the director within the time prescribed by the director shall pay interest on the amount owed at the rate determined by rule.

Sec. 35. Minnesota Statutes 2008, section 349A.10, subdivision 6, is amended to read:

Subd. 6. **Budget; plans.** The director shall prepare and submit a biennial budget plan to the commissioner of finance. The governor shall recommend the maximum amount available for the lottery in the budget the governor submits to the legislature under section 16A.11. The maximum amount available to the lottery for operating expenses and capital expenditures shall be determined by law. Operating expenses shall not include expenses that are a direct function of lottery sales, which include the cost of lottery prizes, amounts paid to lottery retailers as sales commissions or other compensation, amounts paid to produce and deliver scratch lottery games, ~~and~~ amounts paid to an outside vendor to operate and maintain an online gaming system, amounts paid to an outside vendor to operate and maintain a central system for video lottery terminals, and amounts paid to acquire and maintain video lottery terminals. In addition, the director shall appear at least once each fiscal year before the senate and house of representatives committees having jurisdiction over gambling policy to present and explain the lottery's plans for future games and the related advertising and promotions and spending plans for the next fiscal year.

Sec. 36. Minnesota Statutes 2008, section 349A.11, subdivision 1, is amended to read:

Subdivision 1. **Lottery ticket; retailer.** The director, an employee of the lottery, a member of the immediate family of the director or employee residing in the same household may not:

(1) purchase a lottery ticket or play a game on a video lottery terminal; or

(2) have any personal pecuniary interest in any vendor holding a lottery procurement contract, or in any lottery retailer; or

(3) receive any gift, gratuity, or other thing of value, excluding food or beverage, from any lottery vendor or lottery retailer, or person applying to be a retailer or vendor, in excess of \$100 in any calendar year.

Sec. 37. Minnesota Statutes 2008, section 349A.12, subdivision 1, is amended to read:

Subdivision 1. **Purchase by minors.** A person under the age of 18 years may not buy or redeem for a prize a ticket in the state lottery and a person under the age of 21 years may not play a game or redeem a video lottery credit receipt from a video lottery terminal.

Sec. 38. Minnesota Statutes 2008, section 349A.12, subdivision 2, is amended to read:

Subd. 2. **Sale to minors.** A lottery retailer may not sell and a lottery retailer or other person may not furnish or redeem for a prize a ticket in the state lottery to any person under the age of 18 years, or allow a person under the age of 21 years to play a game or redeem a video lottery credit receipt from a video lottery terminal. It is an affirmative defense to a charge under this subdivision for the lottery retailer or other person to prove by a preponderance of the evidence that the lottery retailer or other person reasonably and in good faith relied upon representation of proof of age described in section 340A.503, subdivision 6, in making the sale or furnishing or redeeming the ticket or allowing the play of a video lottery game or redeem a video lottery credit receipt from a video lottery terminal.

Sec. 39. Minnesota Statutes 2008, section 349A.13, is amended to read:

349A.13 RESTRICTIONS.

Nothing in this chapter:

(1) authorizes the director to conduct a lottery game or contest the winner or winners of which are determined by the result of a sporting event other than a horse race conducted under chapter 240; or

~~(2) authorizes the director to install or operate a lottery device operated by coin or currency which when operated determines the winner of a game; and~~

~~(3) authorizes the director to sell pull-tabs as defined under section 349.12, subdivision 32.~~

Sec. 40. Minnesota Statutes 2008, section 541.20, is amended to read:

541.20 RECOVERY OF MONEY LOST.

Every person who, by playing at cards, dice, or other game, or by betting on the hands or sides of such as are gambling, shall lose to any person so playing or betting any sum of money or any goods, and pays or delivers the same, or any part thereof, to the winner, may sue for and recover such money by a civil action, before any court of competent jurisdiction. For purposes of this section, gambling shall not include pari-mutuel wagering conducted under a license issued pursuant to chapter 240, purchase or sale of tickets in the state lottery, purchase of video lottery plays as authorized under chapter 349A, or gambling authorized under chapters 349 and 349A.

Sec. 41. Minnesota Statutes 2008, section 541.21, is amended to read:

541.21 COMMITMENTS FOR GAMBLING DEBT VOID.

Every note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration shall be for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money knowingly lent or advanced at the time and place of such gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, shall be void and of no effect as between the parties to the same, and as to all persons except such as hold or claim under them in good faith, without notice of the illegality of the consideration of such contract or conveyance. The provisions of this section shall not apply to: (1) pari-mutuel wagering conducted under a license issued pursuant to chapter 240; (2) purchase of tickets in the state lottery or other wagering authorized under chapter 349A; (3) gaming activities conducted

pursuant to the Indian Gaming Regulatory Act, 25 U.S.C. 2701 et seq.; or (4) lawful gambling activities permitted under chapter 349.

Sec. 42. Minnesota Statutes 2008, section 609.651, subdivision 1, is amended to read:

Subdivision 1. ~~Felony-Fraud.~~ A person is guilty of a felony and may be sentenced under subdivision 4 if the person does any of the following with intent to defraud the State Lottery:

(1) alters or counterfeits a state lottery ticket or a video lottery credit receipt from a State Lottery video lottery terminal;

(2) knowingly presents an altered or counterfeited state lottery ticket or video lottery credit receipt from a State Lottery video lottery terminal for payment;

(3) knowingly transfers an altered or counterfeited state lottery ticket or video lottery credit receipt from a State Lottery video lottery terminal to another person; ~~or~~

(4) tampers with or manipulates the outcome, prize payable, or operation of a State Lottery video lottery terminal; or

(5) otherwise claims a lottery prize by means of fraud, deceit, or misrepresentation.

Sec. 43. Minnesota Statutes 2008, section 609.75, subdivision 3, is amended to read:

Subd. 3. **What are not bets.** The following are not bets:

(1) a contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance;

(2) a contract for the purchase or sale at a future date of securities or other commodities;

(3) offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest;

(4) the game of bingo when conducted in compliance with sections 349.11 to 349.23;

(5) a private social bet not part of or incidental to organized, commercialized, or systematic gambling;

(6) the operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the Gambling Control Board or an organization exempt from licensing under section 349.166;

(7) pari-mutuel betting on horse racing when the betting is conducted under chapter 240; and

(8) the purchase and sale of state lottery tickets and plays on a video lottery terminal under chapter 349A.

Sec. 44. Minnesota Statutes 2008, section 609.75, subdivision 4, is amended to read:

Subd. 4. **Gambling device.** A gambling device is a contrivance the purpose of which is that for a consideration a player is afforded an opportunity to obtain something of value, other than free plays, automatically from the machine or otherwise, the award of which is determined principally by

chance, whether or not the contrivance is actually played. "Gambling device" also includes a video game of chance, as defined in subdivision 8, but does not include a video lottery terminal operated by the State Lottery under chapter 349A.

Sec. 45. Minnesota Statutes 2008, section 609.761, subdivision 2, is amended to read:

Subd. 2. **State lottery.** Sections 609.755 and 609.76 do not prohibit the operation of the state lottery or; the sale, possession, or purchase of tickets for the state lottery; or the manufacture, possession, or operation of a video lottery terminal for the state lottery under chapter 349A.

Sec. 46. **RESTORING STATE SUPPORT FOR GENERAL EDUCATION.**

Notwithstanding Minnesota Statutes, section 126C.21, subdivision 6, the statewide average daily membership aid adjustment for fiscal years 2010 and later shall be reduced in each fiscal year by the revenues available under Minnesota Statutes, section 297A.94, paragraph (f). The commissioner must allocate these revenues to reduce the statewide average daily membership aid adjustment under Minnesota Statutes, section 126C.21, subdivision 6, according to this section.

Sec. 47. **LOTTERY BUDGET; VIDEO LOTTERY TERMINALS.**

The director of the State Lottery shall submit a budget for the operation of video lottery terminals as authorized under Minnesota Statutes, section 349A.071, to the commissioner of finance. Notwithstanding Minnesota Statutes, section 349A.10, subdivision 6, the director of the State Lottery may expend amounts necessary to operate video lottery terminals. Amounts expended by the director of the State Lottery for the conduct of video lottery terminals in fiscal year 2010 are not subject to the maximum amount set in law for the operation of the lottery.

Sec. 48. **REPEALER.**

Minnesota Statutes 2008, sections 297E.01, subdivision 7; and 297E.02, subdivisions 4, 6, and 7, are repealed.

Sec. 49. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective the day following final enactment."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 33, as follows:

Those who voted in the affirmative were:

Dahle	Ingebrigtsen	Metzen	Rosen	Sparks
Day	Johnson	Michel	Saltzman	Stumpf
Erickson Ropes	Koering	Olson, G.	Scheid	Tomassoni
Fischbach	Kubly	Ortman	Senjem	Vickerman
Fobbe	Latz	Pariseau	Sheran	Wiger
Gimse	Lynch	Robling	Skogen	

Those who voted in the negative were:

Anderson	Clark	Frederickson	Lourey	Pogemiller
Bakk	Cohen	Gerlach	Marty	Prettner Solon
Berglin	Dibble	Hann	Moua	Rest
Betzold	Dille	Higgins	Olseen	Rummel
Carlson	Doll	Kelash	Olson, M.	Saxhaug
Chaudhary	Foley	Koch	Pappas	Sieben

Skoe

Torres Ray

Vandev eer

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

S.F. No. 2082 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 59 and nays 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Gerlach	Koch	Michel
Hann	Koering	Vandev eer

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

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.

CALL OF THE SENATE

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

SPECIAL ORDER

S.F. No. 802: A bill for an act relating to public safety; appropriating money for public safety, corrections, and other criminal justice agencies; requiring annual appropriation of money in Bureau of Criminal Apprehension account to commissioner of public safety; repealing the mandatory minimum sentences for predatory offender registration offenses and subsequent controlled substances offenses; providing a 90-day cap on incarceration for certain first-time supervised release violations; eliminating the requirement that judges impose a minimum sentence on felony DWI offenders; requesting the Sentencing Guidelines Commission to rerank the felony DWI offense; requiring that prisoners serve a minimum of 60 percent of their prison sentence; providing for supervised release of offenders; expanding the challenge incarceration program;

requiring the Sentencing Guidelines Commission and the Departments of Corrections and Public Safety to review its reports; requiring Department of Corrections to annually report on felony DWI offenders; requiring that reports to the legislature by criminal justice agencies be submitted electronically; modifying and expanding the conditional release program for nonviolent drug offenders; including an advisory board for consultation with the commissioner of corrections for the conditional release program; repealing the conditional release program's sunset; authorizing correctional facilities to forward surcharges from offender wages to court or other entity collecting the surcharge; repealing reports on out-of-state juvenile placement; implementing the legislative auditor's recommendations relating to MINNCOR; requiring the licensure of firefighters; expanding the stay of adjudication provision for low-level controlled substance offenders; imposing criminal penalties; appropriating money; amending Minnesota Statutes 2008, sections 3.195, subdivision 1, by adding a subdivision; 152.021, subdivision 3; 152.022, subdivision 3; 152.023, subdivision 3; 152.024, subdivision 3; 152.025, subdivision 3; 152.18, subdivision 1; 169A.275, subdivisions 3, 4, 5; 169A.276, subdivisions 1, 2; 171.29, subdivision 2; 241.27, subdivision 1a, by adding subdivisions; 243.166, subdivision 5; 244.01, subdivision 8; 244.055, subdivisions 2, 3, 5, 7, by adding subdivisions; 244.101, subdivision 1, by adding a subdivision; 244.14, subdivision 3; 244.17; 244.171, subdivision 4; 244.172, subdivision 1; 299N.02, subdivision 3; 357.021, subdivision 6; 609.105, subdivision 1a; 643.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 244; 299N; repealing Minnesota Statutes 2008, sections 152.026; 244.055, subdivisions 6, 11; 260B.199, subdivision 2; 260B.201, subdivision 3; 325E.22.

Senator Higgins moved to amend S.F. No. 802 as follows:

Page 3, line 14, delete everything after the period and insert "Notwithstanding this paragraph: (i) an existing lease on an item described in clause (1) may be renewed; (ii) an item described in clause (1) may be purchased, upgraded, or leased if doing so will save money over the long term; and (iii) an existing phone or computer may be replaced if it is no longer operational."

Page 3, delete lines 15 and 16

Page 7, line 27, delete everything after the period and insert "Notwithstanding this paragraph: (i) an existing lease on an item described in clause (1) may be renewed; (ii) an item described in clause (1) may be purchased, upgraded, or leased if doing so will save money over the long term; and (iii) an existing phone or computer may be replaced if it is no longer operational."

Page 7, delete lines 28 and 29

Page 8, line 4, delete everything after the period and insert "Notwithstanding this paragraph: (i) an existing lease on an item described in clause (1) may be renewed; (ii) an item described in clause (1) may be purchased, upgraded, or leased if doing so will save money over the long term; and (iii) an existing phone or computer may be replaced if it is no longer operational."

Page 8, delete lines 5 and 6

Page 8, line 15, delete everything after the period and insert "Notwithstanding this paragraph: (i) an existing lease on an item described in clause (1) may be renewed; (ii) an item described in clause (1) may be purchased, upgraded, or leased if doing so will save money over the long term; and (iii) an existing phone or computer may be replaced if it is no longer operational."

Page 8, delete lines 16 and 17

Page 9, line 28, delete everything after the period and insert "Notwithstanding this paragraph: (i) an existing lease on an item described in clause (1) may be renewed; (ii) an item described in clause (1) may be purchased, upgraded, or leased if doing so will save money over the long term; and (iii) an existing phone or computer may be replaced if it is no longer operational."

Page 9, delete lines 29 and 30

The motion prevailed. So the amendment was adopted.

Senator Higgins moved to amend S.F. No. 802 as follows:

Page 23, after line 2, insert:

"(c) The commissioner may order a person described in this section to be incarcerated for more than 90 days if the commissioner determines that substantial and compelling reasons exist to believe that the longer incarceration period is necessary to protect the public."

The motion prevailed. So the amendment was adopted.

Senator Higgins moved to amend S.F. No. 802 as follows:

Page 5, line 5, delete "and"

Page 5, line 10, delete the period and insert "; and"

Page 5, after line 10, insert:

"(4) restorative justice programs."

The motion prevailed. So the amendment was adopted.

Senator Higgins moved to amend S.F. No. 802 as follows:

Pages 20 to 22, delete sections 13 to 17

Page 23, delete sections 19 to 20

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Pursuant to Rule 7.4, Senator Ortman questioned whether the fourth Higgins amendment was in order. The President ruled the amendment was in order.

The question was taken on the adoption of the fourth Higgins amendment. The motion prevailed. So the amendment was adopted.

S.F. No. 802 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 33 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson

Bakk

Berglin

Betzold

Chaudhary

Clark	Kubly	Moua	Saxhaug	Stumpf
Cohen	Langseth	Murphy	Scheid	Tomassoni
Dibble	Latz	Pappas	Sheran	Torres Ray
Foley	Lourey	Pogemiller	Skoe	Vickerman
Higgins	Marty	Prettner Solon	Skogen	
Kelash	Metzen	Rest	Sparks	

Those who voted in the negative were:

Carlson	Fobbe	Koch	Olson, M.	Senjem
Dahle	Frederickson	Koering	Ortman	Sieben
Day	Gerlach	Limmer	Pariseau	Vanderveer
Dille	Gimse	Lynch	Robling	Wiger
Doll	Hann	Michel	Rosen	
Erickson Ropes	Ingebrigtsen	Olseen	Rummel	
Fischbach	Jungbauer	Olson, G.	Saltzman	

So the bill, as amended, failed to pass.

RECONSIDERATION

Having voted on the prevailing side, Senator Hann moved that the vote whereby S.F. No. 802 failed to pass the Senate on April 20, 2009, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 45 and nays 19, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Day	Gerlach	Jungbauer	Olson, G.	Rosen
Dille	Gimse	Koch	Ortman	Senjem
Fischbach	Hann	Koering	Pariseau	Vanderveer
Frederickson	Ingebrigtsen	Limmer	Robling	

The motion prevailed. So the vote was reconsidered.

Senator Pogemiller moved that S.F. No. 802 be laid on the table. 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.

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Pogemiller moved that S.F. No. 802 be taken from the table. The motion prevailed.

S.F. No. 802: A bill for an act relating to public safety; appropriating money for public safety, corrections, and other criminal justice agencies; requiring annual appropriation of money in Bureau of Criminal Apprehension account to commissioner of public safety; repealing the mandatory minimum sentences for predatory offender registration offenses and subsequent controlled substances offenses; providing a 90-day cap on incarceration for certain first-time supervised release violations; eliminating the requirement that judges impose a minimum sentence on felony DWI offenders; requesting the Sentencing Guidelines Commission to rerank the felony DWI offense; requiring that prisoners serve a minimum of 60 percent of their prison sentence; providing for supervised release of offenders; expanding the challenge incarceration program; requiring the Sentencing Guidelines Commission and the Departments of Corrections and Public Safety to review its reports; requiring Department of Corrections to annually report on felony DWI offenders; requiring that reports to the legislature by criminal justice agencies be submitted electronically; modifying and expanding the conditional release program for nonviolent drug offenders; including an advisory board for consultation with the commissioner of corrections for the conditional release program; repealing the conditional release program's sunset; authorizing correctional facilities to forward surcharges from offender wages to court or other entity collecting the surcharge; repealing reports on out-of-state juvenile placement; implementing the legislative auditor's recommendations relating to MINNCOR; requiring the licensure of firefighters; expanding the stay of adjudication provision for low-level controlled substance offenders; imposing criminal penalties; appropriating money; amending Minnesota Statutes 2008, sections 3.195, subdivision 1, by adding a subdivision; 152.021, subdivision 3; 152.022, subdivision 3; 152.023, subdivision 3; 152.024, subdivision 3; 152.025, subdivision 3; 152.18, subdivision 1; 169A.275, subdivisions 3, 4, 5; 169A.276, subdivisions 1, 2; 171.29, subdivision 2; 241.27, subdivision 1a, by adding subdivisions; 243.166, subdivision 5; 244.01, subdivision 8; 244.055, subdivisions 2, 3, 5, 7, by adding subdivisions; 244.101, subdivision 1, by adding a subdivision; 244.14, subdivision 3; 244.17; 244.171, subdivision 4; 244.172, subdivision 1; 299N.02, subdivision 3; 357.021, subdivision 6; 609.105, subdivision 1a; 643.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 244; 299N; repealing Minnesota Statutes 2008, sections 152.026; 244.055, subdivisions 6, 11; 260B.199, subdivision 2; 260B.201, subdivision 3; 325E.22.

CALL OF THE SENATE

Senator Pogemiller imposed a call of the Senate for the balance of the proceedings on S.F. No. 802. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 802 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Anderson	Dibble	Lourey	Pogemiller	Skogen
Bakk	Foley	Lynch	Prettner Solon	Sparks
Berglin	Higgins	Marty	Rest	Stumpf
Betzold	Kelash	Metzen	Saxhaug	Tomassoni
Chaudhary	Kubly	Moua	Scheid	Torres Ray
Clark	Langseth	Murphy	Sheran	Vickerman
Cohen	Latz	Pappas	Skoe	

Those who voted in the negative were:

Carlson	Fobbe	Koch	Ortman	Sieben
Dahle	Frederickson	Koering	Pariseau	Vandever
Day	Gerlach	Limmer	Robling	Wiger
Dille	Gimse	Michel	Rosen	
Doll	Hann	Olseen	Rummel	
Erickson Ropes	Ingebrigtsen	Olson, G.	Saltzman	
Fischbach	Jungbauer	Olson, M.	Senjem	

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

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 Betzold reported that the committee had considered the following:

S.F. Nos. 1288, 1711, 694, 1539 and H.F. Nos. 801 and 936, which the committee recommends to pass.

S.F. No. 657, which the committee recommends to pass with the following amendments offered by Senators Anderson and Limmer:

Senator Anderson moved to amend S.F. No. 657 as follows:

Page 8, line 1, after "technologies" insert "", or for projects using river water or geothermal energy in an integrated system for cooling, heating, and generating electricity. Projects under this paragraph are subject to local approval"

Page 13, line 15, before "park" insert "regional government,"

Page 13, line 19, delete the first "and" and before the period, insert "", and combined heat and power systems fueled primarily by biomass, not including mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste, or other renewable energy sources"

Page 14, line 21, after "or" insert "for wind projects of less than 40 kilowatts of nameplate capacity or solar projects of less than 100 kilowatts, a maximum grant of"

Page 14, line 27, before "energy" insert "window repair and replacement,"

Page 15, line 12, before "energy" insert "window repair and replacement,"

Page 15, line 24, after the period, insert "Installation of individual metering devices for separate buildings is an allowable use of money under this section."

The motion prevailed. So the amendment was adopted.

Senator Limmer moved to amend S.F. No. 657 as follows:

Page 9, line 10, after the period, insert "When conducting the door-to-door campaign, the organization shall identify itself, and specify why the data are being collected and the purposes for which the data will be used. Data collected under this appropriation are classified as private data on individuals as defined in Minnesota Statutes, section 13.02, subdivision 12. As a condition of receiving a grant, the organization must agree to treat data that are collected as private data on individuals. An individual may consent to the release of private data for specified purposes and subject to qualifications related to residential energy programs funded with federal stimulus money."

The motion prevailed. So the amendment was adopted.

S.F. No. 1849, which the committee recommends to pass with the following amendments offered by Senators Sparks, Scheid and Olson, M.:

Senator Sparks moved to amend S.F. No. 1849 as follows:

Page 7, line 8, delete "September 1, 2009" and insert "January 1, 2010"

The motion prevailed. So the amendment was adopted.

Senator Scheid moved to amend S.F. No. 1849 as follows:

Page 37, after line 8, insert:

"Sec. 19. Minnesota Statutes 2008, section 67A.06, is amended to read:

67A.06 POWERS OF CORPORATION.

Every corporation formed under the provisions of sections 67A.01 to 67A.26, shall have power:

- (1) to have succession by its corporate name for the time stated in its certificate of incorporation;
- (2) to sue and be sued in any court;
- (3) to have and use a common seal and alter the same at pleasure;
- (4) to acquire, by purchase or otherwise, and to hold, enjoy, improve, lease, encumber, and convey all real and personal property necessary for the purpose of its organization, subject to such limitations as may be imposed by law or by its articles of incorporation;
- (5) to elect or appoint in such manner as it may determine all necessary or proper officers, agents, boards, and committees, fix their compensation, and define their powers and duties;
- (6) to make and amend consistently with law bylaws providing for the management of its property and the regulation and government of its affairs;
- (7) to wind up and liquidate its business in the manner provided by chapter 60B; ~~and~~
- (8) to indemnify certain persons against expenses and liabilities as provided in section 302A.521. In applying section 302A.521 for this purpose, the term "members" shall be substituted for the terms

"shareholders" and "stockholders-"; and

(9) to eliminate or limit a director's personal liability to the company or its members for monetary damages for breach of fiduciary duty as a director. A company shall not eliminate or limit the liability of a director:

(i) for breach of loyalty to the company or its members;

(ii) for acts or omissions made in bad faith or with intentional misconduct or knowing violation of law;

(iii) for transactions from which the director derived an improper personal benefit; or

(iv) for acts or omissions occurring before the date that the provisions in the articles eliminating or limiting liability become effective."

Renumber the sections in sequence and correct internal references

Amend the title numbers accordingly

The motion prevailed. So the amendment was adopted.

Senator Olson, M. moved to amend S.F. No. 1849 as follows:

Page 4, delete sections 5 to 6

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 819, which the committee recommends to pass with the following amendment offered by Senator Latz:

Amend H.F. No. 819, as amended pursuant to Rule 45, adopted by the Senate April 16, 2009, as follows:

(The text of the amended House File is identical to S.F. No. 759.)

Page 1, line 16, after "sell" insert "or offer for sale"

The motion prevailed. So the amendment was adopted.

S.F. No. 993, which the committee recommends to pass, subject to the following motions:

Senator Limmer moved to amend S.F. No. 993 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 13.87, subdivision 1, is amended to read:

Subdivision 1. **Criminal history data.** (a) **Definition.** For purposes of this subdivision, "criminal history data" means all data maintained in criminal history records compiled by the Bureau of Criminal Apprehension ~~and disseminated through the criminal justice information~~

system, including, but not limited to fingerprints, photographs, identification data, arrest data, prosecution data, criminal court data, custody and supervision data.

(b) **Classification.** Criminal history data maintained by agencies, political subdivisions and statewide systems are classified as private, pursuant to section 13.02, subdivision 12, except that data created, collected, or maintained by the Bureau of Criminal Apprehension that identify an individual who was convicted of a crime, the offense of which the individual was convicted, associated court disposition and sentence information, controlling agency, and confinement information are public data for 15 years following the discharge of the sentence imposed for the offense. If an individual's name or other identifying information is erroneously associated with a criminal history and a determination is made through a fingerprint verification that the individual is not the subject of the criminal history, the name or other identifying information must be redacted from the public criminal history data. The name and other identifying information must be retained in the criminal history and are classified as private data.

The Bureau of Criminal Apprehension shall provide to the public at the central office of the bureau the ability to inspect in person, at no charge, through a computer monitor the criminal conviction data classified as public under this subdivision.

(c) **Limitation.** Nothing in paragraph (a) or (b) shall limit public access to data made public by section 13.82.

Sec. 2. Minnesota Statutes 2008, section 13.871, is amended by adding a subdivision to read:

Subd. 12. **Crime alert access request.** Data regarding contact information provided by a citizen requesting a crime alert are classified under section 611A.0393.

Sec. 3. Minnesota Statutes 2008, section 84.027, subdivision 17, is amended to read:

Subd. 17. **Background checks for volunteer instructors.** (a) The commissioner may conduct background checks for volunteer instructor applicants for department safety training and education programs, including the programs established under sections 84.791 (youth off-highway motorcycle safety education and training), 84.86 and 84.862 (youth and adult snowmobile safety training), 84.925 (youth all-terrain vehicle safety education and training), 97B.015 (youth firearms safety training), and 97B.025 (hunter and trapper education and training).

(b) The commissioner shall perform the background check by retrieving criminal history data as defined in section 13.87 maintained in the criminal justice information system (CJIS) by the Bureau of Criminal Apprehension in the Department of Public Safety and other data sources.

(c) The commissioner shall develop a standardized form to be used for requesting a background check, which must include:

(1) a notification to the applicant that the commissioner will conduct a background check under this section;

(2) a notification to the applicant of the applicant's rights under paragraph (d); and

(3) a signed consent by the applicant to conduct the background check expiring one year from the date of signature.

(d) The volunteer instructor applicant who is the subject of a background check has the right to:

- (1) be informed that the commissioner will request a background check on the applicant;
- (2) be informed by the commissioner of the results of the background check and obtain a copy of the background check;
- (3) obtain any record that forms the basis for the background check and report;
- (4) challenge the accuracy and completeness of the information contained in the report or a record; and
- (5) be informed by the commissioner if the applicant is rejected because of the result of the background check.

Sec. 4. Minnesota Statutes 2008, section 122A.18, subdivision 8, is amended to read:

Subd. 8. **Background checks.** (a) The Board of Teaching and the commissioner of education must request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on all applicants for initial licenses under their jurisdiction. An application for a license under this section must be accompanied by:

- (1) an executed criminal history consent form, including fingerprints; and
- (2) a money order or cashier's check payable to the Bureau of Criminal Apprehension for the fee for conducting the criminal history background check.

(b) The superintendent of the Bureau of Criminal Apprehension shall perform the background check required under paragraph (a) by retrieving criminal history data ~~maintained in the criminal justice information system computers~~ as defined in section 13.87 and shall also conduct a search of the national criminal records repository, ~~including the criminal justice data communications network~~. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check. The superintendent shall recover the cost to the bureau of a background check through the fee charged to the applicant under paragraph (a).

(c) The Board of Teaching or the commissioner of education may issue a license pending completion of a background check under this subdivision, but must notify the individual that the individual's license may be revoked based on the result of the background check.

Sec. 5. Minnesota Statutes 2008, section 123B.03, subdivision 1, is amended to read:

Subdivision 1. **Background check required.** (a) A school hiring authority shall request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on all individuals who are offered employment in a school and on all individuals, except enrolled student volunteers, who are offered the opportunity to provide athletic coaching services or other extracurricular academic coaching services to a school, regardless of whether any compensation is paid. In order for an individual to be eligible for employment or to provide the services, the individual 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 discretion 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 deciding 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 as defined in section 13.87.~~ A school hiring authority, at its discretion, may decide 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) 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 decides 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.

(e) At the beginning of each school year or when a student enrolls, a school hiring authority must notify parents and guardians about the school hiring authority's policy requiring a criminal history background check on employees and other individuals who provide services to the school, and identify those positions subject to a background check and the extent of the hiring authority's

discretion in requiring a background check. The school hiring authority may include the notice in the student handbook, a school policy guide, or other similar communication. Nothing in this paragraph affects a school hiring authority's ability to request a criminal history background check on an individual under paragraph (c).

Sec. 6. Minnesota Statutes 2008, section 152.02, subdivision 6, is amended to read:

Subd. 6. Schedule V; restrictions on methamphetamine precursor drugs. (a) As used in this subdivision, the following terms have the meanings given:

(1) "methamphetamine precursor drug" means any compound, mixture, or preparation intended for human consumption containing ephedrine or pseudoephedrine as its sole active ingredient or as one of its active ingredients; and

(2) "over-the-counter sale" means a retail sale of a drug or product but does not include the sale of a drug or product pursuant to the terms of a valid prescription.

(b) The following items are listed in Schedule V:

(1) any compound, mixture, or preparation containing any of the following limited quantities of narcotic drugs, which shall include one or more nonnarcotic active medicinal ingredients in sufficient proportion to confer upon the compound, mixture or preparation valuable medicinal qualities other than those possessed by the narcotic drug alone:

(i) not more than 100 milligrams of dihydrocodeine per 100 milliliters or per 100 grams;

(ii) not more than 100 milligrams of ethylmorphine per 100 milliliters or per 100 grams;

(iii) not more than 2.5 milligrams of diphenoxylate and not less than 25 micrograms of atropine sulfate per dosage unit; or

(iv) not more than 15 milligrams of anhydrous morphine per 100 milliliters or per 100 grams; and

(2) any compound, mixture, or preparation containing ephedrine or pseudoephedrine as its sole active ingredient or as one of its active ingredients.

(c) No person may sell in a single over-the-counter sale more than two packages of a methamphetamine precursor drug or a combination of methamphetamine precursor drugs or any combination of packages exceeding a total weight of six grams.

(d) Over-the-counter sales of methamphetamine precursor drugs are limited to:

(1) packages containing not more than a total of three grams of one or more methamphetamine precursor drugs, calculated in terms of ephedrine base or pseudoephedrine base; or

(2) for nonliquid products, sales in blister packs, where each blister contains not more than two dosage units, or, if the use of blister packs is not technically feasible, sales in unit dose packets or pouches.

(e) A business establishment that offers for sale methamphetamine precursor drugs in an over-the-counter sale shall ensure that all packages of the drugs are displayed behind a checkout counter where the public is not permitted and are offered for sale only by a licensed pharmacist,

a registered pharmacy technician, or a pharmacy clerk. The establishment shall ensure that the person making the sale requires the buyer:

- (1) to provide photographic identification showing the buyer's date of birth; and
- (2) to sign a written or electronic document detailing the date of the sale, the name of the buyer, and the amount of the drug sold.

A document described under clause (2) must be retained by the establishment for at least three years and must at all reasonable times be open to the inspection of any law enforcement agency.

Nothing in this paragraph requires the buyer to obtain a prescription for the drug's purchase.

(f) No person may acquire through over-the-counter sales more than six grams of methamphetamine precursor drugs within a 30-day period.

(g) No person may sell in an over-the-counter sale a methamphetamine precursor drug to a person under the age of 18 years. It is an affirmative defense to a charge under this paragraph if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in section 340A.503, subdivision 6.

(h) A person who knowingly violates paragraph (c), (d), (e), (f), or (g) is guilty of a misdemeanor and may be sentenced to imprisonment for not more than 90 days, or to payment of a fine of not more than \$1,000, or both.

(i) An owner, operator, supervisor, or manager of a business establishment that offers for sale methamphetamine precursor drugs whose employee or agent is convicted of or charged with violating paragraph (c), (d), (e), (f), or (g) is not subject to the criminal penalties for violating any of those paragraphs if the person:

(1) did not have prior knowledge of, participate in, or direct the employee or agent to commit the violation; and

(2) documents that an employee training program was in place to provide the employee or agent with information on the state and federal laws and regulations regarding methamphetamine precursor drugs.

(j) Any person employed by a business establishment that offers for sale methamphetamine precursor drugs who sells such a drug to any person in a suspicious transaction shall report the transaction to the owner, supervisor, or manager of the establishment. The owner, supervisor, or manager may report the transaction to local law enforcement. A person who reports information under this subdivision in good faith is immune from civil liability relating to the report.

(k) Paragraphs (b) to (j) do not apply to:

(1) pediatric products labeled pursuant to federal regulation primarily intended for administration to children under 12 years of age according to label instructions;

(2) methamphetamine precursor drugs that are certified by the Board of Pharmacy as being manufactured in a manner that prevents the drug from being used to manufacture methamphetamine;

(3) methamphetamine precursor drugs in gel capsule or liquid form; or

(4) compounds, mixtures, or preparations in powder form where pseudoephedrine constitutes less than one percent of its total weight and is not its sole active ingredient.

(l) The Board of Pharmacy, in consultation with the Department of Public Safety, shall certify methamphetamine precursor drugs that meet the requirements of paragraph (k), clause (2), and publish an annual listing of these drugs.

(m) Wholesale drug distributors licensed and regulated by the Board of Pharmacy pursuant to sections 151.42 to 151.51 and registered with and regulated by the United States Drug Enforcement Administration are exempt from the methamphetamine precursor drug storage requirements of this section.

(n) This section preempts all local ordinances or regulations governing the sale by a business establishment of over-the-counter products containing ephedrine or pseudoephedrine. All ordinances enacted prior to the effective date of this act are void.

EFFECTIVE DATE. This section is effective August 1, 2009.

Sec. 7. Minnesota Statutes 2008, section 244.195, subdivision 2, is amended to read:

Subd. 2. **Detention pending hearing.** When it appears necessary to enforce discipline or to prevent a person on conditional release from escaping or absconding from supervision, a court services director has the authority to issue a written order directing any peace officer ~~in the county~~ or any ~~county~~ probation officer in the state serving the district and juvenile courts ~~of the county~~ to detain and bring the person before the court or the commissioner, whichever is appropriate, for disposition. This written order is sufficient authority for the peace officer or probation officer to detain the person for not more than 72 hours, excluding Saturdays, Sundays, and holidays, pending a hearing before the court or the commissioner.

Sec. 8. Minnesota Statutes 2008, section 244.195, subdivision 3, is amended to read:

Subd. 3. **Release before hearing.** A court services director has the authority to issue a written order directing ~~a county~~ any peace officer or probation officer serving the district and juvenile courts ~~of the county in the state~~ to release a person detained under subdivision 2 within 72 hours, excluding Saturdays, Sundays, and holidays, without an appearance before the court or the commissioner. This written order is sufficient authority for the ~~county~~ peace officer or probation officer to release the detained person.

Sec. 9. Minnesota Statutes 2008, section 244.195, subdivision 4, is amended to read:

Subd. 4. **Detention of pretrial releasee.** A court services director has the authority to issue a written order directing any peace officer ~~in the county~~ or any probation officer serving the district and juvenile courts ~~of the county in the state~~ to detain any person on court-ordered pretrial release who absconds from pretrial release or fails to abide by the conditions of pretrial release. A written order issued under this subdivision is sufficient authority for the peace officer or probation officer to detain the person.

Sec. 10. Minnesota Statutes 2008, section 246.13, subdivision 2, is amended to read:

Subd. 2. **Definitions; risk assessment and management.** (a) As used in this section:

(1) "appropriate and necessary medical and other records" includes patient medical records and

other protected health information as defined by Code of Federal Regulations, title 45, section 164.501, relating to a patient in a state-operated services facility including, but not limited to, the patient's treatment plan and abuse prevention plan that is pertinent to the patient's ongoing care, treatment, or placement in a community-based treatment facility or a health care facility that is not operated by state-operated services, and includes information describing the level of risk posed by a patient when the patient enters the facility;

(2) "community-based treatment" means the community support services listed in section 253B.02, subdivision 4b;

(3) "criminal history data" means those data maintained or used by the Departments of Corrections and Public Safety and by the supervisory authorities listed in section 13.84, subdivision 1, that relate to an individual's criminal history or propensity for violence, including data in the Corrections Offender Management System (COMS) and Statewide Supervision System (S3) maintained by the Department of Corrections; ~~the Criminal Justice Information System (CJIS) and~~ criminal history data as defined in section 13.87, Integrated Search Service as defined in section 13.873, and the Predatory Offender Registration (POR) system maintained by the Department of Public Safety; ~~and the CrimNet system;~~

(4) "designated agency" means the agency defined in section 253B.02, subdivision 5;

(5) "law enforcement agency" means the law enforcement agency having primary jurisdiction over the location where the offender expects to reside upon release;

(6) "predatory offender" and "offender" mean a person who is required to register as a predatory offender under section 243.166; and

(7) "treatment facility" means a facility as defined in section 253B.02, subdivision 19.

(b) To promote public safety and for the purposes and subject to the requirements of this paragraph, the commissioner or the commissioner's designee shall have access to, and may review and disclose, medical and criminal history data as provided by this section, as necessary to comply with Minnesota Rules, part 1205.0400:

(1) to determine whether a patient is required under state law to register as a predatory offender according to section 243.166;

(2) to facilitate and expedite the responsibilities of the special review board and end-of-confinement review committees by corrections institutions and state treatment facilities;

(3) to prepare, amend, or revise the abuse prevention plans required under section 626.557, subdivision 14, and individual patient treatment plans required under section 253B.03, subdivision 7;

(4) to facilitate the custody, supervision, and transport of individuals transferred between the Department of Corrections and the Department of Human Services; or

(5) to effectively monitor and supervise individuals who are under the authority of the Department of Corrections, the Department of Human Services, and the supervisory authorities listed in section 13.84, subdivision 1.

(c) The state-operated services treatment facility must make a good faith effort to obtain written

authorization from the patient before releasing information from the patient's medical record.

(d) If the patient refuses or is unable to give informed consent to authorize the release of information required above, the chief executive officer for state-operated services shall provide the appropriate and necessary medical and other records. The chief executive officer shall comply with the minimum necessary requirements.

(e) The commissioner may have access to the National Crime Information Center (NCIC) database, through the Department of Public Safety, in support of the law enforcement functions described in paragraph (b).

Sec. 11. Minnesota Statutes 2008, section 253B.141, subdivision 1, is amended to read:

Subdivision 1. **Report of absence.** (a) If a patient committed under this chapter or detained under a judicial hold is absent without authorization, and either: (1) does not return voluntarily within 72 hours of the time the unauthorized absence began; or (2) is considered by the head of the treatment facility to be a danger to self or others, then the head of the treatment facility shall report the absence to the local law enforcement agency. The head of the treatment facility shall also notify the committing court that the patient is absent and that the absence has been reported to the local law enforcement agency. The committing court may issue an order directing the law enforcement agency to transport the patient to an appropriate facility.

(b) Upon receiving a report that a patient subject to this section is absent without authorization, the local law enforcement agency shall enter information on the patient ~~through the criminal justice information system~~ into the missing persons file of the National Crime Information Center computer according to the missing persons practices.

Sec. 12. Minnesota Statutes 2008, section 299A.681, is amended to read:

299A.681 FINANCIAL CRIMES ~~OVERSIGHT COUNCIL~~ ADVISORY BOARD AND TASK FORCE.

Subdivision 1. **~~Oversight Council~~ Advisory board.** The Minnesota Financial Crimes ~~Oversight Council~~ Advisory Board shall provide ~~guidance~~ advice to the commissioner of public safety related to the investigation and prosecution of identity theft and financial crime.

Subd. 2. **Membership.** The ~~Oversight Council~~ advisory board consists of the following individuals, or their designees:

- (1) the commissioner of public safety;
- (2) the attorney general;
- (3) two chiefs of police, selected by the Minnesota Chiefs of Police Association ~~from police departments that participate in the Minnesota Financial Crimes Task Force;~~
- (4) two sheriffs, selected by the Minnesota Sheriffs Association ~~from sheriff departments that participate in the task force;~~
- (5) the United States attorney for the district of Minnesota;
- (6) a county attorney, selected by the Minnesota County Attorneys Association;

~~(7) a representative from the United States Postal Inspector's Office, selected by the oversight council;~~

~~(8) a representative from a not for profit retail merchants industry, selected by the oversight council;~~

~~(9) a representative from a not for profit banking and credit union industry, selected by the oversight council;~~

~~(10) a representative from a not for profit association representing senior citizens, selected by the oversight council;~~

~~(11)~~ (7) a representative from the Board of Public Defense, selected by that board;

(8) a representative from a federal law enforcement agency, selected by the advisory board;

(9) a representative from the retail merchants industry, selected by the advisory board;

(10) a representative from the banking and credit union industry, selected by the advisory board;

(11) a representative on behalf of senior citizens, selected by the advisory board;

(12) the statewide commander of the task force;

~~(12) a representative from the Board of Public Defense, selected by the board;~~

(13) two additional members selected by the oversight council advisory board;

(14) a senator who serves on the committee having jurisdiction over criminal justice policy, chosen by the Subcommittee on Committees of the senate Committee on Rules and Administration; and

(15) a representative who serves on the committee having jurisdiction over criminal justice policy, chosen by the speaker of the house.

The ~~oversight council~~ advisory board may adopt procedures to govern its conduct and shall select a chair from among its members. The legislative members of the ~~council~~ advisory board may not vote on matters before the ~~council~~ board.

Subd. 3. **Duties.** The ~~oversight council shall develop~~ advisory board shall offer advice to the commissioner on the development of an overall strategy to ameliorate the harm caused to the public by identity theft and financial crime within Minnesota. The strategy may include the development of protocols and procedures to investigate financial crimes and a structure for best addressing these issues on a statewide basis and in a multijurisdictional manner. ~~Additionally, the oversight council~~ The commissioner shall:

(1) establish a multijurisdictional statewide Minnesota Financial Crimes Task Force to investigate major financial crimes;

(2) with advice from the advisory board, select a statewide commander of the task force who serves at the pleasure of the ~~oversight council~~ commissioner;

(3) ~~assist the Department of Public Safety in developing~~ develop an objective grant review application process that is free from conflicts of interest;

(4) ~~make funding recommendations to the commissioner of public safety on~~ with advice from the advisory board, issue grants to support efforts to combat identity theft and financial crime;

(5) with advice from the advisory board, assist law enforcement agencies and victims in developing a process to collect and share information to improve the investigation and prosecution of identity theft and financial crime;

(6) with advice from the advisory board, develop and approve an operational budget for the office of the statewide commander and the ~~oversight council~~ Minnesota Financial Crimes Task Force; and

(7) enter into any contracts necessary to establish and maintain a relationship with retailers, financial institutions, and other businesses to deal effectively with identity theft and financial crime.

The task force described in clause (1) may consist of members from local law enforcement agencies, federal law enforcement agencies, state and federal prosecutors' offices, ~~the Board of Public Defense,~~ and representatives from ~~elderly victims,~~ retail businesses, financial institutions, and not-for-profit organizations.

Subd. 4. **Statewide commander.** (a) ~~The Minnesota Financial Crimes Task Force commander under Minnesota Statutes 2004, section 299A.68, shall oversee the transition of that task force into the task force described in subdivision 3 and remain in place as its commander until July 1, 2008. On that date,~~ The commissioner of public safety shall appoint as a statewide commander ~~the individual selected by the oversight council under subdivision 3.~~

(b) The commander shall:

(1) coordinate and monitor all multijurisdictional identity theft and financial crime enforcement activities;

(2) facilitate local efforts and ensure statewide coordination with efforts to combat identity theft and financial crime;

(3) facilitate training for law enforcement and other personnel;

(4) monitor compliance with investigative protocols;

(5) implement an outcome evaluation and data quality control process;

(6) be responsible for the selection and for cause removal of assigned task force investigators who are designated participants under a memorandum of understanding or who receive grant funding;

(7) provide supervision of assigned task force investigators;

(8) submit a task force operational budget to the ~~oversight council~~ commissioner of public safety for approval; and

(9) submit quarterly task force activity reports to the ~~oversight council~~ advisory board.

Subd. 5. **Participating officers; employment status.** All law enforcement officers selected to participate in the task force must be licensed peace officers as defined in section 626.84, subdivision 1, or qualified federal law enforcement officers as defined in section 626.8453. Participating officers remain employees of the same entity that employed them before joining any multijurisdictional

entity established under this section. Participating officers are not employees of the state.

Subd. 6. **Jurisdiction and powers.** Law enforcement officers participating in any multijurisdictional entity established under this section have statewide jurisdiction to conduct criminal investigations and have the same powers of arrest as those possessed by a sheriff. ~~The task force shall retain from its predecessor the assigned originating reporting number for case reporting purposes.~~

Subd. 7. **Grants authorized.** The commissioner of public safety, ~~upon recommendation of the oversight council~~ with advice from the advisory board, shall make grants to state and local units of government to combat identity theft and financial crime. The commander, as funding permits, may prepare a budget to establish four regional districts and funding grant allocations programs outside the counties of Hennepin, Ramsey, Anoka, Washington, and Dakota. The budget must be reviewed and approved by the ~~oversight council and recommended to the~~ commissioner to support these efforts.

Subd. 8. **Victims assistance program.** (a) ~~The oversight council~~ commissioner may establish a victims' assistance program to assist victims of economic crimes and provide prevention and awareness programs. ~~The oversight council~~ commissioner may retain the services of not-for-profit organizations to assist in the development and delivery systems in aiding victims of financial crime. The program may not provide any financial assistance to victims, but may assist victims in obtaining police assistance and advise victims in how to protect personal accounts and identities. Services may include a victim toll-free telephone number, fax number, Web site, Monday through Friday telephone service, e-mail response, and interfaces to other helpful Web sites. Victims' information compiled are governed under chapter 13.

(b) ~~The oversight council~~ commissioner may post or communicate through public service announcements in newspapers, radio, television, cable access, billboards, Internet, Web sites, and other normal advertising channels, a financial reward of up to \$2,000 for tips leading to the apprehension and successful prosecution of individuals committing economic crime. All rewards must ~~meet the oversight council's standards~~ be approved by the commissioner. The release of funds must be made to an individual whose information leads to the apprehension and prosecution of offenders committing economic or financial crimes against citizens or businesses in Minnesota. All rewards paid to an individual must be reported to the Department of Revenue along with the individual's Social Security number.

Subd. 9. ~~Oversight council~~ Advisory board and task force are permanent. Notwithstanding section 15.059, this section does not expire.

Subd. 10. **Funding.** ~~The oversight council~~ commissioner may accept lawful grants and in-kind contributions from any federal, state, or local source or legal business or individual not funded by this section for general operation support, including personnel costs. These grants or in-kind contributions are not to be directed toward the case of a particular victim or business. ~~The oversight council's~~ task force's fiscal agent shall handle all funds approved by the ~~oversight council~~ commissioner, including in-kind contributions.

Subd. 11. **Forfeiture.** Property seized by the task force is subject to forfeiture pursuant to sections 609.531, 609.5312, 609.5313, and 609.5315 if ownership cannot be established. ~~The council~~ task force shall receive the proceeds from the sale of all property properly seized and forfeited.

~~Subd. 12. **Transfer equipment from current task force.** All equipment possessed by the task force described in Minnesota Statutes 2004, section 299A.68, is transferred to the oversight council for use by the task force described in this section.~~

Subd. 13. **Report required.** By February 1 of each year, the ~~oversight council~~ commissioner shall report to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding on the activities of the ~~council and~~ task force. At a minimum, this annual report must include:

(1) a description of the ~~council's and~~ task force's goals for the previous year and for the coming year;

(2) a description of the outcomes the ~~council and~~ task force achieved or did not achieve during the preceding year and a description of the outcomes they will seek to achieve during the coming year;

(3) any legislative recommendations the ~~council or task force~~ advisory board or commissioner has including, where necessary, a description of the specific legislation needed to implement the recommendations;

(4) a detailed accounting of how appropriated money, grants, and in-kind contributions were spent; and

(5) a detailed accounting of the grants awarded under this section.

Sec. 13. Minnesota Statutes 2008, section 299C.115, is amended to read:

299C.115 WARRANT INFORMATION PROVIDED TO STATE.

(a) By January 1, 1996, every county shall, in the manner provided in either clause (1) or (2), make warrant information available to other users of the ~~Minnesota criminal justice information system~~ criminal justice data communications network as defined in section 299C.46:

(1) the county shall enter the warrant information in the warrant file ~~of the Minnesota criminal justice information system~~ maintained by the Bureau of Criminal Apprehension in the Department of Public Safety; or

(2) the county, at no charge to the state, shall make the warrant information that is maintained in the county's computer accessible by means of a single query ~~to the Minnesota criminal justice information system~~ made through the Bureau of Criminal Apprehension in the Department of Public Safety.

(b) As used in this section, "warrant information" means information on all outstanding felony, gross misdemeanor, and misdemeanor warrants for adults and juveniles that are issued within the county.

Sec. 14. Minnesota Statutes 2008, section 299C.40, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "CIBRS" means the Comprehensive Incident-Based Reporting System, located in the Department of Public Safety and managed by the Bureau of Criminal Apprehension, ~~Criminal~~

~~Justice Information Systems Section.~~ A reference in this section to "CIBRS" includes the Bureau of Criminal Apprehension.

(c) "Law enforcement agency" means a Minnesota municipal police department, the Metropolitan Transit Police, the Metropolitan Airports Police, the University of Minnesota Police Department, the Department of Corrections Fugitive Apprehension Unit, a Minnesota county sheriff's department, the Bureau of Criminal Apprehension, or the Minnesota State Patrol.

Sec. 15. Minnesota Statutes 2008, section 299C.46, subdivision 1, is amended to read:

Subdivision 1. **Establishment; interconnection.** The commissioner of public safety shall establish a criminal justice data communications network which will enable the interconnection of the criminal justice agencies within the state ~~into a unified criminal justice information system.~~ The commissioner of public safety is authorized to lease or purchase facilities and equipment as may be necessary to establish and maintain the data communications network.

Sec. 16. Minnesota Statutes 2008, section 299C.52, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in sections 299C.52 to 299C.56, the following terms have the meanings given them:

(a) "Child" means any person under the age of 18 years or any person certified or known to be mentally incompetent.

~~(b) "CJIS" means Minnesota criminal justice information system.~~

~~(e)~~ "Missing" means the status of a child after a law enforcement agency that has received a report of a missing child has conducted a preliminary investigation and determined that the child cannot be located.

~~(d)~~ (c) "NCIC" means National Crime Information Center.

~~(e)~~ (d) "Endangered" means that a law enforcement official has received sufficient evidence that the child is with a person who presents a threat of immediate physical injury to the child or physical or sexual abuse of the child.

Sec. 17. Minnesota Statutes 2008, section 299C.52, subdivision 3, is amended to read:

Subd. 3. **Computer equipment and programs.** The commissioner shall provide the necessary computer hardware and computer programs to enter, modify, and cancel information on missing children in the NCIC computer ~~through the CJIS.~~ These programs must provide for search and retrieval of information using the following identifiers: physical description, name and date of birth, name and Social Security number, name and driver's license number, vehicle license number, and vehicle identification number. The commissioner shall also provide a system for regional, statewide, multistate, and nationwide broadcasts of information on missing children. These broadcasts shall be made by local law enforcement agencies where possible or, in the case of statewide or nationwide broadcasts, by the Bureau of Criminal Apprehension upon request of the local law enforcement agency.

Sec. 18. Minnesota Statutes 2008, section 299C.52, subdivision 4, is amended to read:

Subd. 4. **Authority to enter or retrieve information.** Only law enforcement agencies may enter

missing child information ~~through the CJS~~ into the NCIC computer or retrieve information ~~through the CJS~~ from the NCIC computer.

Sec. 19. Minnesota Statutes 2008, section 299C.53, subdivision 1, is amended to read:

Subdivision 1. **Investigation and entry of information.** Upon receiving a report of a child believed to be missing, a law enforcement agency shall conduct a preliminary investigation to determine whether the child is missing. If the child is initially determined to be missing and endangered, the agency shall immediately consult the Bureau of Criminal Apprehension during the preliminary investigation, in recognition of the fact that the first two hours are critical. If the child is determined to be missing, the agency shall immediately enter identifying and descriptive information about the child ~~through the CJS~~ into the NCIC computer. Law enforcement agencies having direct access to ~~the CJS and~~ the NCIC computer shall enter and retrieve the data directly and shall cooperate in the entry and retrieval of data on behalf of law enforcement agencies which do not have direct access to the systems.

Sec. 20. Minnesota Statutes 2008, section 299C.62, subdivision 1, is amended to read:

Subdivision 1. **Generally.** The superintendent shall develop procedures to enable a children's service provider to request a background check to determine whether a children's service worker is the subject of any reported conviction for a background check crime. The superintendent shall perform the background check by retrieving and reviewing data on background check crimes ~~maintained in the CJS computers~~. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of a criminal history check. The superintendent shall recover the cost of a background check through a fee charged the children's service provider.

Sec. 21. Minnesota Statutes 2008, section 299C.65, subdivision 1, is amended to read:

Subdivision 1. **Membership, duties.** (a) The Criminal and Juvenile Justice Information Policy Group consists of the commissioner of corrections, the commissioner of public safety, the state chief information officer, the commissioner of finance, four members of the judicial branch appointed by the chief justice of the Supreme Court, and the chair and first vice-chair of the Criminal and Juvenile Justice Information Task Force. The policy group may appoint additional, nonvoting members as necessary from time to time.

(b) The commissioner of public safety is designated as the chair of the policy group. The commissioner and the policy group have overall responsibility for the ~~successful completion~~ integration of statewide criminal justice information ~~system integration (CriMNet) systems~~. This integration effort shall be known as CriMNet. The policy group may hire an executive director to manage the CriMNet projects and to be responsible for the day-to-day operations of CriMNet. The executive director shall serve at the pleasure of the policy group in unclassified service. The policy group must ensure that generally accepted project management techniques are utilized for each CriMNet project, including:

- (1) clear sponsorship;
- (2) scope management;
- (3) project planning, control, and execution;
- (4) continuous risk assessment and mitigation;

- (5) cost management;
- (6) quality management reviews;
- (7) communications management;
- (8) proven methodology; and
- (9) education and training.

(c) Products and services for CrimNet project management, system design, implementation, and application hosting must be acquired using an appropriate procurement process, which includes:

- (1) a determination of required products and services;
- (2) a request for proposal development and identification of potential sources;
- (3) competitive bid solicitation, evaluation, and selection; and
- (4) contract administration and close-out.

(d) The policy group shall study and make recommendations to the governor, the Supreme Court, and the legislature on:

(1) a framework for integrated criminal justice information systems, including the development and maintenance of a community data model for state, county, and local criminal justice information;

(2) the responsibilities of each entity within the criminal and juvenile justice systems concerning the collection, maintenance, dissemination, and sharing of criminal justice information with one another;

(3) actions necessary to ensure that information maintained in the criminal justice information systems is accurate and up-to-date;

(4) the development of an information system containing criminal justice information on gross misdemeanor-level and felony-level juvenile offenders that is part of the integrated criminal justice information system framework;

(5) the development of an information system containing criminal justice information on misdemeanor arrests, prosecutions, and convictions that is part of the integrated criminal justice information system framework;

(6) comprehensive training programs and requirements for all individuals in criminal justice agencies to ensure the quality and accuracy of information in those systems;

(7) continuing education requirements for individuals in criminal justice agencies who are responsible for the collection, maintenance, dissemination, and sharing of criminal justice data;

(8) a periodic audit process to ensure the quality and accuracy of information contained in the criminal justice information systems;

(9) the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems;

- (10) the impact of integrated criminal justice information systems on individual privacy rights;
- (11) the impact of proposed legislation on the criminal justice system, including any fiscal impact, need for training, changes in information systems, and changes in processes;
- (12) the collection of data on race and ethnicity in criminal justice information systems;
- (13) the development of a tracking system for domestic abuse orders for protection;
- (14) processes for expungement, correction of inaccurate records, destruction of records, and other matters relating to the privacy interests of individuals; and
- (15) the development of a database for extended jurisdiction juvenile records and whether the records should be public or private and how long they should be retained.

Sec. 22. Minnesota Statutes 2008, section 299C.65, subdivision 5, is amended to read:

Subd. 5. **Review of funding and grant requests.** (a) The Criminal and Juvenile Justice Information Policy Group shall review the funding requests for criminal justice information systems from state, county, and municipal government agencies. The policy group shall review the requests for compatibility to statewide criminal justice information system standards. The review shall be forwarded to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over criminal justice funding and policy.

(b) The ~~CrimNet program office~~ executive director, in consultation with the Criminal and Juvenile Justice Information Task Force and with the approval of the policy group, shall create the requirements for any grant request and determine the integration priorities for the grant period. The ~~CrimNet program office~~ executive director shall also review the requests submitted for compatibility to statewide criminal justice information systems standards.

(c) The task force shall review funding requests for criminal justice information systems grants and make recommendations to the policy group. The policy group shall review the recommendations of the task force and shall make a final recommendation for criminal justice information systems grants to be made by the commissioner of public safety. Within the limits of available state appropriations and federal grants, the commissioner of public safety shall make grants for projects that have been recommended by the policy group.

(d) The policy group may approve grants only if the applicant provides an appropriate share of matching funds as determined by the policy group to help pay up to one-half of the costs of the grant request. The matching requirement must be constant for all applicants within each grant offering. The policy group shall adopt policies concerning the use of in-kind resources to satisfy the match requirement and the sources from which matching funds may be obtained. Local operational or technology staffing costs may be considered as meeting this match requirement. Each grant recipient shall certify to the policy group that it has not reduced funds from local, county, federal, or other sources which, in the absence of the grant, would have been made available to the grant recipient to improve or integrate criminal justice technology.

(e) All grant recipients shall submit to the ~~CrimNet program office~~ executive director all requested documentation including grant status, financial reports, and a final report evaluating how the grant funds improved the agency's criminal justice integration priorities. The ~~CrimNet program office~~ executive director shall establish the recipient's reporting dates at the time funds are awarded.

Sec. 23. Minnesota Statutes 2008, section 299C.68, subdivision 2, is amended to read:

Subd. 2. **Procedures.** The superintendent shall develop procedures to enable an owner to request a background check to determine whether a manager is the subject of a reported conviction for a background check crime. The superintendent shall perform the background check by retrieving and reviewing data on background check crimes ~~maintained in the CJIS computers~~. The superintendent shall notify the owner in writing of the results of the background check. If the manager has resided in Minnesota for less than ten years or upon request of the owner, the superintendent shall also either: (1) conduct a search of the national criminal records repository, including the criminal justice data communications network; or (2) conduct a search of the criminal justice data communications network records in the state or states where the manager has resided for the preceding ten years. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check. The superintendent shall recover the cost of a background check through a fee charged to the owner.

Sec. 24. Minnesota Statutes 2008, section 388.24, subdivision 4, is amended to read:

Subd. 4. **Reporting of data to ~~criminal justice information system (CJIS)~~ Bureau of Criminal Apprehension.** Effective August 1, 1997, every county attorney who establishes a diversion program under this section shall report the following information to the Bureau of Criminal Apprehension:

(1) the name and date of birth of each diversion program participant and any other identifying information the superintendent considers necessary;

(2) the date on which the individual began to participate in the diversion program;

(3) the date on which the individual is expected to complete the diversion program;

(4) the date on which the individual successfully completed the diversion program, where applicable; and

(5) the date on which the individual was removed from the diversion program for failure to successfully complete the individual's goals, where applicable.

The superintendent shall cause the information described in this subdivision to be entered into and maintained in the criminal history file ~~of the Minnesota Criminal Justice Information System~~ as defined in section 13.87.

Sec. 25. Minnesota Statutes 2008, section 401.025, subdivision 1, is amended to read:

Subdivision 1. **Peace officers and probation officers serving CCA counties.** (a) When it appears necessary to enforce discipline or to prevent a person on conditional release from escaping or absconding from supervision, the chief executive officer or designee of a community corrections agency in a CCA county has the authority to issue a written order directing any peace officer ~~in the county~~ or any probation officer in the state serving the district and juvenile courts ~~of the county~~ to detain and bring the person before the court or the commissioner, whichever is appropriate, for disposition. This written order is sufficient authority for the peace officer or probation officer to detain the person for not more than 72 hours, excluding Saturdays, Sundays, and holidays, pending a hearing before the court or the commissioner.

(b) The chief executive officer or designee of a community corrections agency in a CCA county has the authority to issue a written order directing a peace officer or probation officer serving the district and juvenile courts ~~of the county~~ to release a person detained under paragraph (a) within 72 hours, excluding Saturdays, Sundays, and holidays, without an appearance before the court or the commissioner. This written order is sufficient authority for the peace officer or probation officer to release the detained person.

(c) The chief executive officer or designee of a community corrections agency in a CCA county has the authority to issue a written order directing any peace officer ~~in the county~~ or any probation officer serving the district and juvenile courts ~~of the county~~ to detain any person on court-ordered pretrial release who absconds from pretrial release or fails to abide by the conditions of pretrial release. A written order issued under this paragraph is sufficient authority for the peace officer or probation officer to detain the person.

Sec. 26. Minnesota Statutes 2008, section 401.065, subdivision 3a, is amended to read:

Subd. 3a. **Reporting of data to ~~criminal justice information system (CJIS)~~ Bureau of Criminal Apprehension.** (a) Every county attorney who establishes a diversion program under this section shall report the following information to the Bureau of Criminal Apprehension:

(1) the name and date of birth of each diversion program participant and any other identifying information the superintendent considers necessary;

(2) the date on which the individual began to participate in the diversion program;

(3) the date on which the individual is expected to complete the diversion program;

(4) the date on which the individual successfully completed the diversion program, where applicable; and

(5) the date on which the individual was removed from the diversion program for failure to successfully complete the individual's goals, where applicable.

The superintendent shall cause the information described in this subdivision to be entered into and maintained in the criminal history file ~~of the Minnesota criminal justice information system~~ as defined in section 13.87.

(b) Effective August 1, 1997, the reporting requirements of this subdivision shall apply to misdemeanor offenses.

Sec. 27. Minnesota Statutes 2008, section 403.36, is amended by adding a subdivision to read:

Subd. 1g. **State Interoperability Executive Committee.** (a) In addition to responsibilities provided for in subdivision 1e, the Statewide Radio Board is designated as Minnesota's State Interoperability Executive Committee.

(b) As Minnesota's State Interoperability Executive Committee, the Statewide Radio Board shall:

(1) develop and maintain a statewide plan for local and private public safety communications interoperability that integrates with the Minnesota emergency operation plan;

(2) develop and adopt guidelines and operational standards for local and private public safety communications interoperability within Minnesota;

(3) promote coordination and cooperation among local, state, federal, and tribal public safety agencies in addressing statewide public safety communications interoperability within Minnesota;

(4) advise the commissioner of the Department of Public Safety on public safety communications interoperability and on the allocation and use of funds made available to Minnesota to support public safety communications interoperability;

(5) to the extent permitted by federal law, Federal Communications Commission regulations, and the National Telecommunications and Information Administration, develop guidelines and standards for the efficient use of interoperability frequencies on all frequency spectrums assigned to public safety users; and

(6) to the extent permitted by federal law and treaties with Canada, develop guidelines and standards that support interoperability with adjoining states and provinces of Canada along Minnesota's northern border.

Sec. 28. Minnesota Statutes 2008, section 403.36, subdivision 2, is amended to read:

Subd. 2. **Plan contents.** (a) The statewide, shared radio and communication system project plan must include:

(1) standards, guidelines, and comprehensive design for the system, including use and integration of existing public and private communications infrastructure;

(2) proposed project implementation schedule, phases, and estimated costs for each phase of the plan;

(3) recommended statutory changes required for effective implementation and administration of the statewide, shared trunked radio and communication system; ~~and~~

(4) an interoperability committee to make recommendations on the statewide plan for local and private public safety communications interoperability and on guidelines and operational standards necessary to promote public safety communications interoperability within Minnesota; and

~~(4)~~ (5) a policy for the lease of excess space or capacity on systems constructed under the project plan, consistent with section 174.70, subdivision 2, with priority given first to local units of government for public safety communication transmission needs and second to any other communications transmission needs of either the public or private sector.

(b) The Statewide Radio Board must ensure that generally accepted project management techniques are utilized for each project or phase of the backbone of the statewide, shared radio and communication system consistent with guidelines of the Project Management Office of the Office of Enterprise Technology:

(1) clear sponsorship;

(2) scope management;

(3) project planning, control, and execution;

- (4) continuous risk assessment and mitigation;
- (5) cost management;
- (6) quality management reviews;
- (7) communications management; and
- (8) proven methodology.

Sec. 29. Minnesota Statutes 2008, section 480.23, is amended to read:

480.23 COMPUTER ACQUISITION BY COURTS.

In order to facilitate the effective management and coordination of the Minnesota courts system, an appropriate official of any court or of a local governmental unit in providing services to any court, if authorized by the state court administrator and with the concurrence of the contracting vendor, may acquire electronic data processing equipment or services through an existing contract originated by the Supreme Court. The state court administrator shall grant this authority only pursuant to the implementation of justice information systems compatible with systems ~~participating on the Minnesota Criminal Justice Information Systems Communications Network~~ administered by the Bureau of Criminal Apprehension in the Department of Public Safety.

Sec. 30. Minnesota Statutes 2008, section 484.91, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** Misdemeanor violations bureaus in the Fourth Judicial District shall be established in ~~Minneapolis, a southern suburb location, and at any other northern and western suburban~~ locations dispersed throughout the county as may be designated by a majority of the judges of the court.

Sec. 31. Minnesota Statutes 2008, section 518.165, subdivision 5, is amended to read:

Subd. 5. **Procedure, criminal history, and maltreatment records background study.** (a) When the court requests a background study under subdivision 4, paragraph (a), the request shall be submitted to the Department of Human Services through the department's electronic online background study system.

(b) When the court requests a search of the National Criminal Records Repository, the court must provide a set of classifiable fingerprints of the subject of the study on a fingerprint card provided by the commissioner of human services.

(c) The commissioner of human services shall provide the court with ~~information~~ criminal history data as defined in section 13.87 from the Bureau of Criminal Apprehension's Criminal Justice Information System ~~Apprehension in the Department of Public Safety~~, other criminal history data held by the commissioner of human services, and data regarding substantiated maltreatment of a minor under section 626.556, and substantiated maltreatment of a vulnerable adult under section 626.557, within 15 working days of receipt of a request. If the subject of the study has been determined by the Department of Human Services or the Department of Health to be the perpetrator of substantiated maltreatment of a minor or vulnerable adult in a licensed facility, the response must include a copy of the public portion of the investigation memorandum under section 626.556, subdivision 10f, or the public portion of the investigation memorandum under section 626.557, subdivision 12b. When the background study shows that the subject has been

determined by a county adult protection or child protection agency to have been responsible for maltreatment, the court shall be informed of the county, the date of the finding, and the nature of the maltreatment that was substantiated. The commissioner shall provide the court with information from the National Criminal Records Repository within three working days of the commissioner's receipt of the data. When the commissioner finds no criminal history or substantiated maltreatment on a background study subject, the commissioner shall make these results available to the court electronically through the secure online background study system.

(d) Notwithstanding section 626.556, subdivision 10f, or 626.557, subdivision 12b, if the commissioner or county lead agency has information that a person on whom a background study was previously done under this section has been determined to be a perpetrator of maltreatment of a minor or vulnerable adult, the commissioner or the county may provide this information to the court that requested the background study.

Sec. 32. Minnesota Statutes 2008, section 518B.01, subdivision 6, is amended to read:

Subd. 6. **Relief by court.** (a) Upon notice and hearing, the court may provide relief as follows:

- (1) restrain the abusing party from committing acts of domestic abuse;
- (2) exclude the abusing party from the dwelling which the parties share or from the residence of the petitioner;
- (3) exclude the abusing party from a reasonable area surrounding the dwelling or residence, which area shall be described specifically in the order;
- (4) award temporary custody or establish temporary parenting time with regard to minor children of the parties on a basis which gives primary consideration to the safety of the victim and the children. In addition to the primary safety considerations, the court may consider particular best interest factors that are found to be relevant to the temporary custody and parenting time award. Findings under section 257.025, 518.17, or 518.175 are not required with respect to the particular best interest factors not considered by the court. If the court finds that the safety of the victim or the children will be jeopardized by unsupervised or unrestricted parenting time, the court shall condition or restrict parenting time as to time, place, duration, or supervision, or deny parenting time entirely, as needed to guard the safety of the victim and the children. The court's decision on custody and parenting time shall in no way delay the issuance of an order for protection granting other relief provided for in this section. The court must not enter a parenting plan under section 518.1705 as part of an action for an order for protection;
- (5) on the same basis as is provided in chapter 518 or 518A, establish temporary support for minor children or a spouse, and order the withholding of support from the income of the person obligated to pay the support according to chapter 518A;
- (6) provide upon request of the petitioner counseling or other social services for the parties, if married, or if there are minor children;
- (7) order the abusing party to participate in treatment or counseling services, including requiring the abusing party to successfully complete a domestic abuse counseling program or educational program under section 518B.02;
- (8) award temporary use and possession of property and restrain one or both parties from

transferring, encumbering, concealing, or disposing of property except in the usual course of business or for the necessities of life, and to account to the court for all such transfers, encumbrances, dispositions, and expenditures made after the order is served or communicated to the party restrained in open court;

(9) exclude the abusing party from the place of employment of the petitioner, or otherwise limit access to the petitioner by the abusing party at the petitioner's place of employment;

(10) order the abusing party to have no contact with the petitioner whether in person, by telephone, mail, or electronic mail or messaging, through a third party, or by any other means;

(11) order the abusing party to pay restitution to the petitioner;

(12) order the continuance of all currently available insurance coverage without change in coverage or beneficiary designation; ~~and~~

(13) order, in its discretion, other relief as it deems necessary for the protection of a family or household member, including orders or directives to the sheriff or other law enforcement or corrections officer as provided by this section; or

(14) direct the care, possession, or control of a pet or companion animal owned, possessed, or kept by the petitioner or respondent or a child of the petitioner or respondent, or order the respondent to have no contact with the pet or companion animal.

(b) Any relief granted by the order for protection shall be for a period not to exceed two years, except when the court determines a longer period is appropriate. When a referee presides at the hearing on the petition, the order granting relief becomes effective upon the referee's signature.

(c) An order granting the relief authorized in paragraph (a), clause (1), may not be vacated or modified in a proceeding for dissolution of marriage or legal separation, except that the court may hear a motion for modification of an order for protection concurrently with a proceeding for dissolution of marriage upon notice of motion and motion. The notice required by court rule shall not be waived. If the proceedings are consolidated and the motion to modify is granted, a separate order for modification of an order for protection shall be issued.

(d) An order granting the relief authorized in paragraph (a), clause (2) or (3), is not voided by the admittance of the abusing party into the dwelling from which the abusing party is excluded.

(e) If a proceeding for dissolution of marriage or legal separation is pending between the parties, the court shall provide a copy of the order for protection to the court with jurisdiction over the dissolution or separation proceeding for inclusion in its file.

(f) An order for restitution issued under this subdivision is enforceable as civil judgment.

Sec. 33. Minnesota Statutes 2008, section 518B.01, subdivision 7, is amended to read:

Subd. 7. **Ex parte order.** (a) Where an application under this section alleges an immediate and present danger of domestic abuse, the court may grant an ex parte order for protection and granting relief as the court deems proper, including an order:

(1) restraining the abusing party from committing acts of domestic abuse;

(2) excluding any party from the dwelling they share or from the residence of the other except by further order of the court;

(3) excluding the abusing party from the place of employment of the petitioner or otherwise limiting access to the petitioner by the abusing party at the petitioner's place of employment;

(4) ordering the abusing party to have no contact with the petitioner whether in person, by telephone, mail, e-mail, through electronic devices, or through a third party; ~~and~~

(5) continuing all currently available insurance coverage without change in coverage or beneficiary designation; or

(6) directing the care, possession, or control of a pet or companion animal owned, possessed, or kept by a party or a child of a party, or ordering the abusing party to have no contact with the pet or companion animal.

(b) A finding by the court that there is a basis for issuing an ex parte order for protection constitutes a finding that sufficient reasons exist not to require notice under applicable court rules governing applications for ex parte relief.

(c) Subject to paragraph (d), an ex parte order for protection shall be effective for a fixed period set by the court, as provided in subdivision 6, paragraph (b), or until modified or vacated by the court pursuant to a hearing. When signed by a referee, the ex parte order becomes effective upon the referee's signature. Upon request, a hearing, as provided by this section, shall be set. Except as provided in paragraph (d), the respondent shall be personally served forthwith a copy of the ex parte order along with a copy of the petition and, if requested by the petitioner, notice of the date set for the hearing. If the petitioner does not request a hearing, an order served on a respondent under this subdivision must include a notice advising the respondent of the right to request a hearing, must be accompanied by a form that can be used by the respondent to request a hearing and must include a conspicuous notice that a hearing will not be held unless requested by the respondent within five days of service of the order.

(d) Service of the ex parte order may be made by published notice, as provided under subdivision 5, provided that the petitioner files the affidavit required under that subdivision. If personal service is not made or the affidavit is not filed within 14 days of issuance of the ex parte order, the order expires. If the petitioner does not request a hearing, the petition mailed to the respondent's residence, if known, must be accompanied by the form for requesting a hearing and notice described in paragraph (c). Unless personal service is completed, if service by published notice is not completed within 28 days of issuance of the ex parte order, the order expires.

(e) If the petitioner seeks relief under subdivision 6 other than the relief described in paragraph (a), the petitioner must request a hearing to obtain the additional relief.

(f) Nothing in this subdivision affects the right of a party to seek modification of an order under subdivision 11.

Sec. 34. Minnesota Statutes 2008, section 524.5-118, subdivision 2, is amended to read:

Subd. 2. Procedure; criminal history and maltreatment records background check. (a) The court shall request the commissioner of human services to complete a background study under section 245C.32. The request must be accompanied by the applicable fee and the signed consent

of the subject of the study authorizing the release of the data obtained to the court. If the court is requesting a search of the National Criminal Records Repository, the request must be accompanied by a set of classifiable fingerprints of the subject of the study. The fingerprints must be recorded on a fingerprint card provided by the commissioner of human services.

(b) The commissioner of human services shall provide the court with ~~information~~ criminal history data as defined in section 13.87 from the Bureau of Criminal Apprehension's criminal justice information system ~~Apprehension in the Department of Public Safety~~, other criminal history data held by the commissioner of human services, and data regarding substantiated maltreatment of vulnerable adults under section 626.557 and substantiated maltreatment of minors under section 626.556 within 15 working days of receipt of a request. If the subject of the study has been the perpetrator of substantiated maltreatment of a vulnerable adult or minor, the response must include a copy of the public portion of the investigation memorandum under section 626.557, subdivision 12b, or the public portion of the investigation memorandum under section 626.556, subdivision 10f. If the court did not request a search of the National Criminal Records Repository and information from the Bureau of Criminal Apprehension indicates that the subject is a multistate offender or that multistate offender status is undetermined, the response must include this information. The commissioner shall provide the court with information from the National Criminal Records Repository within three working days of the commissioner's receipt of the data.

(c) Notwithstanding section 626.557, subdivision 12b, or 626.556, subdivision 10f, if the commissioner of human services or a county lead agency has information that a person on whom a background study was previously done under this section has been determined to be a perpetrator of maltreatment of a vulnerable adult or minor, the commissioner or the county may provide this information to the court that requested the background study. The commissioner may also provide the court with additional criminal history or substantiated maltreatment information that becomes available after the background study is done.

Sec. 35. Minnesota Statutes 2008, section 609.341, subdivision 11, is amended to read:

Subd. 11. **Sexual contact.** (a) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (a) to (f), and 609.345, subdivision 1, clauses (a) to (e), and (h) to (o), includes any of the following acts committed without the complainant's consent, except in those cases where consent is not a defense, and committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts, or

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts effected by a person in a position of authority, or by coercion, or by inducement if the complainant is under 13 years of age or mentally impaired, or

(iii) the touching by another of the complainant's intimate parts effected by coercion or by a person in a position of authority, or

(iv) in any of the cases above, the touching of the clothing covering the immediate area of the intimate parts, or

(v) the intentional touching by the actor of the complainant's body or the clothing covering the complainant's body with the actor's seminal fluid or sperm.

(b) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (g) and (h),

and 609.345, subdivision 1, clauses (f) and (g), includes any of the following acts committed with sexual or aggressive intent:

- (i) the intentional touching by the actor of the complainant's intimate parts;
- (ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts;
- (iii) the touching by another of the complainant's intimate parts; ~~or~~
- (iv) in any of the cases listed above, touching of the clothing covering the immediate area of the intimate parts; or
- (v) the intentional touching by the actor of the complainant's body or the clothing covering the complainant's body with the actor's seminal fluid or sperm.

(c) "Sexual contact with a person under 13" means the intentional touching of the complainant's bare genitals or anal opening by the actor's bare genitals or anal opening with sexual or aggressive intent or the touching by the complainant's bare genitals or anal opening of the actor's or another's bare genitals or anal opening with sexual or aggressive intent.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to crimes committed on or after that date.

Sec. 36. Minnesota Statutes 2008, section 609.352, subdivision 2a, is amended to read:

Subd. 2a. ~~Internet or computer~~ **Electronic solicitation of children.** A person 18 years of age or older who uses the Internet ~~or~~, a computer, computer program, computer network, ~~or~~ computer system, or other electronic device capable of electronic data storage or transmission to commit any of the following acts, with the intent to arouse the sexual desire of any person, is guilty of a felony and may be sentenced as provided in subdivision 4:

- (1) soliciting a child or someone the person reasonably believes is a child to engage in sexual conduct;
- (2) engaging in communication ~~relating to or describing sexual conduct~~ with a child or someone the person reasonably believes is a child, relating to or describing sexual conduct; or
- (3) distributing any material, language, or communication, including a photographic or video image, that relates to or describes sexual conduct to a child or someone the person reasonably believes is a child.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to offenses committed on or after that date.

Sec. 37. Minnesota Statutes 2008, section 609.605, subdivision 1, is amended to read:

Subdivision 1. **Misdemeanor.** (a) The following terms have the meanings given them for purposes of this section.

- (1) "Premises" means real property and any appurtenant building or structure.
- (2) "Dwelling" means the building or part of a building used by an individual as a place of residence on either a full-time or a part-time basis. A dwelling may be part of a multidwelling or

multipurpose building, or a manufactured home as defined in section 168.002, subdivision 16.

(3) "Construction site" means the site of the construction, alteration, painting, or repair of a building or structure.

(4) "Owner or lawful possessor," as used in paragraph (b), clause (9), means the person on whose behalf a building or dwelling is being constructed, altered, painted, or repaired and the general contractor or subcontractor engaged in that work.

(5) "Posted," as used:

(i) in paragraph (b), clause (9), means the placement of a sign at least 11 inches square in a conspicuous place on the exterior of the building that is under construction, alteration, or repair, and additional signs in at least two conspicuous places for each ten acres being protected. The sign must carry an appropriate notice and the name of the person giving the notice, followed by the word "owner" if the person giving the notice is the holder of legal title to the land on which the construction site is located or by the word "occupant" if the person giving the notice is not the holder of legal title but is a lawful occupant of the land; and

(ii) in paragraph (b), clause (10), means the placement of signs that:

(A) state "no trespassing" or similar terms;

(B) display letters at least two inches high;

(C) state that Minnesota law prohibits trespassing on the property; and

(D) are posted in a conspicuous place and at intervals of 500 feet or less.

(6) "Business licensee," as used in paragraph (b), clause (9), includes a representative of a building trades labor or management organization.

(7) "Building" has the meaning given in section 609.581, subdivision 2.

(b) A person is guilty of a misdemeanor if the person intentionally:

(1) permits domestic animals or fowls under the actor's control to go on the land of another within a city;

(2) interferes unlawfully with a monument, sign, or pointer erected or marked to designate a point of a boundary, line or a political subdivision, or of a tract of land;

(3) trespasses on the premises of another and, without claim of right, refuses to depart from the premises on demand of the lawful possessor;

(4) occupies or enters the dwelling or locked or posted building of another, without claim of right or consent of the owner or the consent of one who has the right to give consent, except in an emergency situation;

(5) enters the premises of another with intent to take or injure any fruit, fruit trees, or vegetables growing on the premises, without the permission of the owner or occupant;

(6) enters or is found on the premises of a public or private cemetery without authorization during hours the cemetery is posted as closed to the public;

(7) returns to the property of another with the intent to abuse, disturb, or cause distress in or threaten another, after being told to leave the property and not to return, if the actor is without claim of right to the property or consent of one with authority to consent;

(8) returns to the property of another within one year after being told to leave the property and not to return, if the actor is without claim of right to the property or consent of one with authority to consent;

(9) enters the locked or posted construction site of another without the consent of the owner or lawful possessor, unless the person is a business licensee; ~~or~~

(10) enters the locked or posted aggregate mining site of another without the consent of the owner or lawful possessor, unless the person is a business licensee; or

(11) crosses into or enters any public or private area lawfully cordoned off by or at the direction of a peace officer engaged in the performance of official duties. As used in this clause: (i) an area may be "cordoned off" through the use of tape, barriers, or other means conspicuously placed and identifying the area as being restricted by a peace officer and identifying the responsible authority; and (ii) "peace officer" has the meaning given in section 626.84, subdivision 1. It is an affirmative defense to a charge under this clause that a peace officer permitted entry into the restricted area or there was no peace officer present at the site.

Sec. 38. Minnesota Statutes 2008, section 611.272, is amended to read:

611.272 ACCESS TO GOVERNMENT DATA.

The district public defender, the state public defender, or an attorney working for a public defense corporation under section 611.216 has access to the criminal justice data communications network described in section 299C.46, as provided in this section. Access to data under this section is limited to data necessary to prepare criminal cases in which the public defender has been appointed as follows:

(1) access to data about witnesses in a criminal case shall be limited to records of criminal convictions; and

(2) access to data regarding the public defender's own client which includes, but is not limited to, criminal history data under section 13.87; juvenile offender data under section 299C.095; warrant information data under section 299C.115; incarceration data under section 299C.14; conditional release data under section 241.065; and diversion program data under section 299C.46, subdivision 5.

The public defender has access to data under this section, whether accessed via ~~CrimNet~~ the integrated search service as defined in section 13.873 or other methods. The public defender does not have access to law enforcement active investigative data under section 13.82, subdivision 7; data protected under section 13.82, subdivision 17; confidential arrest warrant indices data under section 13.82, subdivision 19; or data systems maintained by a prosecuting attorney. The public defender has access to the data at no charge, except for the monthly network access charge under section 299C.46, subdivision 3, paragraph (b), and a reasonable installation charge for a terminal. Notwithstanding section 13.87, subdivision 3; 299C.46, subdivision 3, paragraph (b); 299C.48, or any other law to the contrary, there shall be no charge to public defenders for Internet access to the criminal justice data communications network.

Sec. 39. **[611A.0393] CRIME ALERTS; VIOLENT CRIMES; DISABLED ACCESS.**

If a law enforcement agency provides a crime alert to citizens within its jurisdiction, the alerts and any accompanying documents must be in a form that a disabled person can access with commercially available text-based screen reader software. Any contact information provided by a citizen requesting a crime alert is private data on individuals as defined in section 13.02.

EFFECTIVE DATE. This section is effective August 1, 2009.

Sec. 40. **[611A.203] DOMESTIC FATALITY REVIEW TEAMS.**

Subdivision 1. **Domestic fatality review teams; purpose.** A judicial district may establish a domestic fatality review team to review domestic violence deaths that have occurred in the district. The team may review cases in which prosecution has been completed or the prosecutorial authority has decided not to pursue the case. The purpose of the review team is to assess domestic violence deaths in order to develop recommendations for policies and protocols for community prevention and intervention initiatives to reduce and eliminate the incidence of domestic violence and resulting fatalities.

Subd. 2. **Definition of domestic violence death.** "Domestic violence death" means a homicide or suicide under any of the following circumstances:

- (1) the alleged perpetrator and victim resided together at any time;
- (2) the alleged perpetrator and victim have a child in common, regardless of whether they were married or lived together at any time;
- (3) the alleged perpetrator and victim were married, separated, or divorced;
- (4) the alleged perpetrator and victim had a sexual relationship or a significant romantic relationship;
- (5) the alleged perpetrator had been stalking the victim;
- (6) the homicide victim lived in the same household, was present in the workplace of, was in proximity of, or was related by blood or affinity to a victim who experienced or was threatened with domestic abuse by the alleged perpetrator;
- (7) the victim or the perpetrator was a child of a person in a relationship that is described within this definition; or
- (8) any other circumstances that the domestic fatality review team decides fall within the parameters of its mission.

"Domestic violence death" must be interpreted broadly to give the domestic fatality review team discretion to review fatalities that have occurred both directly and peripherally to domestic relationships.

Subd. 3. **Membership.** (a) The chief judge, in consultation with the family violence coordinating council, shall appoint the members of the domestic fatality review team. Membership must reflect a commitment to diversity and relevant professional experience. The review team members must include:

- (1) the medical examiner;
- (2) a judicial court officer (judge or referee);
- (3) a county and city attorney and a public defender;
- (4) the county sheriff and a peace officer;
- (5) a representative from family court services and the Department of Corrections;
- (6) a physician familiar with domestic violence issues;
- (7) a representative from district court administration and the domestic abuse service center;
- (8) a public citizen representative or a representative from a civic organization;
- (9) a mental health professional; and
- (10) domestic violence advocates or shelter workers.

(b) There must be at least three domestic violence advocates or shelter workers on the domestic fatality review team. No two members may represent the same agency. Members representing advocates or shelters must be selected by the advocacy community. At least one position must be designated for a minority representative and one position must rotate in order to include an advocate from the community in which the fatality under review took place.

(c) The domestic fatality review team may also invite other relevant persons to serve on an ad hoc basis and participate as full members of the review team for a particular review. These persons may include, but are not limited to:

- (1) individuals with particular expertise that would be helpful to the review panel; or
- (2) representatives of organizations or agencies that had contact with or provided services to the homicide victim, or to the alleged perpetrator, a victim who experienced or was threatened with domestic abuse by the alleged perpetrator, or a family member of one of those individuals.

Subd. 4. Duties; access to data. (a) The domestic fatality review team shall collect, review, and analyze death certificates and death data, including investigative reports, medical and counseling records, victim service records, employment records, child abuse reports, or other information concerning domestic violence deaths, survivor interviews and surveys, and other information deemed by the team as necessary and appropriate concerning the causes and manner of domestic violence deaths.

(b) The review team has access to the following not public data, as defined in section 13.02, subdivision 8a, relating to a case being reviewed by the team: inactive law enforcement investigative data under section 13.82; autopsy records and coroner or medical examiner investigative data under section 13.83; hospital, public health, or other medical records of the victim under section 13.384; records under section 13.46, created by social service agencies that provided services to the victim, the alleged perpetrator, or another victim who experienced or was threatened with domestic abuse by the perpetrator; and child maltreatment records under section 626.556, relating to the victim or a family or household member of the victim. Access to medical records under this paragraph also includes records governed by sections 144.291 to 144.298.

(c) As part of any review, the domestic fatality review team may compel the production of other records by applying to the district court for a subpoena, which will be effective throughout the state according to the Rules of Civil Procedure.

Subd. 5. **Confidentiality; data privacy.** A person attending a domestic fatality review team meeting may not disclose what transpired at the meeting, except to carry out the purposes of the review team or as otherwise provided in this subdivision. The review team may disclose the names of the victims in the cases it reviewed. The proceedings and records of the review team are confidential data as defined in section 13.02, subdivision 3, or protected nonpublic data as defined in section 13.02, subdivision 13, regardless of their classification in the hands of the person who provided the data, and are not subject to discovery or introduction into evidence in a civil or criminal action against a professional, the state or a county agency, arising out of the matters the team is reviewing. Information, documents, and records otherwise available from other sources are not immune from discovery or use in a civil or criminal action solely because they were presented during proceedings of the review team. This section does not limit a person who presented information before the review team or who is a member of the panel from testifying about matters within the person's knowledge. However, in a civil or criminal proceeding, a person may not be questioned about the person's good faith presentation of information to the review team or opinions formed by the person as a result of the review team meetings.

Subd. 6. **Immunity.** Members of the domestic fatality advisory board, members of the domestic fatality review team, and members of each review panel, as well as their agents or employees, are immune from claims and are not subject to any suits, liability, damages, or any other recourse, civil or criminal, arising from any act, proceeding, decision, or determination undertaken or performed or recommendation made by the domestic fatality review team, provided they acted in good faith and without malice in carrying out their responsibilities. Good faith is presumed until proven otherwise and the complainant has the burden of proving malice or a lack of good faith. No organization, institution, or person furnishing information, data, testimony, reports, or records to the domestic fatality review team as part of an investigation is civilly or criminally liable or subject to any other recourse for providing the information.

Subd. 7. **Evaluation and report.** (a) Each domestic fatality review team shall develop a system for evaluating the effectiveness of its program and shall focus on identifiable goals and outcomes. An evaluation must include data components as well as input from individuals involved in the review process.

(b) Each fatality review team shall issue an annual report to the chairs and ranking minority members of the senate and house committees with jurisdiction over public safety issues. The report must consist of the written aggregate recommendations of the domestic fatality review team without reference to specific cases. The report must be available upon request and distributed to the governor, attorney general, supreme court, county board, and district court.

Sec. 41. Minnesota Statutes 2008, section 626.843, subdivision 1, is amended to read:

Subdivision 1. **Rules required.** The board shall adopt rules with respect to:

~~(1) the certification of peace officer training schools, programs, or courses including training schools for the Minnesota State Patrol. Such schools, programs and courses shall include those administered by the state, county, school district, municipality, or joint or contractual combinations thereof, and shall include preparatory instruction in law enforcement and minimum basic training~~

~~courses~~ postsecondary schools to provide programs of professional peace officer education;

(2) ~~minimum courses of study, attendance requirements, and equipment and facilities to be required at each certified peace officers training school located within the state;~~

(3) ~~minimum qualifications for coordinators and instructors at certified peace officer training schools offering a program of professional peace officer education located within this state;~~

(4) ~~minimum standards of physical, mental, and educational fitness which shall govern the recruitment admission to professional peace officer education programs and the licensing of peace officers within the state, by any state, county, municipality, or joint or contractual combination thereof, including members of the Minnesota State Patrol;~~

(5) board-approved continuing education courses that ensure professional competence of peace officers and part-time peace officers;

(6) minimum standards of conduct which would affect the individual's performance of duties as a peace officer. These standards shall be established and published. The board shall review the minimum standards of conduct described in this clause for possible modification in 1998 and every three years after that time;

~~(6) minimum basic training which peace officers appointed to temporary or probationary terms shall complete before being eligible for permanent appointment, and the time within which such basic training must be completed following any such appointment to a temporary or probationary term;~~

~~(7) minimum specialized training which part-time peace officers shall complete in order to be eligible for continued employment as a part-time peace officer or permanent employment as a peace officer, and the time within which the specialized training must be completed;~~

~~(8) content of minimum basic training courses required of graduates of certified law enforcement training schools or programs. Such courses shall not duplicate the content of certified academic or general background courses completed by a student but shall concentrate on practical skills deemed essential for a peace officer. Successful completion of such a course~~ (7) a set of educational learning objectives that must be met within a certified school's professional peace officer education program. These learning objectives must concentrate on the knowledge, skills, and abilities deemed essential for a peace officer. Education in these learning objectives shall be deemed satisfactory for the completion of the minimum basic training requirement;

~~(9) grading, reporting, attendance and other records, and certificates of attendance or accomplishment;~~

~~(10) the procedures to be followed by a part-time peace officer for notifying the board of intent to pursue the specialized training for part-time peace officers who desire to become peace officers pursuant to clause (7), and section 626.845, subdivision 1, clause (7);~~

~~(11)~~ (8) the establishment and use by any political subdivision or state law enforcement agency which that employs persons licensed by the board of procedures for investigation and resolution of allegations of misconduct by persons licensed by the board. The procedures shall be in writing and shall be established on or before October 1, 1984;

~~(12)~~ (9) the issues that must be considered by each political subdivision and state law enforcement agency that employs persons licensed by the board in establishing procedures under section 626.5532 to govern the conduct of peace officers who are in pursuit of a vehicle being operated in violation of section 609.487, and requirements for the training of peace officers in conducting pursuits. The adoption of specific procedures and requirements is within the authority of the political subdivision or agency;

~~(13)~~ (10) supervision of part-time peace officers and requirements for documentation of hours worked by a part-time peace officer who is on active duty. These rules shall be adopted by December 31, 1993;

~~(14)~~ (11) citizenship requirements for ~~full-time~~ peace officers and part-time peace officers;

~~(15)~~ (12) driver's license requirements for ~~full-time~~ peace officers and part-time peace officers; and

~~(16)~~ (13) such other matters as may be necessary consistent with sections 626.84 to 626.863. Rules promulgated by the attorney general with respect to these matters may be continued in force by resolution of the board if the board finds the rules to be consistent with sections 626.84 to 626.863.

Sec. 42. Minnesota Statutes 2008, section 626.843, subdivision 3, is amended to read:

Subd. 3. **Board authority.** The board may, in addition:

(1) recommend studies, surveys, and reports to be made by the executive director regarding the carrying out of the objectives and purposes of sections 626.841 to 626.863;

(2) visit and inspect any ~~peace officer training~~ certified school approved by the executive director that offers the professional peace officer education program or for which application for ~~such approval~~ certification has been made;

(3) make recommendations, from time to time, to the executive director, attorney general, and the governor regarding the carrying out of the objectives and purposes of sections 626.841 to 626.863;

(4) perform such other acts as may be necessary or appropriate to carry out the powers and duties of the board ~~as set forth in~~ under sections 626.841 to 626.863; and

(5) cooperate with and receive financial assistance from and join in projects or enter into contracts with the federal government or its agencies for the furtherance of the purposes of Laws 1977, chapter 433.

Sec. 43. Minnesota Statutes 2008, section 626.845, subdivision 1, is amended to read:

Subdivision 1. **Powers and duties.** The board shall have the following powers and duties:

(1) to certify ~~peace officers' training schools or programs administered by state, county and municipalities located within this state in whole or in part no later than 90 days after receipt of an application for certification. The reasons for noncertification of any school or program or part thereof shall be transmitted to the school within 90 days and shall contain a detailed explanation of the reasons for which the school or program was disapproved and an explanation of what supporting material or other requirements are necessary for the board to reconsider. Disapproval of a school or program shall not preclude the reapplication for certification of the school or program~~ postsecondary

schools to provide programs of professional peace officer education based on a set of board-approved professional peace officer education learning objectives;

(2) to issue certificates to postsecondary schools, and to revoke such certification when necessary to maintain the objectives and purposes of sections 626.841 to 626.863;

~~(3) to certify, as qualified, instructors at peace officer training schools, and to issue appropriate certificates to such instructors;~~

~~(4) to license peace officers who have satisfactorily completed certified basic training programs, met the education and experience requirements and passed examinations as required by the board;~~

(4) to develop and administer licensing examinations based on the board's learning objectives;

~~(5) to cause studies and surveys to be made relating to the establishment, operation, and approval of state, county, and municipal peace officer training schools;~~

~~(6) to consult and cooperate with state, county, and municipal peace officer training schools continuing education providers for the development of in-service training programs for peace officers;~~

~~(7) (6) to consult and cooperate with universities, colleges, and technical colleges postsecondary schools for the development of specialized courses of instruction and study in the state for peace officers and part-time peace officers in police science and police administration and improvement of professional peace officer education;~~

~~(8) (7) to consult and cooperate with other departments and agencies of the state and federal government concerned with peace officer standards and training;~~

~~(9) (8) to perform such other acts as may be necessary and appropriate to carry out the powers and duties as set forth in the provisions of sections 626.841 to 626.863;~~

~~(10) to coordinate the provision, on a regional basis, of skills-oriented basic training courses to graduates of certified law enforcement training schools or programs;~~

~~(11) (9) to obtain criminal conviction data for persons seeking a license to be issued or possessing a license issued by the board. The board shall have authority to obtain criminal conviction data to the full extent that any other law enforcement agency, as that term is defined by state or federal law, has to obtain the data;~~

~~(12) (10) to prepare and transmit annually to the governor a report of its activities with respect to allocation of moneys money appropriated to it for peace officers training, including the name and address of each recipient of money for that purpose, and the amount awarded, and the purpose of the award; and~~

~~(13) (11) to assist and cooperate with any political subdivision or state law enforcement agency which that employs persons licensed by the board to establish written procedures for the investigation and resolution of allegations of misconduct of policies as mandated by the state pertaining to persons licensed by the board, and to enforce licensing sanctions for failure to implement such procedures these policies.~~

In addition, the board may maintain data received from law enforcement agencies under section

626.87, subdivision 5, provide the data to requesting law enforcement agencies who are conducting background investigations, and maintain data on applicants and licensees as part of peace officer license data. The data that may be maintained include the name of the law enforcement agency conducting the investigation and data on the candidate provided under section 626.87, subdivision 5, clauses (1) and (2).

Sec. 44. Minnesota Statutes 2008, section 626.863, is amended to read:

626.863 UNAUTHORIZED PRACTICE.

(a) A person who is not a peace officer or part-time peace officer is guilty of a misdemeanor if the person: (1) makes a representation of being a peace officer or part-time peace officer, or (2) performs or attempts to perform an act, duty, or responsibility reserved by law for licensed peace officers and part-time peace officers.

(b) A peace officer who authorizes or knowingly allows a person to violate paragraph (a) is guilty of a misdemeanor.

(c) The board shall designate the appropriate law enforcement agency to investigate violations of this section. The attorney general shall prosecute violations of this section.

(d) A person who violates this section and who has previously been convicted of a violation of this section is guilty of a gross misdemeanor.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to crimes committed on or after that date.

Sec. 45. Minnesota Statutes 2008, section 628.26, is amended to read:

628.26 LIMITATIONS.

(a) Indictments or complaints for any crime resulting in the death of the victim may be found or made at any time after the death of the person killed.

(b) Indictments or complaints for a violation of section 609.25 may be found or made at any time after the commission of the offense.

(c) Indictments or complaints for violation of section 609.282 may be found or made at any time after the commission of the offense if the victim was under the age of 18 at the time of the offense.

(d) Indictments or complaints for violation of section 609.282 where the victim was 18 years of age or older at the time of the offense, or 609.42, subdivision 1, clause (1) or (2), shall be found or made and filed in the proper court within six years after the commission of the offense.

(e) Indictments or complaints for violation of sections 609.342 to 609.345 if the victim was under the age of 18 years at the time the offense was committed, shall be found or made and filed in the proper court within the later of nine years after the commission of the offense ~~or, if the victim failed to report the offense within this limitation period, within three years after the offense was reported to law enforcement authorities.~~

(f) Notwithstanding the limitations in paragraph (e), indictments or complaints for violation of sections 609.342 to 609.344 may be found or made and filed in the proper court at any time after

commission of the offense, if physical evidence is collected and preserved that is capable of being tested for its DNA characteristics. If this evidence is not collected and preserved and the victim was 18 years old or older at the time of the offense, the prosecution must be commenced within nine years after the commission of the offense.

(g) Indictments or complaints for violation of sections 609.466 and 609.52, subdivision 2, clause (3), item (iii), shall be found or made and filed in the proper court within six years after the commission of the offense.

(h) Indictments or complaints for violation of section 609.52, subdivision 2, clause (3), items (i) and (ii), (4), (15), or (16), 609.631, or 609.821, where the value of the property or services stolen is more than \$35,000, shall be found or made and filed in the proper court within five years after the commission of the offense.

(i) Except for violations relating to false material statements, representations or omissions, indictments or complaints for violations of section 609.671 shall be found or made and filed in the proper court within five years after the commission of the offense.

(j) Indictments or complaints for violation of sections 609.561 to 609.563, shall be found or made and filed in the proper court within five years after the commission of the offense.

(k) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense.

(l) The limitations periods contained in this section shall exclude any period of time during which the defendant was not an inhabitant of or usually resident within this state.

(m) The limitations periods contained in this section for an offense shall not include any period during which the alleged offender participated under a written agreement in a pretrial diversion program relating to that offense.

(n) The limitations periods contained in this section shall not include any period of time during which physical evidence relating to the offense was undergoing DNA analysis, as defined in section 299C.155, unless the defendant demonstrates that the prosecuting or law enforcement agency purposefully delayed the DNA analysis process in order to gain an unfair advantage.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to crimes committed on or after that date, and to crimes committed before that date if the limitations period for the crime did not expire before August 1, 2009.

Sec. 46. Minnesota Statutes 2008, section 628.69, subdivision 6, is amended to read:

Subd. 6. **Reporting of data to ~~criminal justice information system (CJIS)~~ Bureau of Criminal Apprehension.** Every county attorney who has established a pretrial diversion program under this section shall report the following information to the Bureau of Criminal Apprehension:

- (1) the name and date of birth of each diversion program participant, and any other identifying information the superintendent considers necessary;
- (2) the date on which the individual began to participate in the diversion program;
- (3) the date on which the individual is expected to complete the diversion program;

(4) the date on which the individual successfully completed the diversion program, where applicable; and

(5) the date on which the individual was removed from the diversion program for failure to successfully complete the individual's goals, where applicable.

The superintendent shall cause the information described in this subdivision to be entered into and maintained in the criminal history file of the ~~Minnesota Criminal Justice Information System~~ as defined in section 13.87.

Sec. 47. Minnesota Statutes 2008, section 629.34, subdivision 1, is amended to read:

Subdivision 1. **Peace officers.** (a) A peace officer, as defined in section 626.84, subdivision 1, clause (c), who is on or off duty within the jurisdiction of the appointing authority, or on duty outside the jurisdiction of the appointing authority pursuant to section 629.40, may arrest a person without a warrant as provided under paragraph (c).

(b) A part-time peace officer, as defined in section 626.84, subdivision 1, clause (d), who is on duty within the jurisdiction of the appointing authority, or on duty outside the jurisdiction of the appointing authority pursuant to section 629.40 may arrest a person without a warrant as provided under paragraph (c).

(c) A peace officer or part-time peace officer who is authorized under paragraph (a) or (b) to make an arrest without a warrant may do so under the following circumstances:

(1) when a public offense has been committed or attempted in the officer's presence;

(2) when the person arrested has committed a felony, although not in the officer's presence;

(3) when a felony has in fact been committed, and the officer has reasonable cause for believing the person arrested to have committed it;

(4) upon a charge based upon reasonable cause of the commission of a felony by the person arrested;

(5) under the circumstances described in clause (2), (3), or (4), when the offense is a gross misdemeanor violation of section 609.485, subdivision 4, paragraph (a), clause (3), as applies to a person who escapes from custody on an allegation or adjudication of a delinquent act, 609.52, 609.595, 609.631, 609.749, or 609.821; or

(6) under circumstances described in clause (2), (3), or (4), when the offense is a nonfelony violation of a restraining order or no contact order previously issued by a court.

(d) To make an arrest authorized under this subdivision, the officer may break open an outer or inner door or window of a dwelling house if, after notice of office and purpose, the officer is refused admittance.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to persons escaping from custody on or after that date.

Sec. 48. Minnesota Statutes 2008, section 629.341, subdivision 1, is amended to read:

Subdivision 1. **Arrest.** Notwithstanding section 629.34 or any other law or rule, a peace officer

may arrest a person anywhere without a warrant, including at the person's residence, if the peace officer has probable cause to believe that within the preceding ~~12~~ 24 hours the person has committed domestic abuse, as defined in section 518B.01, subdivision 2. The arrest may be made even though the assault did not take place in the presence of the peace officer.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 49. FINANCIAL CRIMES TASK FORCE TRANSITION.

(a) The appointing authorities under Minnesota Statutes, section 299A.681, subdivision 2, shall complete the new appointments required under that section by August 1, 2009.

(b) The members of the Minnesota Financial Crimes Task Force appointed to the task force by the Financial Crimes Oversight Council as provided in 2008 Minnesota Statutes, section 299A.681, subdivision 3, shall continue to serve on the task force until their successors have been appointed by the commissioner of public safety.

Sec. 50. REPEALER.

Minnesota Statutes 2008, sections 244.195, subdivision 5; 299C.61, subdivision 8; 299C.67, subdivision 3; 383B.65, subdivision 2; and 403.36, subdivision 1f, are repealed."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 34, as follows:

Those who voted in the affirmative were:

Chaudhary	Fobbe	Koch	Ortman	Senjem
Day	Gerlach	Koering	Pariseau	Sheran
Dille	Hann	Limmer	Robling	Vandever
Doll	Ingebrigtsen	Michel	Rosen	Vickerman
Fischbach	Jungbauer	Olson, G.	Saltzman	Wiger

Those who voted in the negative were:

Anderson	Dibble	Latz	Pappas	Skoe
Bakk	Erickson Ropes	Lourey	Pogemiller	Skogen
Berglin	Foley	Lynch	Prettner Solon	Sparks
Betzold	Higgins	Moua	Rummel	Stumpf
Carlson	Kelash	Murphy	Saxhaug	Tomassoni
Clark	Kubly	Olseen	Scheid	Torres Ray
Dahle	Langseth	Olson, M.	Sieben	

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

Senator Robling moved to amend S.F. No. 993 as follows:

Pages 11 to 15, delete sections 11 to 18

Page 39, delete section 49

Page 54, delete section 64

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 25, as follows:

Those who voted in the affirmative were:

Carlson	Gerlach	Kubly	Ortman	Skogen
Chaudhary	Hann	Limmer	Pariseau	Sparks
Day	Ingebrigtsen	Lynch	Robling	Stumpf
Dille	Jungbauer	Michel	Rosen	Vandever
Doll	Koch	Olseen	Saltzman	Vickerman
Fobbe	Koering	Olson, G.	Senjem	Wiger

Those who voted in the negative were:

Anderson	Dahle	Langseth	Pappas	Sheran
Bakk	Dibble	Latz	Pogemiller	Sieben
Berglin	Foley	Lourey	Prettner Solon	Skoe
Betzold	Higgins	Moua	Saxhaug	Tomassoni
Cohen	Kelash	Murphy	Scheid	Torres Ray

The motion prevailed. So the amendment was adopted.

Senator Ortman moves to amend S.F. No. 993 as follows:

Page 16, after line 2, insert:

"Sec. 19. Minnesota Statutes 2008, section 244.10, is amended by adding a subdivision to read:

Subd. 5a. **Aggravating factors.** (a) As used in this section, "aggravating factors" include, but are not limited to, situations where:

(1) the victim was particularly vulnerable due to age, infirmity, or reduced physical or mental capacity, which was known or should have been known to the offender;

(2) the victim was treated with particular cruelty for which the offender should be held responsible;

(3) the current conviction is for a criminal sexual conduct offense or an offense in which the victim was otherwise injured and there is a prior felony conviction for a criminal sexual conduct offense or an offense in which the victim was otherwise injured;

(4) the offense was a major economic offense, identified as an illegal act or series of illegal acts committed by other than physical means and by concealment or guile to obtain money or property, to avoid payment or loss of money or property, or to obtain business or professional advantage. The presence of two or more of the circumstances listed below are aggravating factors with respect to the offense:

(i) the offense involved multiple victims or multiple incidents per victim;

(ii) the offense involved an attempted or actual monetary loss substantially greater than the usual offense or substantially greater than the minimum loss specified in the statutes;

(iii) the offense involved a high degree of sophistication or planning or occurred over a lengthy period of time;

(iv) the offender used the offender's position or status to facilitate the commission of the offense, including positions of trust, confidence, or fiduciary relationships; or

(v) the offender had been involved in other conduct similar to the current offense as evidenced by the findings of civil or administrative law proceedings or the imposition of professional sanctions;

(5) the offense was a major controlled substance offense, identified as an offense or series of offenses related to trafficking in controlled substances under circumstances more onerous than the usual offense. The presence of two or more of the circumstances listed below are aggravating factors with respect to the offense:

(i) the offense involved at least three separate transactions in which controlled substances were sold, transferred, or possessed with intent to do so;

(ii) the offense involved an attempted or actual sale or transfer of controlled substances in quantities substantially larger than for personal use;

(iii) the offense involved the manufacture of controlled substances for use by other parties;

(iv) the offender knowingly possessed a firearm during the commission of the offense;

(v) the circumstances of the offense reveal the offender to have occupied a high position in the drug distribution hierarchy;

(vi) the offense involved a high degree of sophistication or planning or occurred over a lengthy period of time or involved a broad geographic area of disbursement; or

(vii) the offender used the offender's position or status to facilitate the commission of the offense, including positions of trust, confidence, or fiduciary relationships;

(6) the offender committed, for hire, a crime against the person;

(7) the offender is sentenced according to section 609.3455, subdivision 3a;

(8) the offender is a dangerous offender who committed a third violent crime, as described in section 609.1095, subdivision 2;

(9) the offender is a career offender as described in section 609.1095, subdivision 4;

(10) the offender committed the crime as part of a group of three or more persons who all actively participated in the crime;

(11) the offender intentionally selected the victim or the property against which the offense was committed, in whole or in part, because of the victim's, the property owner's, or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, or national origin;

(12) the offender used another's identity without authorization to commit a crime. This aggravating factor may not be used when the use of another's identity is an element of the offense;

(13) the offense was committed in the presence of a child; and

(14) the offense was committed in a location in which the victim had an expectation of privacy.

(b) Notwithstanding section 609.04 or 609.035, or other law to the contrary, when a court

sentences an offender for a felony conviction, the court may order an aggravated sentence beyond the range specified in the sentencing guidelines grid based on any aggravating factor arising from the same course of conduct.

(c) Nothing in this section limits a court from ordering an aggravated sentence based on an aggravating factor not described in paragraph (a).

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to crimes committed on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 48 and nays 8, as follows:

Those who voted in the affirmative were:

Berglin	Fobbe	Latz	Prettner Solon	Skogen
Carlson	Gerlach	Limmer	Robling	Sparks
Chaudhary	Hann	Lourey	Rosen	Stumpf
Clark	Ingebrigtsen	Murphy	Saltzman	Tomassoni
Dahle	Jungbauer	Olseen	Saxhaug	Torres Ray
Day	Kelash	Olson, G.	Scheid	Vandever
Dibble	Koch	Olson, M.	Senjem	Vickerman
Dille	Koering	Ortman	Sheran	Wiger
Doll	Kubly	Pariseau	Sieben	
Erickson Ropes	Langseth	Pogemiller	Skoe	

Those who voted in the negative were:

Anderson	Cohen	Higgins	Moua
Betzold	Foley	Lynch	Pappas

The motion prevailed. So the amendment was adopted.

Senator Hann moved to amend S.F. No. 993 as follows:

Page 2, after line 13, insert:

"Section 1. Minnesota Statutes 2008, section 8.31, subdivision 2, is amended to read:

Subd. 2. **Attorney general to assist in discovery and punishment of illegal practices.** (a) When the attorney general has information providing a reasonable ground to believe that any person has violated, or is about to violate, any of the laws of this state referred to in subdivision 1, the attorney general shall have power to investigate those violations, or suspected violations, and to take such steps as are necessary to cause the arrest and prosecution of all persons violating any of the statutes specifically mentioned in subdivision 1 or any other laws respecting unfair, discriminatory, or other unlawful practices in business, commerce, or trade. In connection with investigation under this section in cases where a civil action has not been commenced the attorney general upon specifying the nature of the violation or suspected violation may obtain discovery from any person regarding any matter, fact or circumstance, not privileged, which is relevant to the subject matter involved in the pending investigation, in accordance with the provisions of this subdivision. ~~The discovery may be obtained without commencement of a civil action and without~~

~~leave of court, except as expressly required by the provisions of subdivision 2a only after obtaining approval of the district court pursuant to paragraph (b).~~ The applicable protective provisions of rules 26.02, 26.03, and 30.04 of the Rules of Civil Procedure for the district courts shall apply to any discovery procedures instituted pursuant to this section. The attorney general or any person to whom discovery is directed may apply to and obtain leave of the district court in order to reduce or extend the time requirements of this subdivision, and upon a showing of good cause the district court shall order such a reduction or extension. In order to obtain discovery, the attorney general may:

~~(a) (1)~~ Serve written interrogatories on any person. Within 20 days after service of interrogatories, separate written answers and objections to each interrogatory shall be mailed to the attorney general;

~~(b) (2)~~ Upon reasonable written notice of no less than 15 days, require any person to produce for inspection and copying any documents, papers, books, accounts, letters, photographs, objects, or tangible things which are in the possession, custody, or control of that person; and

~~(c) (3)~~ Upon reasonable written notice of no less than 15 days, take the testimony of any person by deposition as to any fact or opinion relevant to the subject matter involved in the pending investigation.

For the purposes of this subdivision the term "person" has the meaning specified in section 325F.68.

(b) The attorney general shall present to the district court all evidence that provides the attorney general with a reasonable ground to believe that any person has violated, or is about to violate, any laws of this state referred to in subdivision 1. Unless the court finds that doing so would be contrary to the interests of justice, the court shall allow the person who is the subject of the investigation an opportunity to: (1) review the evidence that is being used by the attorney general to justify the request for court approval; and (2) be heard on the matter before the court decides to grant or withhold its approval."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Moua questioned whether the amendment was germane.

The Chair ruled that the amendment was germane.

The question was taken on the adoption of the Hann amendment.

The roll was called, and there were yeas 14 and nays 41, as follows:

Those who voted in the affirmative were:

Day	Frederickson	Ingebrigtsen	Olson, G.	Senjem
Dille	Gerlach	Jungbauer	Robling	Vandever
Fischbach	Hann	Limmer	Rosen	

Those who voted in the negative were:

Anderson	Betzold	Chaudhary	Cohen	Dibble
Berglin	Carlson	Clark	Dahle	Doll

Erickson Ropes	Latz	Pappas	Sheran	Torres Ray
Fobbe	Lourey	Pogemiller	Sieben	Vickerman
Foley	Lynch	Prettner Solon	Skoe	Wiger
Higgins	Moua	Rest	Skogen	
Kelash	Murphy	Saltzman	Sparks	
Kubly	Olseen	Saxhaug	Stumpf	
Langseth	Olson, M.	Scheid	Tomassoni	

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

Senator Scheid moved to amend S.F. No. 993 as follows:

Page 15, after line 11, insert:

"Sec. 18. Minnesota Statutes 2008, section 240.08, is amended by adding a subdivision to read:

Subd. 2a. Certain occupational licenses. The commission may issue a license to an applicant otherwise disqualified pursuant to subdivision 2, clause (b), for an occupation that does not involve gaming operations, security, surveillance, or the handling of pari-mutuel or card club revenues provided that the applicant has not been convicted of a felony or a crime involving fraud or misrepresentation within ten years of application, has never been convicted of a gambling-related offense, does not have a felony charge pending, has been discharged from any supervision related to the disqualifying offense for a period of at least five years, and is not required to register pursuant to section 243.166."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass S.F. No. 993.

The roll was called, and there were yeas 36 and nays 21, as follows:

Those who voted in the affirmative were:

Anderson	Dibble	Lourey	Pogemiller	Skogen
Berglin	Erickson Ropes	Lynch	Prettner Solon	Stumpf
Betzold	Foley	Moua	Rest	Tomassoni
Carlson	Higgins	Murphy	Saxhaug	Torres Ray
Chaudhary	Kelash	Olseen	Scheid	
Clark	Kubly	Olson, M.	Sheran	
Cohen	Langseth	Ortman	Sieben	
Dahle	Latz	Pappas	Skoe	

Those who voted in the negative were:

Day	Frederickson	Limmer	Saltzman	Wiger
Dille	Gerlach	Olson, G.	Senjem	
Doll	Hann	Robling	Sparks	
Fischbach	Ingebrigtsen	Rosen	Vandever	
Fobbe	Jungbauer	Rummel	Vickerman	

The motion prevailed. So S.F. No. 993 was recommended to pass.

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

Without objection, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

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

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 1627: A bill for an act relating to courts; enforcing judicial sanctions, including fines, fees, and surcharges; amending Minnesota Statutes 2008, sections 2.724, subdivisions 2, 3; 86B.705, subdivision 2; 134A.09, subdivision 2a; 134A.10, subdivision 3; 152.025, subdivisions 1, 2; 152.0262, subdivision 1; 169A.20, subdivision 1, by adding subdivisions; 169A.25, subdivision 1; 169A.26, subdivision 1; 169A.27, subdivision 1; 169A.28, subdivision 2; 169A.284; 169A.46, subdivision 1; 169A.54, subdivision 1; 299D.03, subdivision 5; 357.021, subdivision 6; 364.08; 375.14; 480.15, by adding a subdivision; 484.85; 484.90, subdivision 6; 491A.02, subdivision 9; 525.091, subdivision 1; 550.011; 609.035, subdivision 2; 609.10, subdivision 1; 609.101, subdivision 4; 609.125, subdivision 1; 609.131, subdivision 3; 609.135, subdivisions 1, 1a, 2; 631.48; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 2008, sections 152.025, subdivision 3; 152.0262, subdivision 2; 484.90, subdivisions 1, 2, 3; 487.08, subdivisions 1, 2, 3, 5; 609.135, subdivision 8.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. SUMMARY OF APPROPRIATIONS.

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

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	\$ 348,633,000	\$ 354,248,000	\$ 702,881,000
<u>Federal</u>	5,616,000	0	5,616,000
<u>Total</u>	\$ 354,249,000	\$ 354,248,000	\$ 708,497,000

Sec. 2. JUDICIARY APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010.

"The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011. Appropriations for the fiscal year ending June 30, 2009, are effective the day following final enactment.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2010</u>	<u>2011</u>
Sec. 3. <u>SUPREME COURT</u>		
Subdivision 1. <u>Total Appropriation</u>	\$ <u>41,510,000</u>	\$ <u>41,510,000</u>
<u>The amounts that may be spent for each purpose are specified in the following subdivisions.</u>		
Subd. 2. <u>Supreme Court Operations</u>	<u>29,558,000</u>	<u>29,558,000</u>
<u>Contingent Account. \$5,000 each year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.</u>		
Subd. 3. <u>Civil Legal Services</u>	<u>11,952,000</u>	<u>11,952,000</u>
<u>Legal Services to Low-Income Clients in Family Law Matters. Of this appropriation, \$877,000 each year is to improve the access of low-income clients to legal representation in family law matters. This appropriation must be distributed under Minnesota Statutes, section 480.242, to the qualified legal services programs described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (a). Any unencumbered balance remaining in the first year does not cancel and is available in the second year.</u>		
Sec. 4. <u>COURT OF APPEALS</u>	\$ <u>9,652,000</u>	\$ <u>9,652,000</u>
Sec. 5. <u>TRIAL COURTS</u>	\$ <u>235,791,000</u>	\$ <u>235,790,000</u>
<u>Appropriations by Fund</u>		
	<u>2010</u>	<u>2011</u>
<u>General</u>	<u>230,175,000</u>	<u>235,790,000</u>

Federal5,616,0000Sec. 6. TAX COURT

\$

800,000 \$800,000Sec. 7. UNIFORM LAWS COMMISSION

\$

50,000 \$50,000Sec. 8. BOARD ON JUDICIAL STANDARDS

\$

446,000 \$446,000

\$125,000 each year is for special investigative and hearing costs for major disciplinary actions undertaken by the board. This appropriation does not cancel. Any encumbered and unspent balances remain available for these expenditures in subsequent fiscal years.

Sec. 9. BOARD OF PUBLIC DEFENSE

\$

66,000,000 \$66,000,000

ARTICLE 2

FEE INCREASES

Section 1. Minnesota Statutes 2008, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. **Transmittal of fees to commissioner of finance.** (a) Every person, including the state of Minnesota and all bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court the sundry fees prescribed in subdivision 2. Except as otherwise provided in this paragraph or paragraph (d), the court administrator shall transmit the fees monthly to the commissioner of finance for deposit in the state treasury and credit to the general fund. \$30 of each fee collected in a dissolution action under subdivision 2, clause (1), must be deposited by the commissioner of finance in the special revenue fund and is appropriated to the commissioner of employment and economic development for the displaced homemaker program under section 116L.96. If the Judicial Council authorizes the charges and additional fees, the per-page charges collected under subdivision 2 and the fee increases described in section 2 must be credited by the commissioner of finance to the court account in the special revenue fund under section 484.99.

(b) In a county which has a screener-collector position, fees paid by a county pursuant to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the fees first to reimburse the county for the amount of the salary paid for the screener-collector position. The balance of the fees collected shall then be forwarded to the commissioner of finance for deposit in the state treasury and credited to the general fund. In a county in a judicial district under section 480.181, subdivision 1, paragraph (b), which has a screener-collector position, the fees paid by a county shall be transmitted monthly to the commissioner of finance for deposit in the state treasury and credited to the general fund. A screener-collector position for purposes of this paragraph is an employee whose function is to increase the collection of fines and to review the incomes of potential clients of the public defender, in order to verify eligibility for that service.

(c) No fee is required under this section from the public authority or the party the public authority represents in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court, or in a proceeding under section 484.702;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525;

(4) wrongfully obtaining public assistance under section 256.98 or 256D.07, or recovery of overpayments of public assistance;

(5) court relief under chapters 260, 260A, 260B, and 260C;

(6) forfeiture of property under sections 169A.63 and 609.531 to 609.5317;

(7) recovery of amounts issued by political subdivisions or public institutions under sections 246.52, 252.27, 256.045, 256.25, 256.87, 256B.042, 256B.14, 256B.15, 256B.37, 260B.331, and 260C.331, or other sections referring to other forms of public assistance;

(8) restitution under section 611A.04; or

(9) actions seeking monetary relief in favor of the state pursuant to section 16D.14, subdivision 5.

(d) \$20 from each fee collected for child support modifications under subdivision 2, clause (13), must be transmitted to the county treasurer for deposit in the county general fund and \$35 from each fee shall be credited to the state general fund. The fees must be used by the county to pay for child support enforcement efforts by county attorneys.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 2. Minnesota Statutes 2008, section 357.021, subdivision 2, is amended to read:

Subd. 2. **Fee amounts.** The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, including any case arising under the tax laws of the state that could be transferred or appealed to the Tax Court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of \$240, except in marriage dissolution actions the fee is \$270.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of \$240, except in marriage dissolution actions the fee is \$270.

The party requesting a trial by jury shall pay \$75.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the

entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, \$10, and \$5 for an uncertified copy.

(3) Issuing a subpoena, \$12 for each name.

(4) Filing a motion or response to a motion in civil, family, excluding child support, and guardianship cases, \$55.

(5) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$40.

(6) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$30.

(7) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.

(8) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.

(9) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, \$5.

(10) For the filing of each partial, final, or annual account in all trusteeships, \$40.

(11) For the deposit of a will, \$20.

(12) For recording notary commission, \$100, of which, notwithstanding subdivision 1a, paragraph (b), \$80 must be forwarded to the commissioner of finance to be deposited in the state treasury and credited to the general fund.

(13) Filing a motion or response to a motion for modification of child support, a fee of \$55.

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

(15) In addition to any other filing fees under this chapter, a surcharge in the amount of \$75 must be assessed in accordance with section 259.52, subdivision 14, for each adoption petition filed in district court to fund the fathers' adoption registry under section 259.52.

The fees in clauses (3) and (5) need not be paid by a public authority or the party the public authority represents.

The court administrator shall charge and collect the following amounts in addition to the amounts described in this subdivision if the Judicial Council authorizes the increase:

(i) for filing fees described in paragraph (1), \$25, plus \$1 per page;

(ii) for the jury request fee described in paragraph (1), \$25;

(iii) for a certified copy described in paragraph (2), \$4, plus \$1 per page;

- (iv) for an uncertified copy described in paragraph (2), \$3, plus \$1 per page;
- (v) for a subpoena described in paragraph (3), \$4;
- (vi) for a motion or response to a motion described in paragraph (4), \$10, plus \$1 per page;
- (vii) for an execution or writ described in paragraph (5), \$15, plus \$1 per page;
- (viii) for issuing or filing and docketing a transcript described in paragraph (6), \$10, plus \$1 per page;
- (ix) for satisfaction, partial satisfaction, or assignment of judgment described in paragraph (7), \$1 per page;
- (x) for filing and indexing trade names or recording certificates described in paragraph (9), \$1 per page;
- (xi) for filing accounts described in paragraph (10), \$15, plus \$1 per page;
- (xii) for depositing wills described in paragraph (11), \$7, plus \$1 per page; and
- (xiii) for a motion or response to a motion described in paragraph (13), \$1 per page.

Sec. 3. Minnesota Statutes 2008, 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 \$75 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. The court shall impose and the court administrator shall collect an additional \$8 surcharge on a violation of law or ordinance relating to vehicle parking if the Judicial Council authorizes the 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 July 1, 2009.

Sec. 4. Minnesota Statutes 2008, 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), (e), and (f), 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 \$47 of each surcharge received under subdivision 6 and section 97A.065, subdivision 2, and ~~the \$4 from the parking surcharge,~~ to the general fund.

(d) If the Judicial Council authorizes imposition of the additional \$8 parking surcharge provided for in subdivision 6, paragraph (a), the court administrator shall transmit the surcharge to the commissioner of finance who shall deposit it in the state treasury and credit it to the court account in the special revenue fund under section 484.99.

(e) If the Judicial Council authorizes imposition of the surcharge described in subdivision 6, paragraph (f), the court administrator shall transmit the surcharge to the commissioner of finance who shall deposit it in the state treasury and credit it to the court account in the special revenue fund under section 484.99.

~~(f)~~ (f) 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.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 5. Minnesota Statutes 2008, section 357.022, is amended to read:

357.022 CONCILIATION COURT FEE.

The court administrator in every county shall charge and collect a filing fee of \$50 from every plaintiff and from every defendant when the first paper for that party is filed in any conciliation court

action. The court administrator shall charge and collect an additional \$10 if the Judicial Council authorizes the fee. This section does not apply to conciliation court actions filed by the state. The court administrator shall transmit the fees monthly to the commissioner of finance for deposit in the state treasury ~~and~~. If the Judicial Council authorizes the additional \$10 fee, the commissioner shall credit it to the court account in the special revenue fund under section 484.99. The commissioner shall credit all other money to the general fund.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 6. Minnesota Statutes 2008, section 357.08, is amended to read:

357.08 PAID BY APPELLANT IN APPEAL.

There shall be paid to the clerk of the appellate courts by the appellant, or moving party or person requiring the service, in all cases of appeal, certiorari, habeas corpus, mandamus, injunction, prohibition, or other original proceeding, when initially filed with the clerk of the appellate courts, the sum of \$500 to the clerk of the appellate courts. An additional filing fee of \$100 shall be required for a petition for accelerated review by the Supreme Court. A filing fee of \$500 shall be paid to the clerk of the appellate courts upon the filing of a petition for review from a decision of the Court of Appeals. A filing fee of \$500 shall be paid to the clerk of the appellate courts upon the filing of a petition for permission to appeal. A filing fee of \$100 shall be paid to the clerk of the appellate courts upon the filing by a respondent of a notice of review. The clerk shall charge and collect an additional \$50 on any \$500 filing fee described in this section if the Judicial Council authorizes the fee. The clerk shall transmit the fees to the commissioner of finance for deposit in the state treasury and. If the Judicial Council authorizes the additional \$50 fee, the commissioner shall credit it to the court account in the special revenue fund under section 484.99. The commissioner shall credit all other money to the general fund.

The clerk shall not file any paper, issue any writ or certificate, or perform any service enumerated herein, until the payment has been made for it. The clerk shall pay the sum into the state treasury as provided for by section 15A.01.

The charges provided for shall not apply to disbarment proceedings, nor to an action or proceeding by the state taken solely in the public interest, where the state is the appellant or moving party, nor to copies of the opinions of the court furnished by the clerk to the parties before judgment, or furnished to the district judge whose decision is under review, or to such law library associations in counties having a population exceeding 50,000, as the court may direct.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 7. [484.99] COURT ACCOUNT.

The court account is established in the special revenue fund in the state treasury. It consists of money collected from fees authorized by the Judicial Council under sections 357.021, 357.022, 357.08, and section 8, and credited to the account by the commissioner of finance. Money in the account is appropriated to the Judicial Council to support the Supreme Court, Court of Appeals, and district courts.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 8. PUBLIC DEFENDER FEE.

Subdivision 1. **Authorization.** (a) The Supreme Court, through the lawyer registration office, may assess a public defender fee on each licensed attorney in the state. If imposed, the fee must not be less than the civil legal services fee established by the Supreme Court in 1997 that licensed attorneys are required to pay pursuant to the rules of the supreme court on lawyer registration.

(b) The fee described in paragraph (a) may apply only to attorneys actively engaged in the practice of law.

Subd. 2. **Creation of account.** The public defender fee account is created in the special revenue fund. The state court administrator shall forward fees collected under subdivision 1 to the commissioner of finance who shall deposit them in the state treasury and credit them to this account. Money in the account is appropriated to the Board of Public Defense.

EFFECTIVE DATE. This section is effective July 1, 2009.

ARTICLE 3

CIVIL LAW CHANGES; ADMINISTRATIVE PENALTIES PROHIBITED;

RESTORATIVE JUSTICE-BASED ALTERNATIVE DISPOSITION

Section 1. Minnesota Statutes 2008, 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 \$75 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. 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.

(f) The Judicial Council may require a person who successfully completes a diversion or similar

program for a violation of chapter 169 to pay the surcharge described in this subdivision. If the Judicial Council requires the surcharge, the court shall impose and the court administrator shall collect it.

EFFECTIVE DATE. This section is effective July 1, 2009, and applies to acts committed on or after that date.

Sec. 2. [484.735] PRETRIAL SPECIAL MASTER.

Subdivision 1. **Applicability.** This section applies to:

(1) district court cases that have been assigned to a single judge under Rule 113 of the Minnesota Rules of General Practice; and

(2) other civil cases, unless the chief judge or presiding judge determines that the interests of justice will best be served by not assigning pretrial matters to a special master.

This section does not apply to cases excluded from Rule 111 of the Minnesota General Rules of Practice.

Subd. 2. **Appointment of special master required; costs; review.** The court may appoint a special master to preside over pretrial matters in the case. Rule 53 of the Minnesota Rules of Civil Procedure applies to the determination and responsibility for payment of the fee of the special master. The special master may assess costs against a party for failure to comply with rules or orders, subject to review and approval by the court.

Subd. 3. **Qualified special masters.** In appointing special masters, the court shall give priority to the appointment of individuals who agree to perform the function without a fee or for a reduced fee.

Subd. 4. **Rules.** The Supreme Court or the judges of a judicial district may adopt rules to implement this section.

Subd. 5. **Sunset.** This section expires on July 1, 2012.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 3. Minnesota Statutes 2008, section 484.91, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** Misdemeanor violations bureaus in the Fourth Judicial District shall be established in Minneapolis, a southern suburb location, and at any other northern and western suburban locations dispersed throughout the county as may be designated by a majority of the judges of the court.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 4. Minnesota Statutes 2008, section 491A.01, subdivision 3, is amended to read:

Subd. 3. **Jurisdiction; general.** (a) Except as provided in subdivisions 4 and 5, the conciliation court has jurisdiction to hear, conciliate, try, and determine civil claims if the amount of money or property that is the subject matter of the claim does not exceed \$6,000 or, on and after July 1, 1994, \$7,500, \$15,000 or \$4,000 \$7,500 if the claim involves a consumer credit transaction. "Consumer credit transaction" means a sale of personal property, or a loan arranged to facilitate the purchase of

personal property, in which:

(1) credit is granted by a seller or a lender who regularly engages as a seller or lender in credit transactions of the same kind;

(2) the buyer is a natural person;

(3) the claimant is the seller or lender in the transaction; and

(4) the personal property is purchased primarily for a personal, family, or household purpose and not for a commercial, agricultural, or business purpose.

(b) Except as otherwise provided in this subdivision and subdivisions 5 to 10, the territorial jurisdiction of conciliation court is coextensive with the county in which the court is established. The summons in a conciliation court action under subdivisions 6 to 10 may be served anywhere in the state, and the summons in a conciliation court action under subdivision 7, paragraph (b), may be served outside the state in the manner provided by law. The court administrator shall serve the summons in a conciliation court action by first class mail, except that if the amount of money or property that is the subject of the claim exceeds \$2,500, the summons must be served by the plaintiff by certified mail, and service on nonresident defendants must be made in accordance with applicable law or rule. Subpoenas to secure the attendance of nonparty witnesses and the production of documents at trial may be served anywhere within the state in the manner provided by law.

When a court administrator is required to summon the defendant by certified mail under this paragraph, the summons may be made by personal service in the manner provided in the Rules of Civil Procedure for personal service of a summons of the district court as an alternative to service by certified mail.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to civil claims filed on or after that date.

Sec. 5. Minnesota Statutes 2008, section 491A.03, subdivision 1, is amended to read:

Subdivision 1. **Judges; referees.** The judges of district court ~~shall~~ may serve as judges of conciliation court. ~~In the Second and Fourth Judicial Districts, A majority of the judges~~ The chief judge of the district may appoint one or more suitable persons to act as referees in conciliation court; ~~a majority of the judges~~ the chief judge of the district shall establish qualifications for the office, specify the duties and length of service of referees, and fix their compensation ~~not to exceed an amount per day determined by the chief judge of the judicial district.~~

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

Sec. 6. **[609.092] ADULT AND JUVENILE OFFENDERS; USE OF RESTORATIVE JUSTICE.**

Subdivision 1. **First-time juvenile petty offenders; applicability; procedure.** (a) This subdivision applies to a child alleged to be a juvenile petty offender who:

(1) has not been previously adjudicated delinquent or as a petty offender;

(2) has not previously participated in or completed a diversion program for an offense;

(3) has not previously been placed on probation without an adjudication for an offense or received a continuance under section 260B.198, subdivision 7; and

(4) agrees to successfully complete a restorative justice program under this section.

(b) The prosecutor shall refer a child described in paragraph (a) to a restorative justice program or provider that has been included on the approved provider list described in subdivision 6. The program or provider shall arrange an appropriate outcome for the matter using restorative justice concepts. The program or provider shall involve the victim of the offense in the proceedings. If the victim is unwilling or unable to proceed, or if there is no identifiable victim, the program or provider shall ensure that someone serves as a proxy for the victim. The program or provider and child, along with other participants, shall agree in writing to an appropriate sanction for the child. The sanction may include any of the dispositions authorized in section 260B.235, if appropriate, along with any other sanctions agreed to.

Subd. 2. Repeat juvenile petty offenders and nonviolent delinquent offenders; applicability; procedure. (a) As used in this subdivision, a "nonviolent offense" includes offenses not defined as violent crimes in section 609.1095. However, the term includes all violations of chapter 152.

(b) This subdivision applies to a child:

(1)(i) alleged to be a juvenile petty offender but who does not meet the criteria in subdivision 1, paragraph (a), clauses (1) to (3); and

(ii) alleged to be delinquent solely on the basis of having committed a nonviolent offense; and

(2) who agrees to successfully complete a restorative justice program under this section.

(c) The prosecutor shall determine whether a restorative justice outcome under this subdivision is appropriate for a child described in paragraph (b). If the prosecutor determines it is appropriate, the child shall be referred to a restorative justice program or provider that has been included on the approved provider list described in subdivision 6. The program or provider shall arrange an appropriate outcome for the matter using restorative justice concepts. The program or provider shall involve the victim of the offense in the proceedings. If the victim is unwilling or unable to proceed, or if there is no identifiable victim, the program or provider shall ensure that someone serves as a proxy for the victim. The program or provider and child, along with other participants, shall agree in writing to an appropriate sanction for the child. The sanction may include any of the dispositions authorized in section 260B.198, if appropriate, other than an out-of-home placement or transfer of legal custody of the child, along with any other sanctions agreed to.

Subd. 3. Adults; nonfelony offenders; applicability; procedure. (a) This subdivision applies to adults alleged to have committed a petty misdemeanor, misdemeanor, or gross misdemeanor offense, who have agreed to successfully complete a restorative justice program under this section.

(b) The prosecutor may determine whether a restorative justice outcome under this subdivision is appropriate for a person described in paragraph (a). If the prosecutor determines it is appropriate, the person shall be referred to a restorative justice program or provider that has been included on the approved list described in subdivision 6. The program or provider shall arrange an appropriate outcome for the matter using restorative justice concepts. The program or provider shall involve the victim of the offense in the proceedings. If the victim is unwilling or unable to proceed, or if there is no identifiable victim, the program or provider shall ensure that someone serves as a proxy for the

victim. The program or provider and person, along with other participants, shall agree in writing to an appropriate sanction for the person.

Subd. 4. **Failure to comply.** If a person fails to comply with the settlement agreement, the person shall be referred back to the court for further proceedings.

Subd. 5. **Dismissal of charge.** Upon the successful completion by a person of the sanctions agreed to in the settlement agreement, the program or provider shall notify the court and the court shall dismiss the charge against the person.

Subd. 6. **Approved list.** The prosecutor shall maintain a list of approved restorative justice programs and providers to which persons may be referred under this section.

Subd. 7. **Preference for culturally specific programs.** If a restorative justice program or provider that is tailored in a more culturally specific manner to the person is on the list of approved providers under subdivision 6, and the prosecutor is referring the person to a restorative justice program or provider under this section, the prosecutor shall refer the person to the more appropriate program or provider.

Subd. 8. **Limitation; availability of programs.** This section applies only in jurisdictions where suitable restorative justice programs and providers are available.

Subd. 9. **Definition.** As used in this section, "restorative justice" has the meaning given in section 611A.775. The term also includes Native American sentencing circles.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 7. Minnesota Statutes 2008, section 609.095, is amended to read:

609.095 LIMITS OF SENTENCES.

(a) The legislature has the exclusive authority to define crimes and offenses and the range of the sentences or punishments for their violation. No other or different sentence or punishment shall be imposed for the commission of a crime than is authorized by this chapter or other applicable law.

(b) Except as provided in section 152.18 or 609.375, or upon agreement of the parties, a court may not refuse to adjudicate the guilt of a defendant who tenders a guilty plea in accordance with Minnesota Rules of Criminal Procedure, rule 15, or who has been found guilty by a court or jury following a trial.

(c) Paragraph (b) does not supersede Minnesota Rules of Criminal Procedure, rule 26.04.

(d) Except as otherwise specifically provided by state law and notwithstanding any contrary charter provision or ordinance, no statutory or home rule charter city, county, or town may impose administrative penalties to enforce a provision of this or any other chapter of state law having a felony, gross misdemeanor, misdemeanor, or petty misdemeanor penalty.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 8. Minnesota Statutes 2008, section 609.101, subdivision 3, is amended to read:

Subd. 3. **Controlled substance offenses; minimum fines.** (a) Notwithstanding any other law, when a court sentences a person convicted of a controlled substance crime under sections 152.021

to 152.025 and 152.0262, it must impose a fine of not less than 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

(b) The minimum fine required by this subdivision is in addition to the surcharge or assessment required by section 357.021, subdivision 6, and is in addition to any sentence of imprisonment or restitution imposed or ordered by the court.

(c) The court shall collect the fine mandated by this subdivision and forward 70 percent of it to a local drug abuse prevention or intervention program existing or being implemented in the county in which the crime was committed. The court shall forward the remaining 30 percent to the commissioner of finance to be credited to the general fund. If more than one drug abuse prevention or intervention program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the community in which the crime was committed, the funding needs of the program, the number of peace officers in each community certified to teach the program, and the number of children served by the program in each community. If no drug abuse prevention or intervention program serves communities in that county, the court shall forward 100 percent of the fine proceeds to the commissioner of finance to be credited to the general fund.

(d) The minimum fines required by this subdivision shall be collected as are other fines. Fine proceeds received by a local drug abuse prevention or intervention program must be used to support that program, and may be used for salaries of program staff or peace officers certified to teach the program. ~~The drug abuse resistance education program must report receipt and use of money generated under this subdivision as prescribed by the Drug Abuse Resistance Education Advisory Council to the state court administrator by January 15 of each year. The state court administrator must make this information available upon request.~~

(e) As used in this subdivision, "drug abuse prevention or intervention program" and "program" include:

(1) the drug abuse resistance education program described in section 299A.33; ~~and~~

(2) ~~any similar~~ a drug abuse education and prevention program that includes the following components:

(i) instruction for students enrolled in kindergarten through grade six that is designed to teach students to recognize and resist pressures to experiment with controlled substances and alcohol;

(ii) provisions for parental involvement;

(iii) classroom instruction by uniformed law enforcement personnel;

(iv) the use of positive student leaders to influence younger students not to use drugs; and

(v) an emphasis on activity-oriented techniques designed to encourage student-generated responses to problem-solving situations; and

(3) a juvenile court program that:

(i) provides intervention strategies to reduce drug abuse and criminal behavior in juvenile offenders; and

(ii) promotes local drug abuse prevention efforts within the community.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 9. **REPEALER.**

Minnesota Statutes 2008, section 383B.65, subdivision 2, is repealed.

EFFECTIVE DATE. This section is effective July 1, 2009.

ARTICLE 4

MISCELLANEOUS JUDICIARY-RELATED CHANGES

Section 1. Minnesota Statutes 2008, section 2.724, subdivision 2, is amended to read:

Subd. 2. **Procedure.** To promote and secure more efficient administration of justice, the chief justice of the Supreme Court of the state shall supervise and coordinate the work of the courts of the state. The Supreme Court may provide by rule that the chief justice not be required to write opinions as a member of the Supreme Court. Its rules may further provide for it to hear and consider cases in divisions. It may by rule assign temporarily any retired justice of the Supreme Court or one judge of the Court of Appeals or district court judge at a time to act as a justice of the Supreme Court or any number of justices or retired justices of the Supreme Court to act as judges of the Court of Appeals. Upon the assignment of a Court of Appeals judge or a district court judge to act as a justice of the Supreme Court, a judge previously acting as a justice may complete unfinished duties of that position. Any number of justices may disqualify themselves from hearing and considering a case, in which event the Supreme Court may assign temporarily a retired justice of the Supreme Court, a Court of Appeals judge, or a district court judge to hear and consider the case in place of each disqualified justice. ~~A retired justice who is acting as a justice of the Supreme Court or judge of the Court of Appeals under this section shall receive, in addition to retirement pay, out of the general fund of the state, an amount to make the retired justice's total compensation equal to the same salary as a justice or judge of the court on which the justice is acting.~~

Sec. 2. Minnesota Statutes 2008, section 2.724, subdivision 3, is amended to read:

Subd. 3. **Retired justices and judges.** (a) The chief justice of the Supreme Court may assign a retired justice of the Supreme Court to act as a justice of the Supreme Court pursuant to subdivision 2 or as a judge of any other court. The chief justice may assign a retired judge of any court to act as a judge of any court except the Supreme Court. The chief justice of the Supreme Court shall determine the pay and expenses to be received by a justice or judge acting pursuant to this paragraph.

(b) A judge who has been elected to office and who has retired as a judge in good standing and is not practicing law may also be appointed to serve as judge of any court except the Supreme Court. A retired judge acting under this paragraph will receive pay and expenses in the amount established by the Supreme Court.

Sec. 3. Minnesota Statutes 2008, section 86B.705, subdivision 2, is amended to read:

Subd. 2. **Fines and bail money.** (a) All fines, installment payments, and forfeited bail money collected from persons convicted of violations of this chapter or rules adopted thereunder, or of a violation of section 169A.20 involving a motorboat, shall be ~~paid to the county treasurer of the county where the violation occurred by the court administrator or other person collecting the money~~

~~within 15 days after the last day of the month the money was collected~~ deposited in the state treasury.

(b) One-half of the receipts shall be credited to the general revenue fund ~~of the county~~. The other one-half of the receipts shall be transmitted ~~by the county treasurer~~ to the commissioner of natural resources ~~to be deposited in the state treasury~~ and credited to the water recreation account for the purpose of boat and water safety.

Sec. 4. Minnesota Statutes 2008, section 134A.09, subdivision 2a, is amended to read:

Subd. 2a. **Petty misdemeanor cases and criminal convictions; fee assessment.** In Hennepin County and Ramsey County, the district court administrator or a designee may, upon the recommendation of the board of trustees and by standing order of the judges of the district court, include in the costs or disbursements assessed against a defendant convicted in the district court of the violation of a statute or municipal ordinance, a county law library fee. This fee may be collected in all petty misdemeanor cases and criminal prosecutions in which, upon conviction, the defendant may be subject to the payment of the costs or disbursements in addition to a fine or other penalty. When a defendant is convicted of more than one offense in a case, the county law library fee shall be imposed only once in that case.

Sec. 5. Minnesota Statutes 2008, section 134A.10, subdivision 3, is amended to read:

Subd. 3. **Petty misdemeanor cases and criminal convictions; fee assessment.** The judge of district court may, upon the recommendation of the board of trustees and by standing order, include in the costs or disbursements assessed against a defendant convicted in the district court of the violation of any statute or municipal ordinance, in all petty misdemeanor cases and criminal prosecutions in which, upon conviction, the defendant may be subject to the payment of the costs or disbursements in addition to a fine or other penalty a county law library fee. When a defendant is convicted of more than one offense in a case, the county law library fee shall be imposed only once in that case. The item of costs or disbursements may not be assessed for any offense committed prior to the establishment of the county law library.

Sec. 6. Minnesota Statutes 2008, section 152.025, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the fifth degree and if convicted may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both if:

- (1) the person unlawfully sells one or more mixtures containing marijuana or tetrahydrocannabinols, except a small amount of marijuana for no remuneration; or
- (2) the person unlawfully sells one or more mixtures containing a controlled substance classified in schedule IV.

Sec. 7. Minnesota Statutes 2008, section 152.025, subdivision 2, is amended to read:

Subd. 2. **Possession and other crimes.** A person is guilty of controlled substance crime in the fifth degree and if convicted may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both if:

- (1) the person unlawfully possesses one or more mixtures containing a controlled substance classified in schedule I, II, III, or IV, except a small amount of marijuana; or

(2) the person procures, attempts to procure, possesses, or has control over a controlled substance by any of the following means:

(i) fraud, deceit, misrepresentation, or subterfuge;

(ii) using a false name or giving false credit; or

(iii) falsely assuming the title of, or falsely representing any person to be, a manufacturer, wholesaler, pharmacist, physician, doctor of osteopathy licensed to practice medicine, dentist, podiatrist, veterinarian, or other authorized person for the purpose of obtaining a controlled substance.

Sec. 8. Minnesota Statutes 2008, section 152.0262, subdivision 1, is amended to read:

Subdivision 1. **Possession of precursors.** (a) A person is guilty of a crime if the person possesses any chemical reagents or precursors with the intent to manufacture methamphetamine and if convicted may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

(b) A person is guilty of a crime if the person possesses any chemical reagents or precursors with the intent to manufacture methamphetamine and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$30,000, or both, if the conviction is for a subsequent controlled substance conviction.

As used in this section and section 152.021, "chemical reagents or precursors" includes any of the following substances, or any similar substances that can be used to manufacture methamphetamine, or the salts, isomers, and salts of isomers of a listed or similar substance:

- (1) ephedrine;
- (2) pseudoephedrine;
- (3) phenyl-2-propanone;
- (4) phenylacetone;
- (5) anhydrous ammonia;
- (6) organic solvents;
- (7) hydrochloric acid;
- (8) lithium metal;
- (9) sodium metal;
- (10) ether;
- (11) sulfuric acid;
- (12) red phosphorus;
- (13) iodine;
- (14) sodium hydroxide;

- (15) benzaldehyde;
- (16) benzyl methyl ketone;
- (17) benzyl cyanide;
- (18) nitroethane;
- (19) methylamine;
- (20) phenylacetic acid;
- (21) hydriodic acid; or
- (22) hydriotic acid.

Sec. 9. Minnesota Statutes 2008, section 169A.20, subdivision 1, is amended to read:

Subdivision 1. **Driving while impaired crime; motor vehicle.** It is a crime for any person to drive, operate, or be in physical control of any motor vehicle, as defined in section 169A.03, subdivision 15, except for motor boats in operation and off-road recreational vehicles, within this state or on any boundary water of this state when:

- (1) ~~when~~ the person is under the influence of alcohol;
- (2) ~~when~~ the person is under the influence of a controlled substance;
- (3) ~~when~~ the person is knowingly under the influence of a hazardous substance that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to drive or operate the motor vehicle;
- (4) ~~when~~ the person is under the influence of a combination of any two or more of the elements named in clauses (1), ~~(2)~~, and to (3);
- (5) ~~when~~ the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the motor vehicle is 0.08 or more;
- (6) ~~when~~ the vehicle is a commercial motor vehicle and the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the commercial motor vehicle is 0.04 or more; or
- (7) ~~when~~ the person's body contains any amount of a controlled substance listed in schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols.

Sec. 10. Minnesota Statutes 2008, section 169A.20, is amended by adding a subdivision to read:

Subd. 1a. **Driving while impaired crime; motorboat in operation.** It is a crime for any person to operate or be in physical control of a motorboat in operation on any waters or boundary water of this state when:

- (1) the person is under the influence of alcohol;
- (2) the person is under the influence of a controlled substance;
- (3) the person is knowingly under the influence of a hazardous substance that affects the nervous

system, brain, or muscles of the person so as to substantially impair the person's ability to drive or operate the motorboat;

(4) the person is under the influence of a combination of any two or more of the elements named in clauses (1) to (3);

(5) the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the motorboat is 0.08 or more; or

(6) the person's body contains any amount of a controlled substance listed in schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols.

Sec. 11. Minnesota Statutes 2008, section 169A.20, is amended by adding a subdivision to read:

Subd. 1b. **Driving while impaired crime; snowmobile and all-terrain vehicle.** It is a crime for any person to operate or be in physical control of a snowmobile as defined in section 84.81, subdivision 3, or all-terrain vehicle as defined in section 84.92, subdivision 8, anywhere in this state or on the ice of any boundary water of this state when:

(1) the person is under the influence of alcohol;

(2) the person is under the influence of a controlled substance;

(3) the person is knowingly under the influence of a hazardous substance that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to drive or operate the snowmobile or all-terrain vehicle;

(4) the person is under the influence of a combination of any two or more of the elements named in clauses (1) to (3);

(5) the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the snowmobile or all-terrain vehicle is 0.08 or more; or

(6) the person's body contains any amount of a controlled substance listed in schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols.

Sec. 12. Minnesota Statutes 2008, section 169A.20, is amended by adding a subdivision to read:

Subd. 1c. **Driving while impaired crime; off-highway motorcycle and off-road vehicle.** It is a crime for any person to operate or be in physical control of any off-highway motorcycle as defined in section 84.787, subdivision 7, or any off-road vehicle as defined in section 84.797, subdivision 7, anywhere in this state or on the ice of any boundary water of this state when:

(1) the person is under the influence of alcohol;

(2) the person is under the influence of a controlled substance;

(3) the person is knowingly under the influence of a hazardous substance that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to drive or operate the off-highway motorcycle or off-road vehicle;

(4) the person is under the influence of a combination of any two or more of the elements named

in clauses (1) to (3);

(5) the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the off-highway motorcycle or off-road vehicle is 0.08 or more; or

(6) the person's body contains any amount of a controlled substance listed in schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols.

Sec. 13. Minnesota Statutes 2008, section 169A.25, subdivision 1, is amended to read:

Subdivision 1. **Degree described.** (a) A person who violates section 169A.20, subdivision 1, 1a, 1b, or 1c (driving while impaired crime), is guilty of second-degree driving while impaired if two or more aggravating factors were present when the violation was committed.

(b) A person who violates section 169A.20, subdivision 2 (refusal to submit to chemical test crime), is guilty of second-degree driving while impaired if one aggravating factor was present when the violation was committed.

Sec. 14. Minnesota Statutes 2008, section 169A.26, subdivision 1, is amended to read:

Subdivision 1. **Degree described.** (a) A person who violates section 169A.20, subdivision 1, 1a, 1b, or 1c (driving while impaired crime), is guilty of third-degree driving while impaired if one aggravating factor was present when the violation was committed.

(b) A person who violates section 169A.20, subdivision 2 (refusal to submit to chemical test crime), is guilty of third-degree driving while impaired.

Sec. 15. Minnesota Statutes 2008, section 169A.27, subdivision 1, is amended to read:

Subdivision 1. **Degree described.** A person who violates section 169A.20, subdivision 1, 1a, 1b, or 1c (driving while impaired crime), is guilty of fourth-degree driving while impaired.

Sec. 16. Minnesota Statutes 2008, section 169A.28, subdivision 2, is amended to read:

Subd. 2. **Permissive consecutive sentences; multiple offenses.** (a) When a person is being sentenced for a violation of a provision listed in paragraph (e), the court may sentence the person to a consecutive term of imprisonment for a violation of any other provision listed in paragraph (e), notwithstanding the fact that the offenses arose out of the same course of conduct, subject to the limitation on consecutive sentences contained in section 609.15, subdivision 2, and except as provided in paragraphs (b) and (c).

(b) When a person is being sentenced for a violation of section 171.09 (violation of condition of restricted license), 171.20 (operation after revocation, suspension, cancellation, or disqualification), 171.24 (driving without valid license), or 171.30 (violation of condition of limited license), the court may not impose a consecutive sentence for another violation of a provision in chapter 171 (drivers' licenses and training schools).

(c) When a person is being sentenced for a violation of section 169.791 (failure to provide proof of insurance) or 169.797 (failure to provide vehicle insurance), the court may not impose a consecutive sentence for another violation of a provision of sections 169.79 to 169.7995.

(d) This subdivision does not limit the authority of the court to impose consecutive sentences for crimes arising on different dates or to impose a consecutive sentence when a person is being sentenced for a crime and is also in violation of the conditions of a stayed or otherwise deferred sentence under section 609.135 (stay of imposition or execution of sentence).

(e) This subdivision applies to misdemeanor and gross misdemeanor violations of the following if the offender has two or more prior impaired driving convictions within the past ten years:

(1) section 169A.20, subdivision 1, 1a, 1b, or 1c (driving while impaired; impaired driving offenses);

(2) section 169A.20, subdivision 2 (driving while impaired; test refusal offense);

(3) section 169.791;

(4) section 169.797;

(5) section 171.09 (violation of condition of restricted license);

(6) section 171.20, subdivision 2 (operation after revocation, suspension, cancellation, or disqualification);

(7) section 171.24; and

(8) section 171.30.

Sec. 17. Minnesota Statutes 2008, section 169A.284, is amended to read:

169A.284 CHEMICAL DEPENDENCY ASSESSMENT CHARGE; SURCHARGE.

Subdivision 1. **When required.** (a) When a court sentences a person convicted of an offense enumerated in section 169A.70, subdivision 2 (chemical use assessment; requirement; form), it shall order the person to pay the cost of the assessment directly to the entity conducting the assessment or providing the assessment services in an amount determined by the entity conducting or providing the service and shall impose a chemical dependency assessment charge of \$125 \$25. The court may waive the \$25 assessment charged, but may not waive the cost for the assessment as to be paid directly to the entity conducting the assessment or providing assessment services. A person shall pay an additional surcharge of \$5 if the person is convicted of a violation of section 169A.20 (driving while impaired) within five years of a prior impaired driving conviction or a prior conviction for an offense arising out of an arrest for a violation of section 169A.20 or Minnesota Statutes 1998, section 169.121 (driver under influence of alcohol or controlled substance) or 169.129 (aggravated DWI-related violations; penalty). This section applies when the sentence is executed, stayed, or suspended. The court may not waive payment or authorize payment of the assessment charge and surcharge in installments unless it makes written findings on the record that the convicted person is indigent or that the assessment charge and surcharge would create undue hardship for the convicted person or that person's immediate family.

(b) The chemical dependency assessment charge and surcharge required under this section are in addition to the surcharge required by section 357.021, subdivision 6 (surcharges on criminal and traffic offenders).

Subd. 2. **Distribution of money.** The ~~county~~ county court administrator shall collect and forward to the

~~commissioner of finance \$25 of the chemical dependency assessment charge and the \$5 surcharge, if any, within 60 days after sentencing or explain to the commissioner in writing why the money was not forwarded within this time period. The commissioner shall credit the money to the commissioner of finance to be deposited in the state treasury and credited to the general fund. The county shall collect and keep \$100 of the chemical dependency assessment charge.~~

Sec. 18. Minnesota Statutes 2008, section 169A.46, subdivision 1, is amended to read:

Subdivision 1. **Impairment occurred after driving ceased.** If proven by a preponderance of the evidence, it is an affirmative defense to a violation of section 169A.20, subdivision 1, clause (5); 1a, clause (5); 1b, clause (5); or 1c, clause (5) (driving while impaired, alcohol concentration within two hours of driving), or 169A.20 by a person having an alcohol concentration of 0.20 or more as measured at the time, or within two hours of the time, of the offense, that the defendant consumed a sufficient quantity of alcohol after the time of the violation and before the administration of the evidentiary test to cause the defendant's alcohol concentration to exceed the level specified in the applicable clause. Evidence that the defendant consumed alcohol after the time of the violation may not be admitted in defense to any alleged violation of section 169A.20, unless notice is given to the prosecution prior to the omnibus or pretrial hearing in the matter.

Sec. 19. Minnesota Statutes 2008, section 169A.54, subdivision 1, is amended to read:

Subdivision 1. **Revocation periods for DWI convictions.** Except as provided in subdivision 7, the commissioner shall revoke the driver's license of a person convicted of violating section 169A.20 (driving while impaired) or an ordinance in conformity with it, as follows:

(1) for an offense under section 169A.20, subdivision 1 (driving while impaired crime): not less than 30 days;

(2) for an offense under section 169A.20, subdivision 2 (refusal to submit to chemical test crime): not less than 90 days;

(3) for an offense occurring within ten years of a qualified prior impaired driving incident:

(i) if the current conviction is for a violation of section 169A.20, subdivision 1, 1a, 1b, or 1c, not less than 180 days and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169A.70 (chemical use assessments); or

(ii) if the current conviction is for a violation of section 169A.20, subdivision 2, not less than one year and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169A.70;

(4) for an offense occurring within ten years of the first of two qualified prior impaired driving incidents: not less than one year, together with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established in accordance with standards established by the commissioner; or

(5) for an offense occurring within ten years of the first of three or more qualified prior impaired driving incidents: not less than two years, together with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established in accordance with standards established by the commissioner.

Sec. 20. Minnesota Statutes 2008, section 299D.03, subdivision 5, is amended to read:

Subd. 5. **Traffic fines and forfeited bail money.** (a) All fines and forfeited bail money, ~~from traffic and motor vehicle law violations,~~ collected from persons apprehended or arrested by officers of the State Patrol, shall be ~~paid~~ transmitted by the person or officer collecting the fines, forfeited bail money, or installments thereof, on or before the tenth day after the last day of the month in which these moneys were collected, to the ~~county treasurer of the county where the violation occurred.~~ commissioner of finance. Except where a different disposition is required in this paragraph, paragraph (b), section 387.213, or is otherwise provided by law, three-eighths of these receipts shall be credited to the general revenue fund of the county, except that in a county in a judicial district under section 480.181, subdivision 1, paragraph (b), this three-eighths share must be transmitted to the commissioner of finance for deposit deposited in the state treasury and credited to the state general fund. The other five-eighths of these receipts ~~shall be transmitted by that officer to the commissioner of finance and must be deposited in the state treasury and credited as follows:~~ (1) the first \$600,000 in each fiscal year must be credited to the Minnesota grade crossing safety account in the special revenue fund, and (2) remaining receipts must be credited to the state trunk highway fund. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts shall be deposited in the state treasury and credited to the state general revenue fund of the county, one-third of the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be ~~transmitted to the commissioner of finance as provided in this subdivision.~~ deposited in the state treasury and credited to the Minnesota grade crossing safety account or the state trunk highway fund as provided in this paragraph. When section 387.213 also is applicable to the fine, section 387.213 shall be applied before this paragraph is applied. All costs of participation in a nationwide police communication system chargeable to the state of Minnesota shall be paid from appropriations for that purpose.

(b) Notwithstanding any other provisions of law, all fines and forfeited bail money from violations of statutes governing the maximum weight of motor vehicles, collected from persons apprehended or arrested by employees of the state of Minnesota, by means of stationary or portable scales operated by these employees, shall be ~~paid~~ transmitted by the person or officer collecting the fines or forfeited bail money, on or before the tenth day after the last day of the month in which the collections were made, to the ~~county treasurer of the county where the violation occurred~~ commissioner of finance. Five-eighths of these receipts shall be ~~transmitted by that officer to the commissioner of finance and shall be deposited in the state treasury and credited to the state highway user tax distribution fund.~~ Three-eighths of these receipts shall be deposited in the state treasury and credited to the state general revenue fund of the county, except that in a county in a judicial district under section 480.181, subdivision 1, paragraph (b), this three-eighths share must be transmitted to the commissioner of finance for deposit in the state treasury and credited to the general fund.

Sec. 21. Minnesota Statutes 2008, 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 \$75 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense violation of a statute, ordinance, or administrative rule, other than a violation of a law or ordinance relating to vehicle parking, for which there shall be a \$4 surcharge. When a defendant

is convicted of more than one offense in a case, the surcharge shall be imposed only once in that case. 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~~ court administrator or other entity collecting the surcharge imposed by the court.

Sec. 22. Minnesota Statutes 2008, section 364.08, is amended to read:

364.08 PRACTICE OF LAW; EXCEPTION.

This chapter shall not apply to the practice of law or judicial branch employment; but nothing in this section shall be construed to preclude the Supreme Court, in its discretion, from adopting the policies set forth in this chapter.

Sec. 23. Minnesota Statutes 2008, section 375.14, is amended to read:

375.14 OFFICES AND SUPPLIES FURNISHED FOR COUNTY OFFICERS.

The county board shall provide offices at the county seat for the auditor, treasurer, county recorder, sheriff, court administrator of the district court, and an office for the county engineer at a site determined by the county board, with suitable furniture and safes and vaults for the security and preservation of the books and papers of the offices, and provide heating, lighting, and maintenance of the offices. The board shall furnish all county officers with all books, stationery, letterheads, envelopes, postage, telephone service, office equipment, electronic technology, and supplies necessary to the discharge of their respective duties ~~and make like provision for the judges of the district court as necessary to the discharge of their duties within the county or concerning matters arising in it.~~ The board is not required to furnish any county officer with professional or technical books or instruments except when the board deems them directly necessary to the discharge of official duties as part of the permanent equipment of the office.

Sec. 24. Minnesota Statutes 2008, section 480.15, is amended by adding a subdivision to read:

Subd. 10c. **Uniform collections policies and procedures for courts.** (a) Notwithstanding chapter 16D, the state court administrator under the direction of the Judicial Council may promulgate uniform collections policies and procedures for the courts and may contract with credit bureaus, public and private collection agencies, the Department of Revenue, and other public or private entities providing collection services as necessary for the collection of court debts. The court collection process and procedures are not subject to section 16A.1285 or chapter 16D.

(b) Court debt means an amount owed to the state directly or through the judicial branch on account of a fee, duty, rent, service, overpayment, fine, assessment, surcharge, court cost, penalty, restitution, damages, interest, bail bond, forfeiture, reimbursement, liability owed, an assignment to the judicial branch, recovery of costs incurred by the judicial branch, or any other source of indebtedness to the judicial branch as well as amounts owed to other public or private entities for which the judicial branch acts in providing collection services, or any other amount owed to the judicial branch.

(c) The courts must pay for the collection services of public or private collection entities as well as the cost of one or more court employees to provide collection interface services between the Department of Revenue, the courts, and one or more collection entities from the money collected. The portion of the money collected which must be paid to the collection entity as collection fees and costs and the portion of the money collected which must be paid to the courts or Department of Revenue for collection services are appropriated from the fund to which the collected money is due.

(d) As determined by the state court administrator, collection costs shall be added to the debts referred to a public or private collection entity for collection.

Collection costs shall include the fees of the collection entity, and may include, if separately provided, skip tracing fees, credit bureau reporting charges, fees assessed by any public entity for obtaining information necessary for debt collection, or other collection-related costs. Collection costs shall also include the costs of one or more court employees employed by the state court administrator to provide a collection interface between the collection entity, the Department of Revenue, and the courts.

If the collection entity collects an amount less than the total due, the payment is applied proportionally to collection costs and the underlying debt. Collection costs in excess of collection agency fees and court employee collection interface costs must be deposited in the general fund as nondedicated receipts.

Sec. 25. Minnesota Statutes 2008, section 484.85, is amended to read:

484.85 DISPOSITION OF FINES, FEES, AND OTHER MONEY; ACCOUNTS; RAMSEY COUNTY DISTRICT COURT.

~~(a) In the event the Ramsey County District Court takes jurisdiction of a prosecution for the violation of a statute or ordinance by the state or a governmental subdivision other than a city or town in Ramsey County, all fines, penalties, and forfeitures collected shall be paid over to the county treasurer except where a different disposition is provided by law, and the following fees shall be taxed to the state or governmental subdivision other than a city or town within Ramsey County which would be entitled to payment of the fines, forfeitures, or penalties in any case, and shall be paid to the administrator of the court for disposal of the matter. The administrator shall deduct the fees from any fine collected for the state of Minnesota or a governmental subdivision other than~~

~~a city or town within Ramsey County and transmit the balance in accordance with the law, and the deduction of the total of the fees each month from the total of all the fines collected is hereby expressly made an appropriation of funds for payment of the fees:~~

~~(1) in all cases where the defendant is brought into court and pleads guilty and is sentenced, or the matter is otherwise disposed of without a trial, \$5;~~

~~(2) in arraignments where the defendant waives a preliminary examination, \$10;~~

~~(3) in all other cases where the defendant stands trial or has a preliminary examination by the court, \$15; and~~

~~(4) the court shall have the authority to waive the collection of fees in any particular case.~~

~~(b) On or before the last day of each month, the county treasurer shall pay over to the treasurer of the city of St. Paul two-thirds of all fines, penalties, and forfeitures collected and to the treasurer of each other municipality or subdivision of government in Ramsey County one-half of all fines or penalties collected during the previous month from those imposed for offenses committed within the treasurer's municipality or subdivision of government in violation of a statute; an ordinance; or a charter provision, rule, or regulation of a city. All other fines and forfeitures and all fees and costs collected by the district court shall be paid to the treasurer of Ramsey County, who shall dispense the same as provided by law.~~

(a) In all cases prosecuted in Ramsey County District Court by an attorney for a municipality or subdivision of government within Ramsey County for violation of a statute; an ordinance; or a charter provision, rule, or regulation of a city; all fines, penalties, and forfeitures collected by the court administrator shall be deposited in the state treasury and distributed according to this paragraph. Except where a different disposition is provided by section 299D.03, subdivision 5, or other law, on or before the last day of each month, the court shall pay over all fines, penalties, and forfeitures collected by the court administrator during the previous month as follows:

(1) for offenses committed within the city of St. Paul, two-thirds paid to the treasurer of the city of St. Paul and one-third credited to the state general fund; and

(2) for offenses committed within any other municipality or subdivision of government within Ramsey County, one-half to the treasurer of the municipality or subdivision of government and one-half credited to the state general fund.

All other fines, penalties, and forfeitures collected by the district court shall be distributed by the courts as provided by law.

(b) Fines, penalties, and forfeitures shall be distributed as provided in paragraph (a) when:

(1) a city contracts with the county attorney for prosecutorial services under section 484.87, subdivision 3; or

(2) the attorney general provides assistance to the city attorney under section 484.87, subdivision 5.

Sec. 26. Minnesota Statutes 2008, section 484.90, subdivision 6, is amended to read:

Subd. 6. **Allocation.** ~~The court administrator shall provide the county treasurer with the name~~

~~of the municipality or other subdivision of government where the offense was committed which employed or provided by contract the arresting or apprehending officer and the name of the municipality or other subdivision of government which employed the prosecuting attorney or otherwise provided for prosecution of the offense for each fine or penalty and the total amount of fines or penalties collected for each municipality or other subdivision of government. On or before the last day of each month, the county treasurer shall pay over to the treasurer of each municipality or subdivision of government within the county all fines or penalties for parking violations for which complaints and warrants have not been issued and one third of all fines or penalties collected during the previous month for offenses committed within the municipality or subdivision of government from persons arrested or issued citations by officers employed by the municipality or subdivision or provided by the municipality or subdivision by contract. An additional one third of all fines or penalties shall be paid to the municipality or subdivision of government providing prosecution of offenses of the type for which the fine or penalty is collected occurring within the municipality or subdivision, imposed for violations of state statute or of an ordinance, charter provision, rule, or regulation of a city whether or not a guilty plea is entered or bail is forfeited. Except as provided in section 299D.03, subdivision 5, or as otherwise provided by law, all other fines and forfeitures and all fees and statutory court costs collected by the court administrator shall be paid to the county treasurer of the county in which the funds were collected who shall dispense them as provided by law. In a county in a judicial district under section 480.181, subdivision 1, paragraph (b), all other fines, forfeitures, fees, and statutory court costs must be paid to the commissioner of finance for deposit in the state treasury and credited to the general fund. (a) In all cases prosecuted in district court by an attorney for a municipality or other subdivision of government within the county for violations of state statute, or of an ordinance; or charter provision, rule, or regulation of a city; all fines, penalties, and forfeitures collected shall be deposited in the state treasury and distributed according to this paragraph. Except where a different disposition is provided by section 299D.03, subdivision 5, 484.841, 484.85, or other law, on or before the last day of each month, the courts shall pay over all fines, penalties, and forfeitures collected by the court administrator during the previous month as follows:~~

(1) 100 percent of all fines or penalties for parking violations for which complaints and warrants have not been issued to the treasurer of the city or town in which the offense was committed; and

(2) two-thirds of all other fines to the treasurer of the city or town in which the offense was committed and one-third credited to the state general fund.

All other fines, penalties, and forfeitures collected by the court administrator shall be distributed by the courts as provided by law.

(b) Fines, penalties, and forfeitures shall be distributed as provided in paragraph (a) when:

(1) a city contracts with the county attorney for prosecutorial services under section 484.87, subdivision 3;

(2) a city has a population of 600 or less and has given the duty to prosecute cases to the county attorney under section 487.87; or

(3) the attorney general provides assistance to the county attorney as permitted by law.

Sec. 27. Minnesota Statutes 2008, section 491A.02, subdivision 9, is amended to read:

Subd. 9. **Judgment debtor disclosure.** Notwithstanding any contrary provision in rule 518 of the Conciliation Court Rules, unless the parties have otherwise agreed, if a conciliation court judgment or a judgment of district court on removal from conciliation court has been docketed in district court, the judgment creditor's attorney as an officer of the court may or the district court in the county in which the judgment originated shall, upon request of the judgment creditor, order the judgment debtor to mail to the judgment creditor information as to the nature, amount, identity, and locations of all the debtor's assets, liabilities, and personal earning. The information must be provided on a form prescribed by the Supreme Court, and the information shall be sufficiently detailed to enable the judgment creditor to obtain satisfaction of the judgment by way of execution on nonexempt assets and earnings of the judgment debtor. The order must contain a notice that failure to complete the form and mail it to the judgment creditor within ten days after service of the order may result in a citation for civil contempt of court. Cash bail posted as a result of being cited for civil contempt of court order under this section may be ordered payable to the creditor to satisfy the judgment, either partially or fully.

Sec. 28. Minnesota Statutes 2008, section 525.091, subdivision 1, is amended to read:

Subdivision 1. **Original documents.** The court administrator of any county upon order of the judge exercising probate jurisdiction may destroy all the original documents in any probate proceeding of record in the office ~~five years~~ after the file in such proceeding has been closed provided the original or a Minnesota state archives commission approved photographic, photostatic, microphotographic, microfilmed, or similarly reproduced copy of the original of the following enumerated documents in the proceeding are on file in the office.

Enumerated original documents:

(a) In estates, the jurisdictional petition and proof of publication of the notice of hearing thereof; will and certificate of probate; letters; inventory and appraisal; orders directing and confirming sale, mortgage, lease, or for conveyance of real estate; order setting apart statutory selection; receipts for federal estate taxes and state estate taxes; orders of distribution and general protection; decrees of distribution; federal estate tax closing letter, consent to discharge by commissioner of revenue and order discharging representative; and any amendment of the listed documents.

When an estate is deemed closed as provided in clause (d) of this subdivision, the enumerated documents shall include all claims of creditors.

(b) In guardianships or conservatorships, the jurisdictional petition and order for hearing thereof with proof of service; letters; orders directing and confirming sale, mortgage, lease or for conveyance of real estate; order for restoration to capacity and order discharging guardian; and any amendment of the listed documents.

(c) In mental, inebriety, and indigent matters, the jurisdictional petition; report of examination; warrant of commitment; notice of discharge from institution, or notice of death and order for restoration to capacity; and any amendment of the listed documents.

(d) Except for the enumerated documents described in this subdivision, the court administrator may destroy all other original documents in any probate proceeding without retaining any reproduction of the document. For the purpose of this subdivision, a proceeding is deemed closed if no document has been filed in the proceeding for a period of 15 years, except in the cases of wills filed for safekeeping and those containing wills of decedents not adjudicated upon.

Sec. 29. Minnesota Statutes 2008, section 550.011, is amended to read:

550.011 JUDGMENT DEBTOR DISCLOSURE.

Unless the parties have otherwise agreed, if a judgment has been docketed in district court for at least 30 days, and the judgment is not satisfied, the judgment creditor's attorney as an officer of the court may or the district court in the county in which the judgment originated shall, upon request of the judgment creditor, order the judgment debtor to mail by certified mail to the judgment creditor information as to the nature, amount, identity, and locations of all the debtor's assets, liabilities, and personal earnings. The information must be provided on a form prescribed by the Supreme Court, and the information shall be sufficiently detailed to enable the judgment creditor to obtain satisfaction of the judgment by way of execution on nonexempt assets and earnings of the judgment debtor. The order must contain a notice that failure to complete the form and mail it to the judgment creditor within ten days after service of the order may result in a citation for civil contempt of court. Cash bail posted as a result of being cited for civil contempt of court order under this section may be ordered payable to the creditor to satisfy the judgment, either partially or fully.

Sec. 30. Minnesota Statutes 2008, section 609.035, subdivision 2, is amended to read:

Subd. 2. **Consecutive sentences.** (a) When a person is being sentenced for a violation of a provision listed in paragraph (e), the court may sentence the person to a consecutive term of imprisonment for a violation of any other provision listed in paragraph (e), notwithstanding the fact that the offenses arose out of the same course of conduct, subject to the limitation on consecutive sentences contained in section 609.15, subdivision 2, and except as provided in paragraphs (b), (c), and (f) of this subdivision.

(b) When a person is being sentenced for a violation of section 171.09, 171.20, 171.24, or 171.30, the court may not impose a consecutive sentence for another violation of a provision in chapter 171.

(c) When a person is being sentenced for a violation of section 169.791 or 169.797, the court may not impose a consecutive sentence for another violation of a provision of sections 169.79 to 169.7995.

(d) This subdivision does not limit the authority of the court to impose consecutive sentences for crimes arising on different dates or to impose a consecutive sentence when a person is being sentenced for a crime and is also in violation of the conditions of a stayed or otherwise deferred sentence under section 609.135.

(e) This subdivision applies to misdemeanor and gross misdemeanor violations of the following if the offender has two or more prior impaired driving convictions as defined in section 169A.03 within the past ten years:

- (1) section 169A.20, subdivision 1, 1a, 1b, or 1c, driving while impaired;
- (2) section 169A.20, subdivision 2, test refusal;
- (3) section 169.791, failure to provide proof of insurance;
- (4) section 169.797, failure to provide vehicle insurance;
- (5) section 171.09, violation of condition of restricted license;

(6) section 171.20, subdivision 2, operation after revocation, suspension, cancellation, or disqualification;

(7) section 171.24, driving without valid license; and

(8) section 171.30, violation of condition of limited license.

(f) When a court is sentencing an offender for a violation of section 169A.20 and a violation of an offense listed in paragraph (e), and the offender has five or more qualified prior impaired driving incidents, as defined in section 169A.03, within the past ten years, the court shall sentence the offender to serve consecutive sentences for the offenses, notwithstanding the fact that the offenses arose out of the same course of conduct.

Sec. 31. Minnesota Statutes 2008, section 609.10, subdivision 1, is amended to read:

Subdivision 1. **Sentences available.** (a) Upon conviction of a felony and compliance with the other provisions of this chapter the court, if it imposes sentence, may sentence the defendant to the extent authorized by law as follows:

(1) to life imprisonment; or

(2) to imprisonment for a fixed term of years set by the court; or

(3) to both imprisonment for a fixed term of years and payment of a fine; or

(4) to payment of a fine without imprisonment ~~or to imprisonment for a fixed term of years if the fine is not paid~~ or as an intermediate sanction on a stayed sentence; or

(5) to payment of court-ordered restitution in addition to either imprisonment or payment of a fine, or both; or

(6) to payment of a local correctional fee as authorized under section 609.102 in addition to any other sentence imposed by the court.

(b) If the court imposes a fine or orders restitution under paragraph (a), payment is due on the date imposed unless the court otherwise establishes a due date or a payment plan.

Sec. 32. Minnesota Statutes 2008, section 609.101, subdivision 4, is amended to read:

Subd. 4. **Minimum fines; other crimes.** Notwithstanding any other law:

(1) when a court sentences a person convicted of a felony that is not listed in subdivision 2 or 3, it must impose a fine of not less than 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law; and

(2) when a court sentences a person convicted of a gross misdemeanor or misdemeanor that is not listed in subdivision 2, it must impose a fine of not less than 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law, unless the fine is set at a lower amount on a uniform fine schedule established by the Judicial Council in consultation with affected state and local agencies. ~~This schedule shall be promulgated not later than September 1 of each year and shall become effective on January 1 of the next year unless the legislature, by law, provides otherwise~~ according to section 609.1315.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by section 357.021, subdivision 6, and is in addition to any sentence of imprisonment or restitution imposed or ordered by the court.

~~The court shall collect the fines mandated in this subdivision and, except for fines for traffic and motor vehicle violations governed by section 169.871 and section 299D.03 and fish and game violations governed by section 97A.065, forward 20 percent of the revenues to the commissioner of finance for deposit in the general fund.~~

Sec. 33. [609.104] FINE AND SURCHARGE COLLECTION.

Subdivision 1. **Failure to pay restitution or fine.** (a) Any portion of a fine, surcharge, court cost, restitution, or fee that the defendant fails to pay by the due date may be referred for collection under section 480.15, subdivision 10c. If the defendant has agreed to a payment plan but fails to pay an installment when due, the entire amount remaining becomes due and payable and may be referred for collection under section 480.15, subdivision 10c.

(b) The defendant may contest the referral for collection based on inability to pay by requesting a hearing no later than the due date. The defendant shall be notified in writing at sentencing that under section 480.15, subdivision 10c, the court may refer the case for collection for nonpayment, and collection costs may be added to the amount due. The defendant shall also be notified in writing of the right to contest a referral for collection. The state court administrator shall develop the notice language.

Subd. 2. **Fine and surcharge collection.** (a) A defendant's obligation to pay court-ordered fines, surcharges, court costs, restitution, and fees shall survive after the due date for a period set by the Judicial Council.

(b) Any change in the collection period established by the Judicial Council shall be effective on court-ordered fines, surcharges, court costs, restitution, and fees imposed on or after the effective date of this section.

(c) The period relating to a defendant's obligation to pay restitution under paragraph (a) does not limit the victim's right to collect restitution through other means such as a civil judgment.

(d) Nothing in this subdivision extends the period of a defendant's stay of sentence imposition or execution.

Sec. 34. Minnesota Statutes 2008, section 609.125, subdivision 1, is amended to read:

Subdivision 1. **Sentences available.** (a) Upon conviction of a misdemeanor or gross misdemeanor the court, if sentence is imposed, may, to the extent authorized by law, sentence the defendant:

- (1) to imprisonment for a definite term; or
- (2) to payment of a fine, or to imprisonment for a specified term if the fine is not paid without imprisonment or as an intermediate sanction on a stayed sentence; or
- (3) to both imprisonment for a definite term and payment of a fine; or
- (4) to payment of court-ordered restitution in addition to either imprisonment or payment of a

fine, or both; or

(5) to payment of a local correctional fee as authorized under section 609.102 in addition to any other sentence imposed by the court; or

(6) to perform work service in a restorative justice program in addition to any other sentence imposed by the court.

(b) If the court imposes a fine or orders restitution under paragraph (a), payment is due on the date imposed unless the court otherwise establishes a due date or a payment plan.

Sec. 35. Minnesota Statutes 2008, section 609.131, subdivision 3, is amended to read:

Subd. 3. **Use of conviction for enhancement.** Notwithstanding any other law, a conviction for a violation that was originally charged as a misdemeanor and was treated as a petty misdemeanor under subdivision 1 or the Rules of Criminal Procedure, or was treated as a petty misdemeanor by inclusion on the uniform fine schedule, may not be used as the basis for charging a subsequent violation as a gross misdemeanor rather than a misdemeanor.

Sec. 36. **[609.1315] UNIFORM FINE SCHEDULE.**

Subdivision 1. **Establishment and effective date.** The Judicial Council shall establish a uniform fine schedule in consultation with affected state and local agencies. The uniform fine schedule may include petty misdemeanor and misdemeanor offenses, but shall not include targeted misdemeanors as defined in section 299C.10. The uniform fine schedule shall set a fine that may be paid for each offense in lieu of a court appearance. The uniform fine schedule shall be submitted to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over criminal justice policy and funding by January 15 of each year and shall become effective on July 1 of that year unless the legislature, by law, provides otherwise.

Subd. 2. **Effect on misdemeanor offenses.** Any misdemeanors included on the uniform fine schedule shall be treated as petty misdemeanors unless on the third or subsequent offense, the charge is brought by formal complaint or, for offenses described in chapter 169, the violation was committed in a manner or under circumstances so as to endanger or be likely to endanger any person or property. Nothing in this section limits the operation of section 169.89, subdivision 1.

Subd. 3. **Notice.** A defendant must be advised in writing that payment of the fine for an offense on the uniform fine schedule constitutes a plea of guilty, waiver of the right to trial, and waiver of the right to counsel.

Sec. 37. Minnesota Statutes 2008, section 609.135, subdivision 1, is amended to read:

Subdivision 1. **Terms and conditions.** (a) Except when a sentence of life imprisonment is required by law, or when a mandatory minimum sentence is required by section 609.11, any court may stay imposition or execution of sentence and:

(1) may order intermediate sanctions without placing the defendant on probation; or

(2) may place the defendant on probation with or without supervision and on the terms the court prescribes, including intermediate sanctions when practicable. The court may order the supervision to be under the probation officer of the court, or, if there is none and the conviction is for a felony or gross misdemeanor, by the commissioner of corrections, or in any case by some other suitable

and consenting person. Unless the court directs otherwise, state parole and probation agents and probation officers may impose community work service or probation violation sanctions, consistent with section 243.05, subdivision 1; sections 244.196 to 244.199; or 401.02, subdivision 5.

No intermediate sanction may be ordered performed at a location that fails to observe applicable requirements or standards of chapter 181A or 182, or any rule promulgated under them.

(b) For purposes of this subdivision, subdivision 6, and section 609.14, the term "intermediate sanctions" includes but is not limited to incarceration in a local jail or workhouse, home detention, electronic monitoring, intensive probation, sentencing to service, reporting to a day reporting center, chemical dependency or mental health treatment or counseling, restitution, fines, day-fines, community work service, work service in a restorative justice program, work in lieu of or to work off fines and, with the victim's consent, work in lieu of or to work off restitution.

(c) A court may not stay the revocation of the driver's license of a person convicted of violating the provisions of section 169A.20.

(d) If the court orders a fine, day-fine, or restitution as an intermediate sanction, payment is due on the date imposed unless the court otherwise establishes a due date or a payment plan.

Sec. 38. Minnesota Statutes 2008, section 609.135, subdivision 1a, is amended to read:

Subd. 1a. **Failure to pay restitution or fine.** If the court orders payment of restitution ~~or a fine~~ as a condition of probation and if the defendant fails to pay the restitution ~~or a fine~~ in accordance with the payment schedule or structure established by the court or the probation officer, the prosecutor or the defendant's probation officer may, on the prosecutor's or the officer's own motion or at the request of the victim, ask the court to hold a hearing to determine whether or not the conditions of probation should be changed or probation should be revoked. The defendant's probation officer shall ask for the hearing if the restitution ~~or fine~~ ordered has not been paid prior to 60 days before the term of probation expires. The court shall schedule and hold this hearing and take appropriate action, including action under subdivision 2, paragraph (g), before the defendant's term of probation expires.

Nothing in this subdivision limits the court's ability to refer the case to collections under section 609.104 when a defendant fails to pay court-ordered restitution.

Sec. 39. Minnesota Statutes 2008, section 609.135, subdivision 2, is amended to read:

Subd. 2. **Stay of sentence maximum periods.** (a) If the conviction is for a felony other than section 609.21, subdivision 1a, paragraph (b) or (c), the stay shall be for not more than four years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(b) If the conviction is for a gross misdemeanor violation of section 169A.20 or 609.21, subdivision 1a, paragraph (d), or for a felony described in section 609.21, subdivision 1a, paragraph (b) or (c), the stay shall be for not more than six years. The court shall provide for unsupervised probation for the last year of the stay unless the court finds that the defendant needs supervised probation for all or part of the last year.

(c) If the conviction is for a gross misdemeanor not specified in paragraph (b), the stay shall be for not more than two years.

(d) If the conviction is for any misdemeanor under section 169A.20; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.2242 or 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

(e) If the conviction is for a misdemeanor not specified in paragraph (d), the stay shall be for not more than one year.

(f) The defendant shall be discharged six months after the term of the stay expires, unless the stay has been revoked or extended under paragraph (g), or the defendant has already been discharged.

(g) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (f), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution ~~or a fine~~ in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution ~~or fine~~ the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution ~~or a fine~~ may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution ~~or fine~~ that the defendant owes.

Nothing in this subdivision limits the court's ability to refer the case to collections under section 609.104.

(h) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (f), a court may extend a defendant's term of probation for up to three years if it finds, at a hearing conducted under subdivision 1c, that:

(1) the defendant has failed to complete court-ordered treatment successfully; and

(2) the defendant is likely not to complete court-ordered treatment before the term of probation expires.

Sec. 40. Minnesota Statutes 2008, section 631.48, is amended to read:

631.48 SENTENCE; COSTS OF PROSECUTION.

In a criminal action, upon conviction of the defendant, the court may order as part of the sentence that defendant shall pay the whole or any part of the disbursements of the prosecution, including disbursements made to extradite a defendant. The court may order this payment in addition to any other penalty authorized by law which it may impose. The payment of the disbursements of prosecution may be enforced in the same manner as the sentence, or by execution against property. When collected, the disbursements ~~must be paid into the treasury of the county of conviction, but~~ of ordered prosecution costs shall be paid to the municipality or subdivision of government which employed the prosecuting attorney or otherwise provided for prosecution of the case. This payment may not interfere with the payment of officers', witnesses', or jurors' fees.

Sec. 41. REPEALER.

Minnesota Statutes 2008, sections 152.025, subdivision 3; 152.0262, subdivision 2; 484.90, subdivisions 1, 2, and 3; 487.08, subdivisions 1, 2, 3, and 5; and 609.135, subdivision 8, are repealed."

Delete the title and insert:

"A bill for an act relating to the judiciary; appropriating money for the courts, public defenders, and other judiciary-related agencies; imposing per page filing fees for court papers; increasing various court fees and the parking surcharge; authorizing the imposition of a public defender fee for licensed attorneys; prohibiting local authorities from enforcing criminal provisions with administrative penalties; expanding the application of the criminal and traffic surcharge; authorizing referees to preside over conciliation courts and increasing the conciliation court civil claim limit; providing the Fourth Judicial District with fiscal flexibility as to the location of court facilities; providing a restorative justice-based alternative disposition process for certain adult and juvenile offenders; providing for the use of special masters to handle pretrial matters; enforcing judicial sanctions, including fines, fees, and surcharges; authorizing disbursement of minimum fines for controlled substance offenses to juvenile substance abuse court programs; appropriating money; amending Minnesota Statutes 2008, sections 2.724, subdivisions 2, 3; 86B.705, subdivision 2; 134A.09, subdivision 2a; 134A.10, subdivision 3; 152.025, subdivisions 1, 2; 152.0262, subdivision 1; 169A.20, subdivision 1, by adding subdivisions; 169A.25, subdivision 1; 169A.26, subdivision 1; 169A.27, subdivision 1; 169A.28, subdivision 2; 169A.284; 169A.46, subdivision 1; 169A.54, subdivision 1; 299D.03, subdivision 5; 357.021, subdivisions 1a, 2, 6, 7; 357.022; 357.08; 364.08; 375.14; 480.15, by adding a subdivision; 484.85; 484.90, subdivision 6; 484.91, subdivision 1; 491A.01, subdivision 3; 491A.02, subdivision 9; 491A.03, subdivision 1; 525.091, subdivision 1; 550.011; 609.035, subdivision 2; 609.095; 609.10, subdivision 1; 609.101, subdivisions 3, 4; 609.125, subdivision 1; 609.131, subdivision 3; 609.135, subdivisions 1, 1a, 2; 631.48; proposing coding for new law in Minnesota Statutes, chapters 484; 609; repealing Minnesota Statutes 2008, sections 152.025, subdivision 3; 152.0262, subdivision 2; 383B.65, subdivision 2; 484.90, subdivisions 1, 2, 3; 487.08, subdivisions 1, 2, 3, 5; 609.135, subdivision 8."

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

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

S.F. No. 2081: A bill for an act relating to state government; appropriating money for economic development and housing; establishing and modifying certain programs; providing for regulation of certain activities and practices; amending certain unemployment insurance provisions; providing for accounts, assessments, and fees; changing codes and licensing provisions; providing penalties; amending Iron Range resources provisions; making technical changes; amending Minnesota Statutes 2008, sections 15.75, subdivision 5; 16B.54, subdivision 2; 45.027, subdivision 1; 60A.315, subdivision 6; 61A.02, subdivisions 2, 2a; 61A.072, subdivision 11; 70A.06, subdivision 2; 84.94, subdivision 3; 115C.08, subdivision 4; 116J.035, subdivisions 1, 6; 116J.401, subdivision 2; 116J.424; 116J.435, subdivisions 2, 3; 116J.551, subdivision 1; 116J.68, subdivision 2; 116J.8731, subdivisions 2, 3; 116L.03, subdivision 5; 116L.05, subdivision 5; 116L.871, subdivision 1; 116L.96; 123A.08, subdivision 1; 124D.49, subdivision 3; 129D.13, subdivisions 1, 2, 3; 129D.14, subdivisions 4, 5, 6; 129D.155; 160.16, by adding a subdivision; 160.276, subdivision 8; 241.27, subdivision 1; 248.061, subdivision 3; 248.07, subdivisions 7, 8;

256J.626, subdivision 4; 256J.66, subdivision 1; 268.031; 268.035, subdivisions 2, 17, by adding subdivisions; 268.042, subdivision 3; 268.043; 268.044, subdivision 2; 268.047, subdivisions 1, 2; 268.051, subdivisions 1, 4; 268.052, subdivision 2; 268.053, subdivision 1; 268.057, subdivisions 4, 5; 268.0625, subdivision 1; 268.066; 268.067; 268.069, subdivision 1; 268.07, subdivisions 1, 2, 3, 3b; 268.084; 268.085, subdivisions 1, 2, 3, 3a, 4, 5, 6, 15; 268.095, subdivisions 1, 2, 4, 10, 11; 268.101, subdivisions 1, 2; 268.103, subdivision 1, by adding a subdivision; 268.105, subdivisions 1, 2, 3a, 4; 268.115, subdivision 5; 268.125, subdivision 5; 268.135, subdivision 4; 268.145, subdivision 1; 268.18, subdivisions 1, 2, 4a; 268.186; 268.196, subdivisions 1, 2; 268.199; 268.211; 268A.06, subdivision 1; 270.97; 298.22, subdivisions 2, 5a, 6, 7, 8, 10, 11; 298.221; 298.2211, subdivision 3; 298.2213, subdivision 4; 298.2214, by adding a subdivision; 298.223; 298.227; 298.28, subdivision 9d; 298.292, subdivision 2; 298.294; 298.296, subdivision 2; 298.2961; 325E.115, subdivision 1; 325E.1151, subdivisions 1, 3, 4; 326B.33, subdivision 13; 327C.03, by adding a subdivision; 327C.095, subdivision 12; 469.169, subdivision 3; Laws 1998, chapter 404, section 23, subdivision 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 116J; 137; 161; 268; 298; 326B; repealing Minnesota Statutes 2008, sections 60A.315, subdivisions 1, 2, 3, 4, 5; 116J.402; 116J.413; 116J.58, subdivision 1; 116J.59; 116J.61; 116J.656; 116L.16; 116L.88; 116U.65; 129D.13, subdivision 4; 176.135, subdivision 1b; 268.085, subdivision 14; 268.086.

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

Page 2, delete lines 8 to 15 and insert:

	<u>"2010</u>		<u>2011</u>		<u>Total</u>
<u>General</u>	\$ 154,697,000	\$	153,031,000	\$	307,728,000
<u>Workforce Development</u>	17,007,000		17,257,000		34,264,000
<u>Remediation</u>	700,000		700,000		1,400,000
<u>Petroleum Tank Release Clean-Up Fund</u>	1,084,000		1,084,000		2,168,000
<u>Workers' Compensation</u>	23,325,000		23,325,000		46,650,000
<u>Total</u>	\$ 196,813,000	\$	195,397,000	\$	392,210,000

Page 2, line 31, delete "59,339,000" and insert "59,489,000"

Page 2, line 34, delete "42,632,000" and insert "42,782,000"

Page 3, line 18, delete "from the general"

Page 3, line 19, delete "fund"

Page 6, delete line 14 and insert "develop the program in article 8, section 50, to make grants for up to five projects statewide available"

Page 6, line 19, delete "46,662,000" and insert "46,812,000"

Page 6, line 21, delete "30,655,000" and insert "30,805,000"

Page 11, after line 2, insert:

"(v) \$150,000 in the first year is for a grant to Lutheran Social Service of Minnesota to increase capacity statewide for budget and debt counseling, debt management planning, and other debt management services. This is a onetime appropriation and is available until expended."

Page 11, line 3, delete "(v)" and insert "(w)"

Page 11, delete section 4 and insert:

"Sec. 4. PUBLIC FACILITIES AUTHORITY \$ 93,000 \$ 93,000

For the small community wastewater treatment program under Minnesota Statutes, chapter 446A."

Page 12, line 21, delete "11,417,000" and insert "12,217,000" and delete "11,417,000" and insert "12,217,000"

Page 12, after line 21, insert:

"(a) Of this amount, \$12,000 each year is for a grant to the Upper Minnesota Film Office."

Page 12, line 22, delete "(a)" and insert "(b)"

Page 13, line 15, delete "(b)" and insert "(c)"

Page 13, line 22, delete "(c)" and insert "(d)" and delete "\$1,675,000" and insert "\$2,475,000" and delete "\$1,675,000" and insert "\$2,475,000"

Page 15, line 5, delete "685,000" and insert "835,000" and delete "685,000" and insert "835,000"

Page 15, line 9, delete "8,796,000" and insert "8,646,000" and delete "8,796,000" and insert "8,646,000"

Page 16, line 28, delete "22,397,000" and insert "22,782,000" and delete "22,647,000" and insert "23,032,000"

Page 16, line 33, delete "20,486,000" and insert "20,871,000" and delete "20,486,000" and insert "20,871,000"

Page 17, line 31, delete "5,596,000" and insert "5,981,000" and delete "5,596,000" and insert "5,981,000"

Page 20, line 2, delete the second "2,515,000" and insert "2,015,000"

Page 22, line 5, delete "\$4,250,000" and insert "\$5,200,000"

Page 22, line 6, delete "\$4,250,000" and insert "and each year thereafter, \$5,050,000"

Page 48, after line 11, insert:

"EFFECTIVE DATE. This section is effective the day following final enactment and is retroactive to December 1, 2008."

Page 67, delete section 25

Page 87, line 4, delete "employee"

Page 87, line 5, delete "relations" and insert "finance"

Page 104, after line 36, insert:

"ARTICLE 7

DEBT MANAGEMENT SERVICES

Section 1. Minnesota Statutes 2008, section 45.011, subdivision 1, is amended to read:

Subdivision 1. **Scope.** As used in chapters 45 to 83, 155A, 332, 332A, 332B, 345, and 359, and sections 325D.30 to 325D.42, 326B.802 to 326B.885, and 386.61 to 386.78, unless the context indicates otherwise, the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 2008, section 46.04, subdivision 1, is amended to read:

Subdivision 1. **General.** The commissioner of commerce, referred to in chapters 46 to 59A, and ~~chapter 332A, and 332B~~ as the commissioner, is vested with all the powers, authority, and privileges which, prior to the enactment of Laws 1909, chapter 201, were conferred by law upon the public examiner, and shall take over all duties in relation to state banks, savings banks, trust companies, savings associations, and other financial institutions within the state which, prior to the enactment of chapter 201, were imposed upon the public examiner. The commissioner of commerce shall exercise a constant supervision, either personally or through the examiners herein provided for, over the books and affairs of all state banks, savings banks, trust companies, savings associations, credit unions, industrial loan and thrift companies, and other financial institutions doing business within this state; and shall, through examiners, examine each financial institution at least once every 24 calendar months. In satisfying this examination requirement, the commissioner may accept reports of examination prepared by a federal agency having comparable supervisory powers and examination procedures. With the exception of industrial loan and thrift companies which do not have deposit liabilities and licensed regulated lenders, it shall be the principal purpose of these examinations to inspect and verify the assets and liabilities of each and so far investigate the character and value of the assets of each institution as to determine with reasonable certainty that the values are correctly carried on its books. Assets and liabilities shall be verified in accordance with methods of procedure which the commissioner may determine to be adequate to carry out the intentions of this section. It shall be the further purpose of these examinations to assess the adequacy of capital protection and the capacity of the institution to meet usual and reasonably anticipated deposit withdrawals and other cash commitments without resorting to excessive borrowing or sale of assets at a significant loss, and to investigate each institution's compliance with applicable laws and rules. Based on the examination findings, the commissioner shall make a determination as to whether the institution is being operated in a safe and sound manner. None of the above provisions limits the commissioner in making additional examinations as deemed necessary or advisable. The commissioner shall investigate the methods of operation and conduct

of these institutions and their systems of accounting, to ascertain whether these methods and systems are in accordance with law and sound banking principles. The commissioner may make requirements as to records as deemed necessary to facilitate the carrying out of the commissioner's duties and to properly protect the public interest. The commissioner may examine, or cause to be examined by these examiners, on oath, any officer, director, trustee, owner, agent, clerk, customer, or depositor of any financial institution touching the affairs and business thereof, and may issue, or cause to be issued by the examiners, subpoenas, and administer, or cause to be administered by the examiners, oaths. In case of any refusal to obey any subpoena issued under the commissioner's direction, the refusal may at once be reported to the district court of the district in which the bank or other financial institution is located, and this court shall enforce obedience to these subpoenas in the manner provided by law for enforcing obedience to subpoenas of the court. In all matters relating to official duties, the commissioner of commerce has the power possessed by courts of law to issue subpoenas and cause them to be served and enforced, and all officers, directors, trustees, and employees of state banks, savings banks, trust companies, savings associations, and other financial institutions within the state, and all persons having dealings with or knowledge of the affairs or methods of these institutions, shall afford reasonable facilities for these examinations, make returns and reports to the commissioner of commerce as the commissioner may require; attend and answer, under oath, the commissioner's lawful inquiries; produce and exhibit any books, accounts, documents, and property as the commissioner may desire to inspect, and in all things aid the commissioner in the performance of duties.

Sec. 3. Minnesota Statutes 2008, section 46.05, is amended to read:

46.05 SUPERVISION OVER FINANCIAL INSTITUTIONS.

Every state bank, savings bank, trust company, savings association, debt management services provider, debt settlement services provider, and other financial institutions shall be at all times under the supervision and subject to the control of the commissioner of commerce. If, and whenever in the performance of duties, the commissioner finds it necessary to make a special investigation of any financial institution under the commissioner's supervision, and other than a complete examination, the commissioner shall make a charge therefor to include only the necessary costs thereof. Such a fee shall be payable to the commissioner on the commissioner's making a request for payment.

Sec. 4. Minnesota Statutes 2008, section 46.131, subdivision 2, is amended to read:

Subd. 2. **Assessment authority.** Each bank, trust company, savings bank, savings association, regulated lender, industrial loan and thrift company, credit union, motor vehicle sales finance company, debt management services provider, debt settlement services provider, and insurance premium finance company organized under the laws of this state or required to be administered by the commissioner of commerce shall pay into the state treasury its proportionate share of the cost of maintaining the Department of Commerce.

Sec. 5. Minnesota Statutes 2008, section 325E.311, subdivision 6, is amended to read:

Subd. 6. **Telephone solicitation.** "Telephone solicitation" means any voice communication over a telephone line for the purpose of encouraging the purchase or rental of, or investment in, property, goods, or services, whether the communication is made by a live operator, through the use of an automatic dialing-announcing device as defined in section 325E.26, subdivision 2, or by other means. Telephone solicitation does not include communications:

- (1) to any residential subscriber with that subscriber's prior express invitation or permission; or
- (2) by or on behalf of any person or entity with whom a residential subscriber has a prior or current business or personal relationship.

Telephone solicitation also does not include communications if the caller is identified by a caller identification service and the call is:

(i) by or on behalf of an organization that is identified as a nonprofit organization under state or federal law, unless the organization is a debt management services provider defined in section 332A.02 or a debt settlement services provider defined in section 332B.02;

(ii) by a person soliciting without the intent to complete, and who does not in fact complete, the sales presentation during the call, but who will complete the sales presentation at a later face-to-face meeting between the solicitor who makes the call and the prospective purchaser; or

(iii) by a political party as defined under section 200.02, subdivision 6.

Sec. 6. Minnesota Statutes 2008, section 332A.02, is amended by adding a subdivision to read:

Subd. 2a. **Advertise.** "Advertise" means to solicit business through any means or medium.

Sec. 7. Minnesota Statutes 2008, section 332A.02, subdivision 5, is amended to read:

Subd. 5. **Controlling or affiliated party.** "Controlling or affiliated party" means any person or entity that controls or is controlled, directly or indirectly ~~controlling, controlled by,~~ or is under common control with another person. Controlling or affiliated party includes, but is not limited to, employees, officers, independent contractors, corporations, partnerships, and limited liability corporations.

Sec. 8. Minnesota Statutes 2008, section 332A.02, is amended by adding a subdivision to read:

Subd. 5a. **Creditor.** "Creditor" means any party:

(1) named by the debtor as a creditor in the debt management services plan or debt management services agreement;

(2) that acquires or holds the debt; or

(3) to whom interactions with the debt management services is assigned in relation to the debt listed in the debt management services plan or debt management services agreement.

Sec. 9. Minnesota Statutes 2008, section 332A.02, subdivision 8, is amended to read:

Subd. 8. **Debt management services provider.** "Debt management services provider" means any person offering or providing debt management services to a debtor domiciled in this state, regardless of whether or not a fee is charged for the services and regardless of whether the person maintains a physical presence in the state. This term includes any person to whom duties under a debt management services agreement or debt management services plan are delegated, and does not include services performed by the following when engaged in the regular course of their respective businesses and professions:

(1) attorneys at law, escrow agents, accountants, broker-dealers in securities;

(2) state or national banks, credit unions, trust companies, savings associations, title insurance companies, insurance companies, and all other lending institutions duly authorized to transact business in Minnesota, ~~provided no fee is charged for the service;~~

(3) persons who, as employees on a regular salary or wage of an employer not engaged in the business of debt management, perform credit services for their employer;

(4) public officers acting in their official capacities and persons acting as a debt management services provider pursuant to court order;

(5) any person while performing services incidental to the dissolution, winding up, or liquidation of a partnership, corporation, or other business enterprise;

(6) the state, its political subdivisions, public agencies, and their employees;

(7) ~~credit unions and~~ collection agencies, ~~provided no fee is charged for the service~~ that the services are provided to a creditor;

(8) "qualified organizations" designated as representative payees for purposes of the Social Security and Supplemental Security Income Representative Payee System and the federal Omnibus Budget Reconciliation Act of 1990, Public Law 101-508;

(9) accelerated mortgage payment providers. "Accelerated mortgage payment providers" are persons who, after satisfying the requirements of sections 332.30 to 332.303, receive funds to make mortgage payments to a lender or lenders, on behalf of mortgagors, in order to exceed regularly scheduled minimum payment obligations under the terms of the indebtedness. The term does not include: (i) persons or entities described in clauses (1) to (8); (ii) mortgage lenders or servicers, industrial loan and thrift companies, or regulated lenders under chapter 56; or (iii) persons authorized to make loans under section 47.20, subdivision 1. For purposes of this clause and sections 332.30 to 332.303, "lender" means the original lender or that lender's assignee, whichever is the current mortgage holder;

(10) trustees, guardians, and conservators; and

(11) debt settlement services providers.

Sec. 10. Minnesota Statutes 2008, section 332A.02, subdivision 9, is amended to read:

Subd. 9. **Debt management services.** "Debt management services" means the provision of any ~~one or more of the following services in connection with debt incurred primarily for personal, family, or household services:~~

~~(1) managing the financial affairs of an individual by distributing income or money to the individual's creditors;~~

~~(2) receiving funds for the purpose of distributing the funds among creditors in payment or partial payment of obligations of a debtor; or~~

~~(3) adjusting, prorating, pooling, or liquidating the indebtedness of a debtor whereby a debt management services provider assists in managing the financial affairs of a debtor by distributing periodic payments to the debtor's creditors from funds that the debt management services provider receives from the debtor and where the primary purpose of the services is to effect repayment of~~

debt incurred primarily for personal, family, or household services.

Any person so engaged or holding out as so engaged is deemed to be engaged in the provision of debt management services regardless of whether or not a fee is charged for such services.

Sec. 11. Minnesota Statutes 2008, section 332A.02, subdivision 10, is amended to read:

Subd. 10. **Debtor.** "Debtor" means the person for whom the debt ~~providing service~~ management services are performed.

Sec. 12. Minnesota Statutes 2008, section 332A.02, subdivision 13, is amended to read:

Subd. 13. **Debt settlement services provider.** "Debt settlement services provider" ~~means any person engaging in or holding out as engaging in the business of negotiating, adjusting, or settling debt incurred primarily for personal, family, or household purposes without holding or receiving the debtor's funds or personal property and without paying the debtor's funds to, or distributing the debtor's property among, creditors has the meaning given in section 332B.02, subdivision 11. The term shall not include persons listed in subdivision 8, clauses (1) to (10).~~

Sec. 13. Minnesota Statutes 2008, section 332A.04, subdivision 6, is amended to read:

Subd. 6. **Right of action on bond.** If the registrant has failed to account to a debtor or distribute to the debtor's creditors the amounts required by this chapter ~~and~~, or has failed to perform any of the services promised in the debt management services agreement between the debtor and registrant, the registrant is in default. The debtor or the debtor's legal representative or receiver, the commissioner, or the attorney general, shall have, in addition to all other legal remedies, a right of action in the name of the debtor on the bond or the security given under this section, for loss suffered by the debtor, not exceeding the face amount of the bond or security, and without the necessity of joining the registrant in the suit or action based on the default.

Sec. 14. Minnesota Statutes 2008, section 332A.08, is amended to read:

332A.08 DENIAL OF REGISTRATION.

The commissioner, with notice to the applicant by certified mail sent to the address listed on the application, may deny an application for a registration upon finding that the applicant:

(1) has submitted an application required under section 332A.04 that contains incorrect, misleading, incomplete, or materially untrue information. An application is incomplete if it does not include all the information required in section 332A.04;

(2) has failed to pay any fee or pay or maintain any bond required by this chapter, or failed to comply with any order, decision, or finding of the commissioner made under and within the authority of this chapter;

(3) has violated any provision of this chapter or any rule or direction lawfully made by the commissioner under and within the authority of this chapter;

(4) or any controlling or affiliated party has ever been convicted of a crime or found civilly liable for an offense involving moral turpitude, including forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any other similar offense or violation, or any violation of a federal or state law or regulation in connection with activities relating to the

rendition of debt management services or any consumer fraud, false advertising, deceptive trade practices, or similar consumer protection law;

(5) has had a registration or license previously revoked or suspended in this state or any other state or the applicant or licensee has been permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the debt management services provider business; or any controlling or affiliated party has been an officer, director, manager, or shareholder owning more than a ten percent interest in a debt management services provider whose registration has previously been revoked or suspended in this state or any other state, or who has been permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the debt management services provider business;

(6) has made any false statement or representation to the commissioner;

(7) is insolvent;

(8) refuses to fully comply with an investigation or examination of the debt management services provider by the commissioner;

(9) has improperly withheld, misappropriated, or converted any money or properties received in the course of doing business;

(10) has failed to have a trust account with an actual cash balance equal to or greater than the sum of the escrow balances of each debtor's account;

(11) has defaulted in making payments to creditors on behalf of debtors as required by agreements between the provider and debtor; ~~or~~

(12) has used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere; or

(13) has been shown to have engaged in a pattern of failing to perform the services promised.

Sec. 15. Minnesota Statutes 2008, section 332A.10, is amended to read:

332A.10 WRITTEN DEBT MANAGEMENT SERVICES AGREEMENT.

Subdivision 1. **Written agreement required.** (a) A debt management services provider may not perform any debt management services or receive any money related to a debt management services plan until the provider has obtained a debt management services agreement that contains all terms of the agreement between the debt management services provider and the debtor.

(b) A debt management services agreement must:

(1) be in writing, dated, and signed by the debt management services provider and the debtor;

(2) conspicuously indicate whether or not the debt management services provider is registered with the Minnesota Department of Commerce and include any registration number; and

(3) be written in the debtor's primary language if the debt management services provider advertised in that language.

(c) The registrant must furnish the debtor with a copy of the signed contract upon execution.

Subd. 2. **Actions prior to written agreement.** No person may provide debt management services for a debtor or execute a debt management services agreement unless the person first has:

(1) provided the debtor individualized counseling and educational information that, at a minimum, addresses managing household finances, managing credit and debt, budgeting, and personal savings strategies;

(2) prepared in writing and provided to the debtor, in a form that the debtor may keep, an individualized financial analysis and a proposed debt management services plan listing the debtor's known debts with specific recommendations regarding actions the debtor should take to reduce or eliminate the amount of the debts, including written disclosure that debt management services are not suitable for all debtors and that there are other ways, including bankruptcy, to deal with indebtedness;

(3) made a determination supported by an individualized financial analysis that the debtor can reasonably meet the requirements of the proposed debt management services plan and that there is a net tangible benefit to the debtor of entering into the proposed debt management services plan; ~~and~~

(4) prepared, in a form the debtor may keep, a written list identifying all known creditors of the debtor that the provider reasonably expects to participate in the plan and the creditors, including secured creditors, that the provider reasonably expects not to participate; and

(5) disclosed, in addition to the written disclosure on the agreement required under subdivision 1, whether or not the debt management services provider is registered with the Minnesota Department of Commerce and any registration number.

Subd. 3. **Required terms provisions.** (a) Each debt management services agreement must contain the following ~~terms~~ provisions, which must be disclosed prominently and clearly in bold print on the front page of the agreement, segregated by bold lines from all other information on the page:

(1) the origination fee amount to be paid by the debtor and whether all or a portion of the initial origination fee amount is refundable or nonrefundable;

(2) the monthly fee amount or percentage to be paid by the debtor; and

(3) the total amount of fees reasonably anticipated to be paid by the debtor over the term of the agreement.

(b) Each debt management services agreement must also contain the following:

(1) a disclosure that if the amount of debt owed is increased by interest, late fees, over the limit fees, and other amounts imposed by the creditors, the length of the debt management services agreement will be extended and remain in force and that the total dollar charges agreed upon may increase at the rate agreed upon in the original contract agreement;

(2) a prominent statement describing the terms upon which the debtor may cancel the contract as set forth in section 332A.11;

(3) a detailed description of all services to be performed by the debt management services

provider for the debtor;

(4) the debt management services provider's refund policy; and

(5) the debt management services provider's principal business address and the name and address of its agent in this state authorized to receive service of process.

Subd. 4. **Prohibited terms.** The following terms shall not be included in the debt management services agreement:

(1) a hold harmless clause;

(2) a confession of judgment, or a power of attorney to confess judgment against the debtor or appear as the debtor in any judicial proceeding;

(3) a waiver of the right to a jury trial, if applicable, in any action brought by or against a debtor;

(4) an assignment of or an order for payment of wages or other compensation for services;

(5) a provision in which the debtor agrees not to assert any claim or defense arising out of the debt management services agreement;

(6) a waiver of any provision of this chapter or a release of any obligation required to be performed on the part of the debt management services provider; or

(7) a mandatory arbitration or choice of law clause.

Subd. 5. **New debt management services agreements; modification of existing agreements.**

(a) Separate and additional debt management services agreements that comply with this chapter may be entered into by the debt management services provider and the debtor provided that no additional ~~initial~~ origination fee may be charged by the debt management services provider.

(b) Any modification of an existing debt management services agreement, including any increase in the number or amount of debts included in the debt management ~~service~~ services agreement, must be in writing and signed by both parties, except that the signature of the debtor is not required if:

(1) a creditor is added to or deleted from a debt management services agreement at the request of the debtor or a debtor voluntarily increases the amount of a payment, provided the debt management services provider must provide an updated payment schedule to the debtor within seven days; or

(2) the payment amount to a creditor in the agreement increases by \$10 or less and the total payment amount to all creditors increases a total of \$20 or less as a result of incorrect or incomplete information provided by the debtor regarding the amount of debt owed a creditor, provided the debt management services provider must notify the debtor of the increase within seven days.

No fees, charges, or other consideration may be demanded from the debtor for the modification, other than an increase in the amount of the monthly maintenance fee established in the original debt management services agreement.

Sec. 16. Minnesota Statutes 2008, section 332A.11, subdivision 2, is amended to read:

Subd. 2. **Notice of debtor's right to cancel.** A debt management services agreement must contain, on its face, in an easily readable ~~typeface~~ type immediately adjacent to the space for

signature by the debtor, the following notice: "Right To Cancel: You have the right to cancel this contract at any time on ten days' written notice."

Sec. 17. Minnesota Statutes 2008, section 332A.14, is amended to read:

332A.14 PROHIBITIONS.

~~A registrant~~ (a) No debt management services provider shall not:

(1) purchase from a creditor any obligation of a debtor;

(2) use, threaten to use, seek to have used, or seek to have threatened the use of any legal process, including but not limited to garnishment and repossession of personal property, against any debtor while the debt management services agreement between the registrant and the debtor remains executory;

(3) advise, counsel, or encourage a debtor to stop paying a creditor ~~until a debt management services plan is in place~~, or imply, infer, encourage, or in any other way indicate, that it is advisable to stop paying a creditor;

(4) sanction or condone the act by a debtor of ceasing payments or imply, infer, or in any manner indicate that the act of ceasing payments is advisable or beneficial to the debtor;

~~(4)~~ (5) require as a condition of performing debt management services the purchase of any services, stock, insurance, commodity, or other property or any interest therein either by the debtor or the registrant;

~~(5)~~ (6) compromise any debts unless the prior written approval of the debtor has been obtained to such compromise and unless such compromise inures solely to the benefit of the debtor;

~~(6)~~ (7) receive from any debtor as security or in payment of any fee a promissory note or other promise to pay or any mortgage or other security, whether as to real or personal property;

~~(7)~~ (8) lend money or provide credit to any debtor if any interest or fee is charged, or directly or indirectly collect any fee for referring, advising, procuring, arranging, or assisting a consumer in obtaining any extension of credit or other debtor service from a lender or debt management services provider;

~~(8)~~ (9) structure a debt management services agreement that would result in negative amortization of any debt in the plan;

~~(9)~~ (10) engage in any unfair, deceptive, or unconscionable act or practice in connection with any service provided to any debtor;

~~(10)~~ (11) offer, pay, or give any material cash fee, gift, bonus, premium, reward, or other compensation to any person for referring any prospective customer to the registrant or for enrolling a debtor in a debt management services plan, or provide any other incentives for employees or agents of the debt management services provider to induce debtors to enter into a debt management services plan;

~~(11)~~ (12) receive any cash, fee, gift, bonus, premium, reward, or other compensation from any person other than the debtor or a person on the debtor's behalf in connection with activities as a

registrant, provided that this paragraph does not apply to a registrant which is a bona fide nonprofit corporation duly organized under chapter 317A or under the similar laws of another state;

~~(12)~~ (13) enter into a contract with a debtor unless a thorough written budget analysis indicates that the debtor can reasonably meet the requirements of the financial adjustment plan and will be benefited by the plan;

~~(13)~~ (14) in any way charge or purport to charge or provide any debtor credit insurance in conjunction with any contract or agreement involved in the debt management services plan;

~~(14)~~ (15) operate or employ a person who is an employee or owner of a collection agency or process-serving business; or

~~(15)~~ (16) solicit, demand, collect, require, or attempt to require payment of a sum that the registrant states, discloses, or advertises to be a voluntary contribution to a debt management services provider or designee from the debtor.

Sec. 18. **[332B.02] DEFINITIONS.**

Subdivision 1. **Scope.** Unless a different meaning is clearly indicated by the context, for the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. **Advertise.** "Advertise" means to solicit business through any means or medium.

Subd. 3. **Aggregate debt.** "Aggregate debt" means the total of principal and interest that is owed by the debtor to the creditors at the time of execution of the debt settlement agreement.

Subd. 4. **Attorney general.** "Attorney general" means the attorney general of the state of Minnesota.

Subd. 5. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 6. **Controlling or affiliated party.** "Controlling or affiliated party" means any person or entity that controls or is controlled, directly or indirectly, or is under common control with another person. Controlling or affiliated party includes, but is not limited to, employees, officers, independent contractors, corporations, partnerships, and limited liability corporations.

Subd. 7. **Creditor.** "Creditor" means any party:

(1) named by the debtor as a creditor in the debt settlement services plan or debt settlement services agreement;

(2) that acquires or holds the debt; or

(3) to whom interactions with the debt settlement services is assigned in relation to the debt listed in the debt settlement services plan or debt settlement services agreement.

Subd. 8. **Debt settlement services.** "Debt settlement services" means any one or more of the following activities:

(1) offering to provide advice, or offering to act or acting as an intermediary between a debtor and one or more of the debtor's creditors, where the primary purpose of the advice or action is to obtain a settlement for less than the full amount of debt, whether in principal, interest, fees, or other

charges, incurred primarily for personal, family, or household purposes including, but not limited to, offering debt negotiation, debt reduction, or debt relief services; or

(2) advising, encouraging, assisting, or counseling a debtor to accumulate funds in an account for future payment of a reduced amount of debt to one or more of the debtor's creditors.

Any person so engaged or holding out as so engaged is deemed to be engaged in the provision of debt settlement services, regardless of whether or not a fee is charged for such services.

Subd. 9. **Debt settlement services agreement.** "Debt settlement services agreement" means the written contract between the debt settlement services provider and the debtor.

Subd. 10. **Debt settlement services plan.** "Debt settlement services plan" means the debtor's individualized package of debt settlement services set forth in the debt settlement services agreement.

Subd. 11. **Debt settlement services provider.** "Debt settlement services provider" means any person offering or providing debt settlement services to a debtor domiciled in this state, regardless of whether or not a fee is charged for the services and regardless of whether the person maintains a physical presence in the state. The term includes any person to whom duties under a debt management agreement or debt management plan are delegated, a lead generator, or any other person acting as an intermediary or referral agent between a debtor and an entity actually providing debt settlement services. The term shall not include persons listed in section 332A.02, subdivision 8, clauses (1) to (10).

Subd. 12. **Lead generator.** "Lead generator" means a person that solicits debtors to engage in debt settlement through mail, in-person, or electronic Web site-based solicitation or any other means.

Subd. 13. **Person.** "Person" means an individual, firm, partnership, association, or corporation.

Subd. 14. **Registrant.** "Registrant" means any person registered by the commissioner pursuant to this chapter and, where used in conjunction with an act or omission required or prohibited by this chapter, shall mean any person performing debt settlement services.

Sec. 19. **[332B.03] REQUIREMENT OF REGISTRATION.**

On or after August 1, 2009, it is unlawful for any person, whether or not located in this state, to operate as a debt settlement services provider or provide debt settlement services including, but not limited to, offering, advertising, or executing or causing to be executed any debt settlement services or debt settlement services agreement, except as authorized by law, without first becoming registered as provided in this chapter. Debt settlement services providers may continue to provide debt settlement services without complying with this chapter to those debtors who entered into a contract to participate in a debt settlement services plan prior to August 1, 2009, but may not enter into a debt settlement services agreement with a debt on or after August 1, 2009, without complying with this chapter.

Sec. 20. **[332B.04] REGISTRATION.**

Subdivision 1. **Form.** Application for registration to operate as a debt settlement services provider in this state must be made in writing to the commissioner, under oath, in the form prescribed by the commissioner, and must contain:

- (1) the full name of each principal of the entity applying;
- (2) the address, which must not be a post office box, and the telephone number and, if applicable, the e-mail address, of the applicant;
- (3) consent to the jurisdiction of the courts of this state;
- (4) the name and address of the registered agent authorized to accept service of process on behalf of the applicant or appointment of the commissioner as the applicant's agent for purposes of accepting service of process;
- (5) disclosure of:
 - (i) whether any controlling or affiliated party has ever been convicted of a crime or found civilly liable for an offense involving moral turpitude, including forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any other similar offense or violation, or any violation of a federal or state law or regulation in connection with activities relating to the rendition of debt settlement services or involving any consumer fraud, false advertising, deceptive trade practices, or similar consumer protection law;
 - (ii) any judgments, private or public litigation, tax liens, written complaints, administrative actions, or investigations by any government agency against the applicant or any officer, director, manager, or shareholder owning more than five percent interest in the applicant, unresolved or otherwise, filed or otherwise commenced within the preceding ten years;
 - (iii) whether the applicant or any person employed by the applicant has had a record of having defaulted in the payment of money collected for others, including the discharge of debts through bankruptcy proceedings; and
 - (iv) whether the applicant's license or registration to provide debt settlement services in any other state has ever been revoked or suspended;
- (6) a copy of the applicant's standard debt settlement services agreement that the applicant intends to execute with debtors;
- (7) proof of accreditation; and
- (8) any other information and material as the commissioner may require.

The commissioner may, for good cause shown, temporarily waive any requirement of this subdivision.

Subd. 2. **Term and scope of registration.** A registration is effective until 11:59 p.m. on December 31 of the year for which the application for registration is filed or until it is surrendered by the registrant or revoked or suspended by the commissioner. The registration is limited solely to the business of providing debt settlement services.

Subd. 3. **Fees; bond.** An applicant for registration as a debt settlement services provider must comply with the requirements of section 332A.04, subdivisions 3, 4, and 5.

Subd. 4. **Right of action on bond.** If the registrant has failed to account to a debtor, or has failed to perform any of the services promised, the registrant is in default. The debtor or the debtor's legal

representative or receiver, the commissioner, or the attorney general, shall have, in addition to all other legal remedies, a right of action in the name of the debtor on the bond or the security given under this section, for loss suffered by the debtor, not exceeding the face amount of the bond or security, and without the necessity of joining the registrant in the suit or action based on the default.

Subd. 5. **Registrant list.** The commissioner must maintain a list of registered debt settlement services providers. The list must be made available to the public in written form upon request and on the Department of Commerce Web site.

Subd. 6. **Renewal of registration.** Each year, each registrant under the provisions of this chapter must not, more than 60 nor less than 30 days before its registration is to expire, apply to the commissioner for renewal of its registration on a form prescribed by the commissioner. The application must be signed by the registrant under penalty of perjury, contain current information on all matters required in the original application, and be accompanied by a payment of \$250. The registrant must maintain a continuous surety bond that satisfies the requirements of section 332A.04, subdivision 4. The renewal is effective for one year. The commissioner may, for good cause shown, temporarily waive any requirement of this section.

Sec. 21. **[332B.05] DENIAL, SUSPENSION, REVOCATION, OR NONRENEWAL OF REGISTRATION.**

Subdivision 1. **Denial.** The commissioner, with notice to the applicant by certified mail sent to the address listed on the application, may deny an application for a registration for any of the reasons specified under section 332A.08.

Subd. 2. **Suspension, revocation, or nonrenewal.** The commissioner may suspend, revoke, or refuse to renew any registration issued under this chapter, or may levy a civil penalty under section 45.027, or any combination of actions, if the debt settlement services provider or any controlling or affiliated person has committed any act or omission for which the commissioner could have refused to issue an initial registration.

Subd. 3. **Procedure.** Suspension, revocation, or nonrenewal must be upon notice and under the conditions prescribed in section 332A.09, subdivision 1. Upon issuance of an order suspending, revoking, or refusing to renew a registration, the commissioner:

- (1) shall follow the procedure established in section 332A.09, subdivision 2; and
- (2) may follow the procedure specified in section 332A.09, subdivision 3, concerning the appointment of a receiver for funds of sanctioned registrants.

Sec. 22. **[332B.06] WRITTEN DEBT SETTLEMENT SERVICES AGREEMENT; DISCLOSURES; TRUST ACCOUNT.**

Subdivision 1. **Written agreement required.** (a) A debt settlement services provider may not perform, or impose any charges or receive any payment for, any debt settlement services until the provider and the debtor have executed a debt settlement services agreement that contains all terms of the agreement between the debt settlement services provider and the debtor and complies with all the applicable requirements of this chapter.

- (b) A debt settlement services agreement must:

(1) be in writing, dated, and signed by the debt settlement services provider and the debtor;

(2) conspicuously indicate whether or not the debt settlement services provider is registered with the Minnesota Department of Commerce and include any registration number; and

(3) be written in the debtor's primary language if the debt settlement services provider advertises in that language.

(c) The registrant must furnish the debtor with a copy of the signed contract upon execution.

Subd. 2. **Actions prior to executing a written agreement.** No person may provide debt settlement services for a debtor or execute a debt settlement services agreement unless the person first has:

(1) provided the debtor individualized counseling that, at a minimum, addresses managing household finances, managing credit and debt, budgeting, personal savings strategies, and a detailed description of all the various ways to reduce or eliminate the debt, which must, at a minimum, include bankruptcy; and

(2) prepared in writing and provided to the debtor, in a form the debtor may keep, an individualized financial analysis of the debtor's financial circumstances, including income and liabilities, and made a determination supported by the individualized financial analysis that:

(i) the debt settlement plan proposed for addressing the debt is suitable for the individual debtor;

(ii) the debtor can reasonably meet the requirements of the proposed debt settlement services plan; and

(iii) there is a net tangible benefit to the debtor of entering into the proposed debt settlement services plan.

Subd. 3. **Determination concerning creditor participation.** (a) Before executing a debt settlement services agreement or providing any services, a debt settlement services provider must make a determination, supported by sufficient bases, which creditors listed by the debtor are reasonably likely, and which are not reasonably likely, to participate in the debt settlement services plan set forth in the debt settlement services agreement.

(b) A debt settlement provider must make personal or written contact with a creditor to determine the reasonable likelihood of participation or nonparticipation of the creditor, unless the debt settlement services provider:

(1) has written confirmation from the creditor that the creditor and the debt settlement services provider are currently engaged in negotiations to settle a debt for another debtor; or

(2) can produce evidence that the provider and the creditor have entered into a settlement of a debt within the prior six months.

(c) A debt settlement services provider has a defense against a claim that no sufficient basis existed to make a determination that a creditor was likely to participate if, at the time the determination was made, the debt settlement services provider can produce:

(1) written confirmation from the creditor that the creditor and the debt settlement services

provider were currently engaged in negotiations to settle a debt for another debtor; or

(2) evidence that the provider and the creditor had entered into a settlement of a debt within the six months prior to the date of the determination.

(d) The debt settlement services provider must notify the debtor as soon as practicable after the provider has made a determination on the likelihood of participation or nonparticipation of all the creditors listed for inclusion in the debt settlement services agreement or debt settlement services plan. If not all creditors listed in the debt settlement services agreement are reasonably likely to participate in the debt settlement services plan, the debt settlement services provider must obtain the written authorization from the debtor to proceed with the debt settlement services agreement without the participation of all listed creditors.

Subd. 4. **Disclosures.** (a) A person offering to provide or providing debt settlement services must disclose both orally and in writing whether or not the person is registered with the Minnesota Department of Commerce and any registration number.

(b) No person may provide debt settlement services unless the person first has provided, both orally and in writing, on a single sheet of paper, separate from any other document or writing, the following verbatim notice:

WARNING

We CANNOT GUARANTEE that you will successfully reduce or eliminate your debt.

If you stop paying your creditors, there is a strong likelihood some or all of the following may happen:

- (1) YOUR WAGES OR BANK ACCOUNT MAY STILL BE GARNISHED.
- (2) YOU MAY STILL BE CONTACTED BY CREDITORS.
- (3) YOU MAY STILL BE SUED BY CREDITORS for the money you owe.
- (4) FEES, INTEREST, AND OTHER CHARGES WILL CONTINUE TO MOUNT UP DURING THE (INSERT NUMBER) MONTHS THIS PLAN IS IN EFFECT.

Even if we do settle your debt, YOU MAY STILL HAVE TO PAY TAXES on the amount forgiven.

Your credit rating may be adversely affected.

(c) The heading, "WARNING," must be in bold, underlined, 28-point type, and the remaining text must be in 14-point type, with a double space between each statement.

(d) The disclosure and notice required under this subdivision must be provided in the debtor's primary language if the debt settlement provider advertises in that language.

Subd. 5. **Required information.** (a) Each debt settlement services agreement must contain the following information, which must be disclosed prominently and clearly in bold print on the front page of the agreement, segregated by bold lines from all other information on the page:

- (1) the origination fee amount to be paid by the debtor and whether all or part of the origination

fee is refundable or nonrefundable; and

(2) the service fee formula and the total amount of service fees reasonably anticipated to be paid by the debtor over the term of the agreement.

(b) Each debt settlement services agreement must also contain the following:

(1) a prominent statement describing the terms upon which the debtor may cancel the contract as set forth in section 332B.07;

(2) a detailed description of all services to be performed by the debt settlement services provider for the debtor;

(3) the debt settlement services provider's refund policy;

(4) the debt settlement services provider's principal business address, which must not be a post office box, and the name and address of its agent in this state authorized to receive service of process; and

(5) the name of each creditor the debtor has listed and the aggregate debt owed to each creditor that will be the subject of settlement.

Subd. 6. **Prohibited terms.** A debt settlement services agreement may not contain any of the terms prohibited under section 332A.10, subdivision 4.

Subd. 7. **New debt settlement services agreements; modifications of existing agreements.**

(a) Separate and additional debt settlement services agreements that comply with this chapter may be entered into by the debt settlement services provider and the debtor, provided that no additional origination fee may be charged by the debt settlement services provider.

(b) Any modification of an existing debt settlement services agreement, including any increase in the number or amount of debts included in the debt settlement services agreement, must be in writing and signed by both parties. No fee may be charged to modify an existing agreement.

Subd. 8. **Funds held in trust.** Debtor funds may be temporarily held in trust for the purpose of writing exchange checks. If the registrant temporarily holds debtor funds, the registrant must maintain a separate trust account, except that the registrant may commingle debtor funds with the registrant's own funds, in the form of an interest fund, to the extent necessary to ensure maintenance of a minimum balance, if the financial institution at which the trust account is held requires a minimum balance to avoid the assessment of fees or penalties for failure to maintain a minimum balance.

Sec. 23. **[332B.07] RIGHT TO CANCEL.**

Subdivision 1. **Debtor's right to cancel.** (a) A debtor has the right to cancel a debt settlement services agreement without cause at any time upon ten days' written notice to the debt settlement services provider.

(b) In the event of cancellation, the debt settlement services provider must, within ten days of the cancellation, notify the debtor's creditors of the cancellation and provide a refund of all funds paid by or for the debtor to the debt settlement services provider, except for the origination fee specified in section 332B.09, subdivision 1.

Subd. 2. **Notice of debtor's right to cancel.** A debt settlement services agreement must contain, on its face, in an easily readable type immediately adjacent to the space for signature by the debtor, the following notice: "Right to Cancel: You have the right to cancel this contract at any time on ten days' written notice."

Subd. 3. **Automatic termination.** Upon the payment of all listed or settled debts and fees, the debt settlement services agreement must automatically terminate, and all unexpended funds paid by or for the debtor to the debt settlement services provider must be immediately returned to the debtor.

Subd. 4. **Debt settlement services provider's right to cancel.** (a) A debt settlement services provider may cancel a debt settlement services agreement with good cause upon 30 days' written notice to the debtor.

(b) Within ten days after the cancellation, the debt settlement services provider must:

(1) notify the debtor's creditors of the cancellation; and

(2) return to the debtor all funds paid by or for the debtor to the debt settlement provider, except for the origination fee specified in section 332B.09, subdivision 1.

Sec. 24. [332B.08] **BOOKS, RECORDS, AND INFORMATION.**

Subdivision 1. **Records retention; annual report.** Every registrant must keep, and use in the registrant's business, such books, accounts, and records, including electronic records, as will enable the commissioner to determine whether the registrant is complying with this chapter and the rules, orders, and directives adopted by the commissioner under this chapter. Every registrant must preserve such books, accounts, and records for at least six years after making the final entry on any transaction recorded therein. Examinations of the books, records, and method of operations conducted under the supervision of the commissioner shall be done at the cost of the registrant. The cost must be assessed as determined under section 46.131.

Subd. 2. **Annual report.** On or before March 15 of each calendar year, each registrant must file a report with the commissioner containing such information as the commissioner may require about the preceding calendar year. The report must be in a form the commissioner prescribes.

Subd. 3. **Statements to debtors.** (a) Each registrant must:

(1) maintain and make available records and accounts that will enable each debtor to ascertain the amounts paid to the creditors of the debtor. A statement showing amounts received from the debtor, disbursements to each creditor, amounts that any creditor has agreed to as payment in full for any debt owed the creditor by the debtor, charges deducted by the registrant, and other information as the commissioner may prescribe, must be furnished by the registrant to the debtor at least monthly and, in addition, upon any cancellation or termination of the contract;

(2) include in the statement furnished to debtors a list of all activities conducted pursuant to the contract, including the number and description of communications with each creditor during the reporting period; and

(3) prepare and retain in the file of each debtor a written analysis of the debtor's income and expenses to substantiate that the plan of payment is feasible and practicable.

(b) Each debtor must have reasonable access, without cost, by electronic or other means, to

information in the registrant's files applicable to the debtor. These statements, records, and accounts must otherwise remain confidential, except for duly authorized state and government officials, the commissioner, the attorney general, the debtor, and the debtor's representative and designees.

Sec. 25. [332B.09] FEES; WITHDRAWAL OF CREDITORS.

Subdivision 1. **Origination fee.** A debt settlement services provider may charge a nonrefundable origination fee of not more than \$500.

Subd. 2. **Monthly fee.** In addition to the origination fee under subdivision 1, a debt settlement services provider may, beginning in the fourth month after the execution of the debt settlement services agreement, charge a monthly fee of up to \$50:

(1) for the first two years that the debt settlement services agreement is in effect if the aggregate debt is \$20,000 or less; or

(2) for the first three years that the debt settlement services agreement is in effect if the aggregate debt is more than \$20,000.

Subd. 3. **Settlement fee.** (a) A debt settlement services provider may charge a settlement fee equal to ten percent of the savings actually negotiated by the debt settlement services provider. The savings shall be calculated as the difference between the aggregate debt that is stated in the debt settlement services agreement at the time of its execution and total amount that the debtor actually pays to settle all the debts stated in the debt settlement services agreement, provided that only savings resulting from concessions actually negotiated by the debt settlement services provider may be counted.

(b) If a written offer of settlement is made by a creditor but rejected by the debtor, a debt settlement services provider may charge a settlement fee equal to ten percent of the potential savings. The potential savings shall be calculated as the difference between the aggregate debt that is stated in the debt settlement services agreement at the time of its execution and written settlement offer from the creditor, provided that only savings resulting from proposed concessions actually negotiated by the debt settlement services provider may be counted.

(c) No other fees may be charged.

Subd. 4. **Collection of fees.** No debt settlement services provider may claim, demand, charge, collect, or receive any compensation until after the debt settlement service provider has fully performed each and every service the provider has contracted to perform or represented would be performed or as otherwise provided in this section.

Subd. 5. **Withdrawal of creditor.** Whenever a creditor withdraws from a debt settlement services plan, the debt settlement services provider must promptly notify the debtor of the withdrawal, identify the creditor, and inform the debtor of the right to cancel the debt settlement services agreement. In no case may this notice be provided more than 15 days after the debt settlement services provider learns of the creditor's decision to withdraw from a plan.

Subd. 6. **Timely notification of settlement.** A debt settlement services provider must notify the debtor within 24 hours of settlement of a debt with a creditor.

Sec. 26. [332B.10] PROHIBITIONS.

No debt settlement services provider shall:

- (1) engage in any activity, act, or omission prohibited under section 332A.14;
- (2) promise, guarantee, or directly or indirectly imply, infer, or in any manner represent that any debt will be settled prior to the presentation to the debtor of an offer by the creditors participating in the debt settlement plan to settle;
- (3) misrepresent the timing of negotiations with creditors;
- (4) imply, infer, or in any manner represent that:
 - (i) fees, interest, and other charges will not continue to accrue prior to the time debts are settled;
 - (ii) wages or bank accounts are not subject to garnishment;
 - (iii) creditors will not continue to contact the debtor;
 - (iv) the debtor is not subject to legal action; and
 - (v) the debtor will not be subject to tax consequences for the portion of any debts forgiven;
- (5) execute a power of attorney or any other agreement, oral or written, express or implied, that extinguishes or limits the debtor's right at any time to contract or communicate with any creditor or the creditor's right at any time to communicate with the debtor;
- (6) exercise or attempt to exercise a power of attorney after an individual has terminated an agreement;
- (7) state, imply, infer, or, in any other manner, indicate that entering into a debt settlement services agreement or settling debts will either have no effect on, or improve, the debtor's credit, credit rating, and credit score;
- (8) challenge a debt without the written consent of the debtor;
- (9) make any false or misleading claim regarding a creditor's right to collect a debt;
- (10) falsely represent that the debt settlement services provider can negotiate better settlement terms with a creditor than the debtor alone can negotiate;
- (11) provide or offer to provide legal advice or legal services unless the person providing or offering to provide legal advice is licensed to practice law in the state;
- (12) misrepresent that it is authorized or competent to furnish legal advice or perform legal services; and
- (13) settle a debt or lead an individual to believe that a payment to a creditor is in settlement of a debt to the creditor unless, at the time of settlement, the individual receives a certification from the creditor that the payment is in full settlement of the debt.

Sec. 27. [332B.11] ADVERTISEMENT OF DEBT SETTLEMENT SERVICES PLAN.

No debt settlement services provider may engage in any activity proscribed by section 332A.16, or represent, claim, imply, or infer that secured debts may be settled.

Sec. 28. **[332B.12] DEBT SETTLEMENT SERVICES AGREEMENT RESCISSION.**

Any debtor has the right to rescind any debt settlement services agreement with a debt settlement services provider that commits a material violation of this chapter. On rescission, all fees paid to the debt settlement services provider or any other person other than creditors of the debtor must be returned to the debtor entering into the debt settlement services agreement within ten days of rescission of the debt settlement services agreement.

Sec. 29. **[332B.13] ENFORCEMENT; REMEDIES.**

Subdivision 1. **Violation as deceptive practice.** A violation of any of the provisions of this chapter is considered an unfair or deceptive trade practice under section 8.31, subdivision 1. A private right of action under section 8.31 by an aggrieved debtor is in the public interest.

Subd. 2. **Private right of action.** (a) A debt settlement provider who fails to comply with any of the provisions of this chapter is liable under this section in an individual action for the sum of:

(1) actual, incidental, and consequential damages sustained by the debtor as a result of the failure; and

(2) statutory damages of up to \$5,000.

(b) A debt settlement provider who fails to comply with any of the provisions of this chapter is liable to the named plaintiffs under this section in a class action for the amount that each named plaintiff could recover under paragraph (a), clause (1), and to the other class members for such amount as the court may allow.

(c) In determining the amount of statutory damages, the court shall consider, among other relevant factors:

(1) the frequency, nature, and persistence of noncompliance;

(2) the extent to which the noncompliance was intentional; and

(3) in the case of a class action, the number of debtors adversely affected.

(d) A plaintiff or class successful in a legal or equitable action under this section is entitled to the costs of the action, plus reasonable attorney fees.

Subd. 3. **Injunctive relief.** A debtor may sue a debt settlement services provider for temporary or permanent injunctive or other appropriate equitable relief to prevent violations of any provision of this chapter. A court must grant injunctive relief on a showing that the debt settlement services provider has violated any provision of this chapter, or in the case of a temporary injunction, on a showing that the debtor is likely to prevail on allegations that the debt settlement services provider violated any provision of this chapter.

Subd. 4. **Remedies cumulative.** The remedies provided in this section are cumulative and do not restrict any remedy that is otherwise available. The provisions of this chapter are not exclusive and are in addition to any other requirements, rights, remedies, and penalties provided by law.

Subd. 5. **Public enforcement.** The attorney general shall enforce this chapter under section 8.31.

Sec. 30. **[332B.14] INVESTIGATIONS.**

At any reasonable time, the commissioner may examine the books and records of every registrant and of any person engaged in the business of providing debt settlement services. The commissioner, once during any calendar year, may require the submission of an audit prepared by a certified public accountant of the books and records of each registrant. If the registrant has, within one year previous to the commissioner's demand, had an audit prepared for some other purpose, this audit may be submitted to satisfy the requirement of this section. The commissioner may investigate any complaint concerning violations of this chapter and may require the attendance and sworn testimony of witnesses and the production of documents."

Page 105, after line 2, insert:

"Section 1. [1.1499] STATE SPORT.

Ice hockey is adopted as the official sport of the state of Minnesota."

Pages 106 to 107, delete sections 2 to 6

Page 110, delete section 9

Page 115, after line 13, insert:

"Sec. 15. Minnesota Statutes 2008, section 154.44, subdivision 1, is amended to read:

Subdivision 1. **Schedule.** The fee schedule for licensees is as follows:

(a) Three-year license fees:

- (1) cosmetologist, manicurist, esthetician, \$90 for each initial license, and \$60 for each renewal;
- (2) instructor, manager, \$120 for each initial license, and \$90 for each renewal;
- (3) salon, \$130 for each initial license, and \$100 for each renewal; and
- (4) school, \$1,500.

(b) Penalties:

- (1) reinspection fee, variable; ~~and~~
- (2) manager with lapsed practitioner, \$25;
- (3) expired cosmetologist, manicurist, esthetician, manager, school manager, and instructor license, \$45; and
- (4) expired salon or school license, \$50.

(c) Administrative fees:

- (1) certificate of identification, \$20; ~~and~~
- (2) school original application, \$150;
- (3) name change, \$20;
- (4) letter of license verification, \$30;

(5) duplicate license, \$20; and

(6) processing fee, \$10.

(d) All fees established in this subdivision must be paid to the executive secretary of the board. The executive secretary of the board shall deposit the fees in the general fund in the state treasury."

Page 117, after line 20, insert:

"Sec. 23. **[326B.153] BUILDING PERMIT FEES.**

Subdivision 1. **Building permits.** (a) Fees for building permits submitted as required in section 326B.106 include:

(1) the fee as set forth in the fee schedule in paragraph (b) or as adopted by a municipality; and

(2) the surcharge required by section 326B.148.

(b) The total valuation and fee schedule is:

(1) \$1 to \$500, \$29.50;

(2) \$501 to \$2,000, \$28 for the first \$500 plus \$3.70 for each additional \$100 or fraction thereof, to and including \$2,000;

(3) \$2,001 to \$25,000, \$83.50 for the first \$2,000 plus \$16.55 for each additional \$1,000 or fraction thereof, to and including \$25,000;

(4) \$25,001 to \$50,000, \$464.15 for the first \$25,000 plus \$12 for each additional \$1,000 or fraction thereof, to and including \$50,000;

(5) \$50,001 to \$100,000, \$764.15 for the first \$50,000 plus \$8.45 for each additional \$1,000 or fraction thereof, to and including \$100,000;

(6) \$100,001 to \$500,000, \$1,186.65 for the first \$100,000 plus \$6.75 for each additional \$1,000 or fraction thereof, to and including \$500,000;

(7) \$500,001 to \$1,000,000, \$3,886.65 for the first \$500,000 plus \$5.50 for each additional \$1,000 or fraction thereof, to and including \$1,000,000; and

(8) \$1,000,001 and up, \$6,636.65 for the first \$1,000,000 plus \$4.50 for each additional \$1,000 or fraction thereof.

(c) Other inspections and fees are:

(1) inspections outside of normal business hours (minimum charge two hours), \$63.25 per hour;

(2) reinspection fees, \$63.25 per hour;

(3) inspections for which no fee is specifically indicated (minimum charge one-half hour), \$63.25 per hour; and

(4) additional plan review required by changes, additions, or revisions to approved plans (minimum charge one-half hour), \$63.25 per hour.

(d) If the actual hourly cost to the jurisdiction under paragraph (c) is greater than \$63.25, then the greater rate shall be paid. Hourly cost includes supervision, overhead, equipment, hourly wages, and fringe benefits of the employees involved.

Subd. 2. **Plan review.** Fees for the review of building plans, specifications, and related documents submitted as required by section 326B.106 must be paid based on 65 percent of the building permit fee required in subdivision 1.

Subd. 3. **Surcharge.** Surcharge fees are required for permits issued on all buildings including public buildings and state licensed facilities as required by section 326B.148.

Subd. 4. **Distribution.** (a) This subdivision establishes the fee distribution between the state and municipalities contracting for plan review and inspection of public buildings and state licensed facilities.

(b) If plan review and inspection services are provided by the state building official, all fees for those services must be remitted to the state.

(c) If plan review services are provided by the state building official and inspection services are provided by a contracting municipality:

(1) the state shall charge 75 percent of the plan review fee required by the state's fee schedule in subdivision 2; and

(2) the municipality shall charge 25 percent of the plan review fee required by the municipality's adopted fee schedule, for orientation to the plans, in addition to the permit and other customary fees charged by the municipality.

(d) If plan review and inspection services are provided by the contracting municipality, all fees for those services must be remitted to the municipality in accordance with their adopted fee schedule."

Page 117, after line 27, insert:

"Sec. 25. Minnesota Statutes 2008, section 326B.33, subdivision 19, is amended to read:

Subd. 19. License, registration, and renewal fees; expiration. (a) Unless revoked or suspended under this chapter, all licenses issued or renewed under this section expire on the date specified in this subdivision. Master licenses expire March 1 of each odd-numbered year after issuance or renewal. Electrical contractor licenses expire March 1 of each even-numbered year after issuance or renewal. Technology system contractor licenses expire August 1 of each even-numbered year after issuance or renewal. All other personal licenses expire two years from the date of original issuance and every two years thereafter. Registrations of unlicensed individuals expire one year from the date of original issuance and every year thereafter.

(b) Fees for application and examination, and for the original issuance and each subsequent renewal, are:

(1) For each personal license application and examination: \$35;

(2) For original issuance and each subsequent renewal of:

Class A Master or master special electrician, including master elevator constructor: \$40 per year;

Class B Master: \$25 per year;

Power Limited Technician: \$15 per year;

Class A Journeyman, Class B Journeyman, Installer, Elevator Constructor, Lineman, or Maintenance Electrician other than master special electrician: \$15 per year;

Contractor: \$100 per year;

Unlicensed individual registration: \$15 per year.

(c) If any new license is issued in accordance with this subdivision for less than two years, the fee for the license shall be prorated on an annual basis.

(d) A license fee may not be refunded after a license is issued or renewed. However, if the fee paid for a license was not prorated in accordance with this subdivision, the amount of the overpayment shall be refunded.

(e) Any contractor who seeks reissuance of a license after it has been revoked or suspended under this chapter shall submit a reissuance fee of \$100 before the license is reinstated.

~~(f) The fee for the issuance of each duplicate license is \$15.~~

~~(g) An individual or contractor who fails to renew a license before 30 days after the expiration or registration of the license must submit a late fee equal to one year's license fee in addition to the full renewal fee. Fees for renewed licenses or registrations are not prorated. An individual or contractor that fails to renew a license or registration by the expiration date is unlicensed until the license or registration is renewed.~~

Sec. 26. Minnesota Statutes 2008, section 326B.46, subdivision 4, is amended to read:

Subd. 4. **Fee.** (a) Each person giving bond to the state under subdivision 2 shall pay the department an annual a bond registration fee of \$40 for one year or \$80 for two years.

(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the bond registration from one year to two years so that the expiration of bond registration corresponds with the expiration of the license issued under section 326B.475 or 326B.49, subdivision 1.

Sec. 27. Minnesota Statutes 2008, section 326B.475, subdivision 4, is amended to read:

Subd. 4. **Renewal; use period for license.** (a) A restricted master plumber and restricted journeyman plumber license must be renewed annually for as long as that licensee engages in the plumbing trade. Failure to renew a restricted master plumber and restricted journeyman plumber license within 12 months after the expiration date will result in permanent forfeiture of the restricted master plumber and restricted journeyman plumber license.

(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of restricted master plumber and restricted journeyman plumber licenses from one year to two years. By June 30, 2011, all restricted master plumber and restricted journeyman plumber licenses shall be two-year licenses.

Sec. 28. Minnesota Statutes 2008, section 326B.475, subdivision 7, is amended to read:

Subd. 7. **Fee.** ~~The annual renewal fee for the restricted master plumber and restricted journeyman plumber licenses is the same fee as for a master or journeyman plumber license, respectively.~~

Sec. 29. Minnesota Statutes 2008, section 326B.49, subdivision 1, is amended to read:

Subdivision 1. **Application.** (a) Applications for plumber's license shall be made to the commissioner, with fee. Unless the applicant is entitled to a renewal, the applicant shall be licensed by the commissioner only after passing a satisfactory examination developed and administered by the commissioner, based upon rules adopted by the Plumbing Board, showing fitness. Examination fees for both journeyman and master plumbers shall be \$50 for each examination. Upon being notified of having successfully passed the examination for original license the applicant shall submit an application, with the license fee herein provided. The license fee for each initial ~~and renewal~~ master plumber's license shall be ~~\$120~~ \$240. The license fee for each initial ~~and renewal~~ journeyman plumber's license shall be ~~\$55~~ \$110. ~~The commissioner may by rule prescribe for the expiration and renewal of licenses.~~

(b) All initial master and journeyman plumber's licenses shall be effective for more than one calendar year and shall expire on December 31 of the year after the year in which the application is made. The license fee for each renewal master plumber's license shall be \$120 for one year or \$240 for two years. The license fee for each renewal journeyman plumber's license shall be \$55 for one year or \$110 for two years. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of master and journeyman plumber's licenses from one year to two years. By June 30, 2011, all renewed master and journeyman plumber's licenses shall be two-year licenses.

(c) Any licensee who does not renew a license within two years after the license expires is no longer eligible for renewal. Such an individual must retake and pass the examination before a new license will be issued. A journeyman or master plumber who submits a license renewal application after the time specified in rule but within two years after the license expired must pay all past due renewal fees plus a late fee of \$25.

Sec. 30. Minnesota Statutes 2008, section 326B.56, subdivision 4, is amended to read:

Subd. 4. **Fee.** (a) The commissioner shall collect a \$40 bond registration fee for one year or \$80 for two years from each applicant for issuance or renewal of a water conditioning contractor or installer license who elects to proceed under subdivisions 1 and 2.

(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the bond registration from one year to two years so that the expiration of bond registration corresponds with the expiration of the license issued under section 326B.55.

Sec. 31. Minnesota Statutes 2008, section 326B.58, is amended to read:

326B.58 FEES.

(a) Examination fees for both water conditioning contractors and water conditioning installers shall be \$50 for each examination. Each initial water conditioning contractor and installer license shall be effective for more than one calendar year and shall expire on December 31 of the year ~~for~~

~~which it was issued~~ after the year in which the application is made. The license fee for each initial water conditioning contractor's license shall be ~~\$70~~ \$140, except that the license fee shall be ~~\$35~~ \$105 if the application is submitted during the last three months of the calendar year. The license fee for each renewal water conditioning contractor's license shall be ~~\$70~~ for one year or \$140 for two years. The license fee for each initial water conditioning installer license shall be ~~\$35~~ \$70, except that the license fee shall be ~~\$17.50~~ \$52.50 if the application is submitted during the last three months of the calendar year. The license fee for each renewal water conditioning installer license shall be ~~\$35~~ for one year or \$70 for two years.

(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of water conditioning contractor and installer licenses from one year to two years. By June 30, 2011, all renewed water conditioning contractor and installer licenses shall be two-year licenses. The commissioner may by rule prescribe for the expiration and renewal of licenses.

(c) Any licensee who does not renew a license within two years after the license expires is no longer eligible for renewal. Such an individual must retake and pass the examination before a new license will be issued. A water conditioning contractor or water conditioning installer who submits a license renewal application after the time specified in rule but within two years after the license expired must pay all past due renewal fees plus a late fee of \$25.

Sec. 32. Minnesota Statutes 2008, section 326B.815, subdivision 1, is amended to read:

Subdivision 1. **Licensing fee.** (a) The licensing fee for persons licensed pursuant to sections 326B.802 to 326B.885, except for manufactured home installers, is ~~\$100 per year~~ \$200 for a two-year period. The licensing fee for manufactured home installers under section 327B.041 is \$300 for a three-year period.

(b) All initial licenses, except for manufactured home installer licenses, shall be effective for two years and shall expire on March 31 of the year after the year in which the application is made. The license fee for each renewal of a residential contractor, residential remodeler, or residential roofer license shall be \$100 for one year and \$200 for two years.

(c) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of residential contractor, residential remodeler, and residential roofer licenses from one year to two years. By June 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer licenses shall be two-year licenses.

Sec. 33. Minnesota Statutes 2008, section 326B.821, subdivision 2, is amended to read:

Subd. 2. **Hours.** A qualifying person of a licensee must provide proof of completion of ~~seven~~ 14 hours of continuing education per year two-year licensure period in the regulated industry in which the licensee is licensed.

Credit may not be earned if the licensee has previously obtained credit for the same course as either a student or instructor during the same licensing period.

Sec. 34. Minnesota Statutes 2008, section 326B.86, subdivision 1, is amended to read:

Subdivision 1. **Bond.** (a) Licensed manufactured home installers and licensed residential roofers

must post a surety bond in the name of the licensee with the commissioner, conditioned that the applicant shall faithfully perform the duties and in all things comply with all laws, ordinances, and rules pertaining to the license or permit applied for and all contracts entered into. The ~~annual~~ bond must be continuous and maintained for so long as the licensee remains licensed. The aggregate liability of the surety on the bond to any and all persons, regardless of the number of claims made against the bond, may not exceed the amount of the bond. The bond may be canceled as to future liability by the surety upon 30 days' written notice mailed to the commissioner by regular mail.

(b) A licensed residential roofer must post a bond of at least \$15,000.

(c) A licensed manufactured home installer must post a bond of at least \$2,500.

Bonds issued under sections 326B.802 to 326B.885 are not state bonds or contracts for purposes of sections 8.05 and 16C.05, subdivision 2."

Page 118, after line 31, insert:

"Sec. 36. Minnesota Statutes 2008, section 326B.885, subdivision 2, is amended to read:

Subd. 2. **Annual Renewal period.** ~~Any license issued or renewed after August 1, 1993, must be renewed annually except for~~ (a) A residential contractor, residential remodeler, and residential roofer license shall have a renewal period of two years. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of residential contractor, residential remodeler, and residential roofer licenses from one year to two years. By June 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer licenses shall be two-year licenses.

(b) A manufactured home installer's license ~~which~~ shall have a renewal period of three years, effective for all renewals and new licenses issued after December 31, 2008.

Sec. 37. Minnesota Statutes 2008, section 326B.89, subdivision 3, is amended to read:

Subd. 3. **Fund fees.** In addition to any other fees, a person who applies for or renews a license under sections 326B.802 to 326B.885 shall pay a fee to the fund. The person shall pay, in addition to the appropriate application or renewal fee, the following additional fee that shall be deposited in the fund. The amount of the fee shall be based on the person's gross annual receipts for the person's most recent fiscal year preceding the application or renewal, on the following scale:

Fee	Gross Annual Receipts
\$160 <u>\$320</u>	under \$1,000,000
\$210 <u>\$420</u>	\$1,000,000 to \$5,000,000
\$260 <u>\$520</u>	over \$5,000,000

Sec. 38. Minnesota Statutes 2008, section 326B.89, subdivision 16, is amended to read:

Subd. 16. **Additional assessment.** If the balance in the fund is at any time less than the commissioner determines is necessary to carry out the purposes of this section, every licensee, when renewing a license, shall pay, in addition to the annual renewal fee and the fee set forth in subdivision 3, an assessment not to exceed ~~\$100~~ \$200. The commissioner shall set the amount of assessment based on a reasonable determination of the amount that is necessary to restore a balance

in the fund adequate to carry out the purposes of this section.

Sec. 39. Minnesota Statutes 2008, section 326B.94, subdivision 4, is amended to read:

Subd. 4. **Examinations, licensing.** The commissioner shall develop and administer an examination for all masters of boats carrying passengers for hire on the inland waters of the state as to their qualifications and fitness. If found qualified and competent to perform their duties as a master of a boat carrying passengers for hire, they shall be issued a license authorizing them to act as such on the inland waters of the state. ~~The license shall be renewed annually. All initial master's licenses shall be for two years. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of master's licenses from one year to two years. By June 30, 2011, all renewed master's licenses shall be two-year licenses.~~ Fees for the original issue and renewal of the license authorized under this section shall be pursuant to section 326B.986, subdivision 2.

Sec. 40. Minnesota Statutes 2008, section 326B.972, is amended to read:

326B.972 LICENSE REQUIREMENT.

(a) To operate a boiler, steam engine, or turbine an individual must have received a license for the grade covering that boiler, steam engine, or turbine. ~~The license must be renewed annually, except as provided~~ Except for licenses described in section 326B.956 and except for provisional licenses described in paragraphs (d) to (g);

(1) all initial licenses shall be for two years;

(2) the commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of licenses from one year to two years; and

(3) by June 30, 2011, all licenses shall be two-year licenses.

(b) For purposes of sections 326B.952 to 326B.998, "operation" does not include monitoring of an automatic boiler, either through on premises inspection of the boiler or by remote electronic surveillance, provided that no operations are performed upon the boiler other than emergency shut down in alarm situations.

(c) No individual under the influence of illegal drugs or alcohol may operate a boiler, steam engine, or turbine or monitor an automatic boiler.

(d) The commissioner may issue a provisional license to allow an employee of a high pressure boiler plant to operate boilers greater than 500 horsepower at only that boiler plant if:

(1) the boiler plant has a designated chief engineer in accordance with Minnesota Rules, part 5225.0410;

(2) the boiler plant employee holds a valid license as a second-class engineer, Grade A or B;

(3) the chief engineer in charge of the boiler plant submits an application to the commissioner on a form prescribed by the commissioner to elicit information on whether the requirements of this paragraph have been met;

(4) the chief engineer in charge of the boiler plant and an authorized representative of the owner

of the boiler plant both sign the application for the provisional license;

(5) the owner of the boiler plant has a documented training program with examination for boilers and equipment at the boiler plant to train and test the boiler plant employee; and

(6) if the application were to be granted, the total number of provisional licenses for employees of the boiler plant would not exceed the total number of properly licensed first-class engineers and chief engineers responsible for the safe operation of the boilers at the boiler plant.

(e) A public utility, cooperative electric association, generation and transmission cooperative electric association, municipal power agency, or municipal electric utility that employs licensed boiler operators who are subject to an existing labor contract may use a provisional licensee as an operator only if using the provisional licensee does not violate the labor contract.

(f) Each provisional license expires 36 months after the date of issuance unless revoked less than 36 months after the date of issuance. A provisional license may not be renewed.

(g) The commissioner may issue no more than two provisional licenses to any individual within a four-year period.

Sec. 41. Minnesota Statutes 2008, section 326B.986, subdivision 2, is amended to read:

Subd. 2. **Fee amounts; master's.** The license and application fee for ~~a~~ an initial master's license is ~~\$50~~ \$70, or ~~\$20~~ \$40 if the applicant possesses a valid, unlimited, current United States Coast Guard master's license. ~~The annual renewal of fee for a master's license is \$20 for one year or \$40 for two years. The annual renewal~~ If the renewal fee is paid later than 30 days after expiration is \$35. The fee for replacement of a current, valid license is \$20, then a late fee of \$15 will be added to the renewal fee.

Sec. 42. Minnesota Statutes 2008, section 326B.986, subdivision 5, is amended to read:

Subd. 5. **Boiler engineer license fees.** (a) For the following licenses, the nonrefundable license and application fee is:

- (1) chief engineer's license, ~~\$50~~ \$70;
- (2) first class engineer's license, ~~\$50~~ \$70;
- (3) second class engineer's license, ~~\$50~~ \$70;
- (4) special engineer's license, ~~\$20~~ \$40;
- (5) traction or hobby boiler engineer's license, \$50; and
- (6) provisional license, \$50.

(b) An engineer's license, except a provisional license, may be renewed upon application and payment of ~~an annual~~ a renewal fee of ~~\$20~~ \$40 for one year or ~~\$40~~ \$70 for two years. ~~The annual renewal,~~ If the renewal fee is paid later than 30 days after expiration, is \$35. The fee for replacement of a current, valid license is \$20 then a late fee of \$15 will be added to the renewal fee.

Sec. 43. Minnesota Statutes 2008, section 326B.986, subdivision 8, is amended to read:

Subd. 8. **Certificate of competency.** The fee for issuance of the original state of Minnesota

certificate of competency for inspectors is \$50. ~~This fee is waived~~ \$85 for inspectors who did not pay the examination fee or \$35 for inspectors who paid the examination fee. All initial certificates of competency shall be effective for more than one calendar year and shall expire on December 31 of the year after the year in which the application is made. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of certificates of competency from one calendar year to two calendar years. By June 30, 2011, all renewed certificates of competency shall be valid for two calendar years. The fee for an annual renewal of the state of Minnesota certificate of competency is \$35 for one year or \$70 for two years, and is due January 1 of each year. The fee for replacement of a current, valid license is \$35 the day after the certificate expires.

Sec. 44. Minnesota Statutes 2008, section 327B.04, subdivision 7, is amended to read:

Subd. 7. **Fees; Licenses; when granted.** Each application for a license or license renewal must be accompanied by a fee in an amount established by ~~the commissioner by rule pursuant to section 327B.10 subdivision 7a.~~ The fees shall be set in an amount which over the fiscal biennium will produce revenues approximately equal to the expenses which the commissioner expects to incur during that fiscal biennium while administering and enforcing sections 327B.01 to 327B.12. The commissioner shall grant or deny a license application or a renewal application within 60 days of its filing. If the license is granted, the commissioner shall license the applicant as a dealer or manufacturer for the remainder of the calendar year licensure period. Upon application by the licensee, the commissioner shall renew the license for a two year period, if:

- ~~(a)~~ (1) the renewal application satisfies the requirements of subdivisions 3 and 4;
- ~~(b)~~ (2) the renewal applicant has made all listings, registrations, notices and reports required by the commissioner during the preceding year licensure period; and
- ~~(c)~~ (3) the renewal applicant has paid all fees owed pursuant to sections 327B.01 to 327B.12 and all taxes, arrearages, and penalties owed to the state.

Sec. 45. Minnesota Statutes 2008, section 327B.04, is amended by adding a subdivision to read:

Subd. 7a. **Fees.** (a) Fees for licenses issued pursuant to this section are as follows:

- (1) initial dealer license for principal location, \$400. Fee is not refundable;
 - (2) initial dealer license for subagency location, \$80;
 - (3) dealer license biennial renewal, principal location, \$400; dealer subagency location biennial renewal, \$160. Subagency license renewal must coincide with the principal license date;
 - (4) initial limited dealer license, \$200;
 - (5) change of bonding company, \$10;
 - (6) reinstatement of bond after cancellation notice has been received, \$10;
 - (7) checks returned without payment, \$15; and
 - (8) change of address, \$10.
- (b) All initial limited dealer licenses shall be effective for more than one calendar year and shall

expire on December 31 of the year after the year in which the application is made.

(c) The license fee for each renewed limited dealer license shall be \$100 for one year and \$200 for two years. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of limited dealer licenses from one year to two years. By June 30, 2011, all renewed limited dealer licenses shall be two-year licenses.

(d) All fees are not refundable.

Sec. 46. Minnesota Statutes 2008, section 327B.04, subdivision 8, is amended to read:

Subd. 8. **Limited dealer's license.** The commissioner shall issue a limited dealer's license to an owner of a manufactured home park authorizing the licensee as principal only to engage in the sale, offering for sale, soliciting, or advertising the sale of used manufactured homes located in the owned manufactured home park. The licensee must be the title holder of the homes and may engage in no more than ten sales annually during each year of the two-year licensure period. An owner may, upon payment of the applicable fee and compliance with this subdivision, obtain a separate license for each owned manufactured home park and is entitled to sell up to ~~ten~~ 20 homes per license period provided that only one limited dealer license may be issued for each park. The license shall be issued after:

(1) receipt of an application on forms provided by the commissioner containing the following information:

(i) the identity of the applicant;

(ii) the name under which the applicant will be licensed and do business in this state;

(iii) the name and address of the owned manufactured home park, including a copy of the park license, serving as the basis for the issuance of the license;

(iv) the name, home, and business address of the applicant;

(v) the name, address, and telephone number of one individual that is designated by the applicant to receive all communications and cooperate with all inspections and investigations of the commissioner pertaining to the sale of manufactured homes in the manufactured home park owned by the applicant;

(vi) whether the applicant or its designated individual has been convicted of a crime within the previous ten years that is either related directly to the business for which the license is sought or involved fraud, misrepresentation or misuse of funds, or has suffered a judgment in a civil action involving fraud, misrepresentation, or conversion within the previous five years or has had any government license or permit suspended or revoked as a result of an action brought by a federal or state governmental agency in this or any other state within the last five years; and

(vii) the applicant's qualifications and business history, including whether the applicant or its designated individual has ever been adjudged bankrupt or insolvent, or has any unsatisfied court judgments outstanding against it or them;

(2) payment of a ~~\$100 annual~~ the license fee established by subdivision 7a; and

(3) provision of a surety bond in the amount of \$5,000. A separate surety bond must be provided

for each limited license.

The applicant need not comply with section 327B.04, subdivision 4, paragraph (e). The holding of a limited dealer's license does not satisfy the requirement contained in section 327B.04, subdivision 4, paragraph (e), for the licensee or salespersons with respect to obtaining a dealer license. The commissioner may, upon application for a renewal of a license, require only a verification that copies of sales documents have been retained and payment of a ~~\$100~~ the renewal fee established by subdivision 7a. "Sales documents" mean only the safety feature disclosure form defined in section 327C.07, subdivision 3a, title of the home, financing agreements, and purchase agreements.

The license holder shall, upon request of the commissioner, make available for inspection during business hours sales documents required to be retained under this subdivision."

Page 125, delete section 33

Page 126, line 7, before "Minnesota" insert "(a)" and delete "60A.315, subdivisions 1, 2, 3, 4, and 5;"

Page 126, after line 8, insert:

"(b) Minnesota Rules, part 1350.8300, is repealed."

Page 126, lines 10 and 13, delete "34" and insert "51"

Page 126, line 12, delete "31" and insert "49"

Renumber the articles and sections in sequence

Amend the title as follows:

Page 1, line 2, delete "state government; appropriating money for"

Page 1, line 7, before "amending" insert "regulating debt management and debt settlement services; appropriating money;"

Amend the title numbers accordingly

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

Senator Pogemiller from the Committee on Rules and Administration, to which was referred for proper reference under Rule 4.10,

S.F. No. 2099: A bill for an act relating to state government; appropriating money for environment, natural resources, and energy; establishing fees; providing for disposition of certain fees; establishing certain programs; requiring identification of certain harmful chemicals in products; modifying composting requirements; providing for a greenhouse gas emissions registry; requiring reports; modifying and establishing assessments for certain regulatory expenses; amending Minnesota Statutes 2008, sections 84.415, subdivision 5, by adding a subdivision; 84.63; 84.631; 84.632; 84D.15, subdivision 2; 85.015, subdivisions 1b, 13; 92.685; 93.481, subdivisions 1, 3, 5, 7; 94.342, subdivision 3; 97A.061, subdivision 1; 97A.075, subdivision 1; 103G.271, subdivision 6; 103G.301, subdivisions 2, 3; 115A.1314, subdivision 2; 115A.557, subdivision

1; 115A.931; 116.0711; 116C.779, subdivision 2; 216B.62, subdivisions 3, 4, 5, by adding a subdivision; 216C.41, subdivision 5a; 477A.12, subdivision 1; 477A.14, subdivision 1; Laws 2005, chapter 156, article 2, section 45, as amended; proposing coding for new law in Minnesota Statutes, chapters 86A; 93; 115A; 116; 116J; 216C; 216H; 325E; 383B; repealing Laws 2008, chapter 363, article 5, section 30.

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1627 and 2081 were read the second time.

MEMBERS EXCUSED

Senator Bonoff was excused from the Session of today. Senators Latz and Olson, G. were excused from the Session of today from 11:30 to 11:40 a.m. Senator Berglin was excused from the Session of today from 1:15 to 1:50 p.m. Senators Jungbauer and Limmer were excused from the Session of today from 1:30 to 1:55 p.m. Senator Langseth was excused from the Session of today from 1:30 to 2:00 p.m. Senator Rest was excused from the Session of today from 1:40 to 1:45 p.m. and from 5:30 to 6:40 p.m. Senator Johnson was excused from the Session of today at 2:45 p.m. Senator Gimse was excused from the Session of today at 5:10 p.m. Senator Marty was excused from the Session of today at 5:20 p.m. Senator Frederickson was excused from the Session of today from 5:55 to 7:30 p.m. Senator Erickson Ropes was excused from the Session of today from 6:00 to 6:10 p.m. Senator Rummel was excused from the Session of today from 6:00 to 7:40 p.m. Senator Koering was excused from the Session of today at 6:40 p.m. Senators Koch and Metzen were excused from the Session of today at 7:25 p.m.

ADJOURNMENT

Senator Pogemiller moved that the Senate do now adjourn until 12:00 noon, Tuesday, April 21, 2009. The motion prevailed.

Peter S. Wattson, Secretary of the Senate (Legislative)

INDEX TO DAILY JOURNAL

Monday, April 20, 2009

EXECUTIVE AND OFFICIAL COMMUNICATIONS

Pages 2233 to 2234

CHAPTER LAWS

S.F. Nos.	H.F. Nos.	Session Laws Chapter No.	Page
743		17	2234
451		18	2234
896		19	2234
811		20	2234
757		21	2234
265		22	2234
335		23	2234

MESSAGES FROM THE HOUSE AND FIRST READING OF HOUSE FILES

S.F. Nos.	Message Page	H.F. Nos.	Message Page	1st Reading Page
166	2234			

REPORTS OF COMMITTEES AND SECOND READINGS

S.F. Nos.	Report Page	2nd Reading Page	H.F. Nos.	Report Page	2nd Reading Page
1627	2340	2409	417	2235	2236
2081	2374	2409	523	2235	2236
2099	2408				

MOTIONS AND RESOLUTIONS

S.F. Nos.	Page	H.F. Nos.	Page
802	2294		
1442	2237		
1444	2237		

Sen. Res.	
No. 80	2238

CALENDAR

S.F. Nos.	Page	H.F. Nos.	Page
615	2238		
802	2290		

GENERAL ORDERS

S.F. Nos.	Page	H.F. Nos.	Page
657	2295	801	2295
694	2295	819	2297
993	2297	936	2295
1288	2295		
1539	2295		
1711	2295		
1849	2296		

RECONSIDERATION

S.F. Nos.	Page	H.F. Nos.	Page
802	2293		
802	2294		

SPECIAL ORDERS

S.F. Nos.	Page	H.F. Nos.	Page
2082	2239		

INTRODUCTION AND FIRST READING OF SENATE BILLS

S.F Nos. 2093 to 2099	Pages 2236 to 2237
-----------------------------	--------------------