

SEVENTY-FOURTH DAY

St. Paul, Minnesota, Monday, March 15, 2010

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Betzold 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. Sara E. Morse.

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

The President declared a quorum present.

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

REPORTS OF COMMITTEES

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

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

S.F. No. 2941: A bill for an act relating to youth development; authorizing county and state fair

surcharges; authorizing municipalities to raise and spend money on 4-H; requiring a University of Minnesota Extension Service policy; amending Minnesota Statutes 2008, section 37.13, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 38.

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

Page 1, delete sections 1 and 2

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "authorizing county and state fair surcharges;"

Amend the title numbers accordingly

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

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

S.F. No. 2989: A bill for an act relating to agriculture; modifying the compensation program for livestock crippled or destroyed by a gray wolf; amending Minnesota Statutes 2008, section 3.737, subdivision 4; Minnesota Statutes 2009 Supplement, section 3.737, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2009 Supplement, section 3.737, subdivision 1, is amended to read:

Subdivision 1. **Compensation required.** (a) Notwithstanding section 3.736, subdivision 3, paragraph (e), or any other law, a livestock owner shall be compensated by the commissioner of agriculture for livestock that is destroyed by a gray wolf or is so crippled by a gray wolf that it must be destroyed. Except as provided in this section, the owner is entitled to the fair market value of the destroyed livestock as determined by the commissioner, upon recommendation of the fair market value by a university extension agent or a conservation officer. In any fiscal year, a livestock owner may not be compensated for a destroyed animal claim that is less than \$100 in value and may be compensated up to \$20,000, as determined under this section. In any fiscal year, the commissioner may provide compensation for claims filed under this section up to the amount expressly appropriated for this purpose.

(b) ~~Either the agent or the~~ A conservation officer, an official from the Animal and Plant Health Inspection Service of the United States Department of Agriculture, or a peace officer from the county sheriff's office must make a personal inspection of the site and submit a report to the commissioner detailing the results of the investigation. ~~The agent or the conservation officer~~ The investigator must take into account factors in addition to a visual identification of a carcass when making a recommendation to the commissioner. The commissioner, upon recommendation of the ~~agent or conservation officer~~ investigator, shall determine whether the livestock was destroyed by a

~~gray wolf and any deficiencies in the owner's adoption of the best management practices developed in subdivision 5. The commissioner may authorize payment of claims only if the agent or the conservation officer has recommended payment. The owner shall file a claim on forms provided by the commissioner and available at the university extension agent's office.~~

Sec. 2. Minnesota Statutes 2008, section 3.737, subdivision 4, is amended to read:

Subd. 4. **Payment; denial of compensation.** (a) If the commissioner finds that the livestock owner has shown that the loss of the livestock was likely caused by a gray wolf, the commissioner shall pay compensation as provided in this section and in the rules of the department.

~~(b) For a gray wolf depredation claim submitted by a livestock owner after September 1, 1999, the commissioner shall, based on the report from the university extension agent and conservation officer, evaluate the claim for conformance with the best management practices developed by the commissioner in subdivision 5. The commissioner must provide to the livestock owner an itemized list of any deficiencies in the livestock owner's adoption of best management practices that were noted in the university extension agent's or conservation officer's report.~~

~~(e)~~ If the commissioner denies compensation claimed by an owner under this section, the commissioner shall issue a written decision based upon the available evidence. It shall include specification of the facts upon which the decision is based and the conclusions on the material issues of the claim. A copy of the decision shall be mailed to the owner.

~~(d)~~(c) A decision to deny compensation claimed under this section is not subject to the contested case review procedures of chapter 14, but may be reviewed upon a trial de novo in a court in the county where the loss occurred. The decision of the court may be appealed as in other civil cases. Review in court may be obtained by filing a petition for review with the administrator of the court within 60 days following receipt of a decision under this section. Upon the filing of a petition, the administrator shall mail a copy to the commissioner and set a time for hearing within 90 days of the filing."

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

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

S.F. No. 2840: A bill for an act relating to weights and measures; modifying requirements for petroleum storage tanks; amending Minnesota Statutes 2008, section 239.752.

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

Page 1, line 22, strike the first "and" and insert ", white for" and after "products" insert a comma

Page 3, after line 18, insert:

"Sec. 2. Minnesota Statutes 2008, section 239.79, subdivision 4, is amended to read:

Subd. 4. **Sale of certain petroleum products on gross volume basis.** A person responsible for the products listed in this subdivision shall transfer, ship, distribute, offer for distribution, sell, or offer to sell the products by volume. Volumetric measurement of the product must not be

temperature compensated, or adjusted by any other factor. This subdivision applies to gasoline, number one and number two diesel fuel oils, number one and number two heating fuel oils, kerosene, denatured ethanol, and biodiesel. This subdivision does not apply to the measurement of petroleum products transferred, sold, or traded between refineries, between refineries and terminals, or between terminals.

Sec. 3. Minnesota Statutes 2008, section 239.79, is amended by adding a subdivision to read:

Subd. 5. Sale of biodiesel on a net volume basis. When biodiesel is transferred, sold, or traded between refineries, between refineries and terminals, or between terminals on a temperature-compensated basis, the director shall use the method outlined in Code of Federal Regulations, title 40, subpart M, Renewable Fuel Standard 80.1426(f)(8)(ii)(A), for determining the net quantity of biodiesel transferred in cases of dispute.

Sec. 4. EXTENSION OF COMMISSIONER'S ORDER.

The order by the commissioner of commerce exempting number 1 diesel fuel from the biodiesel content requirements under Minnesota Statutes, section 239.77, subdivision 2, paragraph (a), is extended until March 31, 2012, for the months of October, November, December, January, February, and March."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "extending an order exempting number 1 diesel fuel from biodiesel requirements; regulating sale of biodiesel on a net volume basis;"

Amend the title numbers accordingly

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

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

S.F. No. 3102: A bill for an act relating to commerce; specifying that advertising of deceptive local telephone numbers for floral and locksmith businesses is a deceptive trade practice; amending Minnesota Statutes 2008, section 325D.46, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 325D.46, is amended by adding a subdivision to read:

Subd. 3. Deceptive telephone-related directory listings and print advertisements. (a) The practices described in this subdivision are practices described in section 325D.44, clauses (2) and (4).

(b) For purposes of this subdivision, "business is located within the geographic area," "geographic location of the business," or similar term means that at least one owner or employee of the business regularly performs services on behalf of the business at that location. Renting use of a street address, post office box, or mail-drop does not constitute having a business at that location.

(c) A person operating a business misrepresents the geographic location of the business in a listing of the business in a telephone directory, other directory assistance database, or on the Internet, if the name of the business, or the name under which the business is listed, indicates that the business is located within a geographic area and all of the following apply:

(1) the business is not located within the geographic area indicated;

(2) the listing fails to identify the actual municipality and state of the business's geographic location; and

(3) telephone calls to the local telephone number listed in the telephone directory, directory assistance database, or on the Internet routinely are forwarded or transferred to a location that is outside the calling area covered by the telephone directory or directory assistance database in which the number is listed, or outside the local calling area for the local telephone number posted on the Internet.

(d) A person operating a business misrepresents the geographic location of the business in print advertisement if a fictitious or assumed business name is listed in print advertisement and both of the following apply:

(1) the name used misrepresents the geographic location of the business; and

(2) a telephone call to the local telephone number listed in the print advertisement routinely is forwarded or transferred to a location that is outside the calling area for the local telephone number listed.

(e) This subdivision does not limit the application of sections 325D.43 to 325D.48.

EFFECTIVE DATE. This section is effective August 1, 2010, and applies to any telephone directory, directory assistance database, Internet Web site, or print advertisement provided, published, or posted on or after that date."

Delete the title and insert:

"A bill for an act relating to commerce; specifying that advertising of deceptive local telephone numbers for businesses is a deceptive trade practice; amending Minnesota Statutes 2008, section 325D.46, by adding a subdivision."

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

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

S.F. No. 3174: A bill for an act relating to liquor; amending license fees for manufacturers; amending Minnesota Statutes 2008, section 340A.301, subdivision 6.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 340A.301, subdivision 6, is amended to read:

Subd. 6. **Fees.** The annual fees for licenses under this section are as follows:

	30,000
(a) Manufacturers (except as provided in clauses (b) and (c))	\$ 350
Duplicates	\$ 3,000
(b) Manufacturers of wines of not more than 25 percent alcohol by volume	\$ 500
(c) Brewers who manufacture more than 3,500 barrels of malt liquor in a year	\$ 4,000
(d) Brewers who also hold one or more retail on-sale licenses and who manufacture fewer than 3,500 barrels of malt liquor in a year, at any one licensed premises, the entire production of which is solely for consumption on tap on any licensed premises owned by the brewer, or for off-sale from those licensed premises as permitted in subdivision 7. A brewer licensed under this clause must obtain a separate license for each licensed premises where the brewer brews malt liquor. A brewer licensed under this clause may not be licensed as an importer under this chapter	\$ 500
(e) Wholesalers (except as provided in clauses (f), (g), and (h))	\$ 15,000
Duplicates	\$ 3,000
(f) Wholesalers of wines of not more than 25 percent alcohol by volume	\$ 3,750
(g) Wholesalers of intoxicating malt liquor	\$ 1,000
Duplicates	\$ 25
(h) Wholesalers of 3.2 percent malt liquor	\$ 10
(i) Brewers who manufacture fewer than 2,000 barrels of malt liquor in a year	\$ 150
(j) Brewers who manufacture 2,000 to 3,500 barrels of malt liquor in a year	\$ 500

If a business licensed under this section is destroyed, or damaged to the extent that it cannot be carried on, or if it ceases because of the death or illness of the licensee, the commissioner may refund the license fee for the balance of the license period to the licensee or to the licensee's estate.

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

Sec. 2. **ADJUSTMENT.**

The appropriation in Laws 2009, chapter 83, article 1, section 10, subdivision 5, is reduced by \$59,000.

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

Amend the title as follows:

Page 1, line 2, after the first semicolon, insert "reducing an appropriation;"

Amend the title numbers accordingly

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

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

S.F. No. 2643: A bill for an act relating to financial institutions; providing for the licensing and regulation of an individual engaged in the business of a mortgage loan origination or the mortgage loan business; proposing coding for new law as Minnesota Statutes, chapter 58A.

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

Page 1, after line 5, insert:

"ARTICLE 1

MINNESOTA S.A.F.E. MORTGAGE LICENSING ACT OF 2010"

Page 1, lines 8 and 9, delete "2009" and insert "2010"

Page 2, line 22, delete "and"

Page 2, line 24, delete the period and insert "; and"

Page 2, after line 24, insert:

"(5) does not include a licensed manufactured home retailer, licensed limited retailer, or salesperson selling manufactured or modular homes, provided that person only assists the consumer in filling out a loan application and does not offer or negotiate loan rates or terms, does not do any counseling with consumers about residential mortgage loan rates or terms, and does not receive any payment or fee from any company or individual for assisting the consumer."

Page 6, after line 3, insert:

"Sec. 5. **[58A.045] TERM OF LICENSE AND FEES.**

Subdivision 1. **Term.** Licenses for mortgage loan originators issued under this chapter expire on December 31 and are renewable on January 1 of each year after that date.

Subd. 2. **Fees.** The following fees must be paid to the commissioner:

(1) for a mortgage loan originator license, \$100; and

(2) for a renewal mortgage loan originator license, \$50."

Page 17, line 19, delete "act" and insert "article"

Page 17, after line 19, insert:

"ARTICLE 2**CONFORMING AND TRANSITIONAL PROVISIONS RELATING TO MINNESOTA STATUTES, CHAPTER 58**

Section 1. Minnesota Statutes 2008, section 58.04, subdivision 1, is amended to read:

Subdivision 1. **Residential mortgage originator licensing requirements.** (a) No person shall act as a residential mortgage originator, or make residential mortgage loans without first obtaining a license from the commissioner according to the licensing procedures provided in this chapter.

(b) A licensee must be either a partnership, limited liability partnership, association, limited liability company, corporation, or other form of business organization, and must have and maintain at all times ~~one of the following: approval as a mortgagee by either the federal Department of Housing and Urban Development or the Federal National Mortgage Association; a minimum net worth, net of intangibles, of at least \$250,000; or a surety bond or irrevocable letter of credit in the amount of \$50,000 amounts prescribed under section 58.08. Net worth, net of intangibles, must be calculated in accordance with generally accepted accounting principles.~~

(c) The following persons are exempt from the residential mortgage originator licensing requirements:

(1) a person who is not in the business of making residential mortgage loans and who makes no more than three such loans, with its own funds, during any 12-month period;

(2) a financial institution as defined in section 58.02, subdivision 10;

(3) an agency of the federal government, or of a state or municipal government;

(4) an employee or employer pension plan making loans only to its participants;

(5) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a specific order issued by a court of competent jurisdiction; or

(6) a person exempted by order of the commissioner.

Sec. 2. Minnesota Statutes 2009 Supplement, section 58.06, subdivision 2, is amended to read:

Subd. 2. **Application contents.** (a) The application must contain the name and complete business address or addresses of the license applicant. The license applicant must be a partnership, limited liability partnership, association, limited liability company, corporation, or other form of business organization, and the application must contain the names and complete business addresses of each partner, member, director, and principal officer. The application must also include a description of the activities of the license applicant, in the detail and for the periods the commissioner may require.

(b) A residential mortgage originator applicant must submit ~~one of the following:~~

~~(1) evidence which shows, to the commissioner's satisfaction, that either the federal Department of Housing and Urban Development or the Federal National Mortgage Association has approved the residential mortgage originator applicant as a mortgagee;~~

~~(2) a surety bond or irrevocable letter of credit in the amount of not less than \$50,000 in a form approved by the commissioner, issued by an insurance company or bank authorized to do so in this~~

~~state. The bond or irrevocable letter of credit must be available for the recovery of expenses, fines, and fees levied by the commissioner under this chapter and for losses incurred by borrowers. The bond or letter of credit must be submitted with the license application, and evidence of continued coverage must be submitted with each renewal. Any change in the bond or letter of credit must be submitted for approval by the commissioner within ten days of its execution; or~~

~~(3) a copy of the residential mortgage originator applicant's most recent audited financial statement, including balance sheet, statement of income or loss, statements of changes in shareholder equity, and statement of changes in financial position. Financial statements must be as of a date within 12 months of the date of application. a surety bond that meets the requirements of section 58.08, subdivision 1a.~~

(c) The application must also include all of the following:

(1) an affirmation under oath that the applicant:

(i) is in compliance with the requirements of section 58.125;

~~(ii) will maintain a perpetual roster of individuals employed as residential mortgage originators, including employees and independent contractors, which includes the dates that mandatory testing, initial education, and continuing education were completed. In addition, the roster must be made available to the commissioner on demand, within three business days of the commissioner's request;~~

~~(iii) (ii) will advise the commissioner of any material changes to the information submitted in the most recent application within ten days of the change;~~

~~(iv) (iii) will advise the commissioner in writing immediately of any bankruptcy petitions filed against or by the applicant or licensee;~~

~~(v) (iv) will maintain at all times either a net worth, net of intangibles, of at least \$250,000 or a surety bond or irrevocable letter of credit in the amount of at least \$50,000 \$100,000;~~

~~(vi) (v) complies with federal and state tax laws; and~~

~~(vii) (vi) complies with sections 345.31 to 345.60, the Minnesota unclaimed property law;~~

(2) information as to the mortgage lending, servicing, or brokering experience of the applicant and persons in control of the applicant;

(3) information as to criminal convictions, excluding traffic violations, of persons in control of the license applicant;

(4) whether a court of competent jurisdiction has found that the applicant or persons in control of the applicant have engaged in conduct evidencing gross negligence, fraud, misrepresentation, or deceit in performing an act for which a license is required under this chapter;

(5) whether the applicant or persons in control of the applicant have been the subject of: an order of suspension or revocation, cease and desist order, or injunctive order, or order barring involvement in an industry or profession issued by this or another state or federal regulatory agency or by the Secretary of Housing and Urban Development within the ten-year period immediately preceding submission of the application; and

(6) other information required by the commissioner.

Sec. 3. Minnesota Statutes 2008, section 58.08, is amended by adding a subdivision to read:

Subd. 1a. Residential mortgage originators. (a) An applicant for a residential mortgage originator license must file with the department a surety bond in the amount of \$100,000, issued by an insurance company authorized to do so in this state. The bond must cover all mortgage loan originators who are employees or independent agents of the applicant. The bond must be available for the recovery of expenses, fines, and fees levied by the commissioner under this chapter and for losses incurred by borrowers as a result of a licensee's noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract relating to activities regulated by this chapter.

(b) The bond must be submitted with the originator's license application and evidence of continued coverage must be submitted with each renewal. Any change in the bond must be submitted for approval by the commissioner, within ten days of its execution. The bond or a substitute bond shall remain in effect during all periods of licensing.

(c) Upon filing of the mortgage call report as required by section 58A.17, a licensee shall maintain or increase its surety bond to reflect the total dollar amount of the closed residential mortgage loans originated in this state in the preceding year in accordance with the table in this paragraph. A licensee may decrease its surety bond in accordance with the table in this paragraph if the surety bond required is less than the amount of the surety bond on file with the department.

<u>Dollar Amount of Closed Residential Mortgage Loans</u>	<u>Surety Bond Required</u>
<u>\$0 to \$5,000,000</u>	<u>\$100,000</u>
<u>\$5,000,000.01 to \$10,000,000</u>	<u>\$125,000</u>
<u>\$10,000,000.01 to \$25,000,000</u>	<u>\$150,000</u>
<u>Over \$25,000,000</u>	<u>\$200,000</u>

For purposes of this subdivision, "mortgage loan originator" has the meaning given the term in section 58A.02, subdivision 7.

Sec. 4. Minnesota Statutes 2008, section 58.09, is amended to read:

58.09 TERM OF LICENSE.

~~Initial Licenses for residential mortgage originators and residential mortgage servicers issued under this chapter expire on July 31, 2001, December 31 and are renewable on August 1, 2001, and on August 1 January 1 of each odd-numbered year after that date. A new licensee whose license expires less than 12 months from the date of issuance shall pay a fee equal to one-half the applicable initial license fee set forth in section 58.10, subdivision 1, clause (1) or (3).~~

Sec. 5. Minnesota Statutes 2008, section 58.10, subdivision 1, is amended to read:

Subdivision 1. **Amounts.** The following fees must be paid to the commissioner:

(1) for ~~an initial~~ a residential mortgage originator license, ~~\$2,125~~ \$1,000, \$50 of which is credited

to the consumer education account in the special revenue fund;

(2) for a renewal license, ~~\$1,125~~ \$500, \$50 of which is credited to the consumer education account in the special revenue fund;

(3) for ~~an initial~~ a residential mortgage servicer's license, ~~\$1,000~~ \$500;

(4) for a renewal license, ~~\$500~~ \$250; and

(5) for a certificate of exemption, \$100.

Sec. 6. Minnesota Statutes 2008, section 58.11, is amended to read:

58.11 LICENSE RENEWAL.

Subdivision 1. **Term.** Licenses are renewable on ~~August 1, 2001, and on August 1~~ January 1 of each ~~odd-numbered~~ year ~~after that date~~.

Subd. 2. **Timely renewal.** (a) A person whose application is properly and timely filed who has not received notice of denial of renewal is considered approved for renewal and the person may continue to transact business as a residential mortgage originator or servicer whether or not the renewed license has been received on or before ~~August~~ January 1 of the renewal year. Application for renewal of a license is considered timely filed if received by the commissioner by, or mailed with proper postage and postmarked by, ~~July~~ December 15 of the renewal year. An application for renewal is considered properly filed if made upon forms duly executed and sworn to, accompanied by fees prescribed by this chapter, and containing any information that the commissioner requires.

(b) A person who fails to make a timely application for renewal of a license and who has not received the renewal license as of ~~August~~ January 1 of the renewal year is unlicensed until the renewal license has been issued by the commissioner and is received by the person.

Subd. 3. **Contents of renewal application.** Application for the renewal of an existing license must contain the information specified in section 58.06, subdivision 2; however, only the requested information having changed from the most recent prior application need be submitted.

Subd. 4. **Cancellation.** A licensee ceasing an activity or activities regulated by this chapter and desiring to no longer be licensed shall so inform the commissioner in writing and, at the same time, surrender the license and all other symbols or indicia of licensure. The licensee shall include a plan for the withdrawal from regulated business, including a timetable for the disposition of the business.

Sec. 7. ASSESSMENT.

The commissioner may levy a pro rata assessment on institutions licensed under Minnesota Statutes, chapter 58, to recover the costs to the Department of Commerce for administering the licensing and registration requirements of Minnesota Statutes, section 58A.10. The assessment amount must be determined by dividing those costs by the number of licensees.

The commissioner shall levy the assessments and notify each institution of the amount of the assessment being levied by September 30, 2010. The institution shall pay the assessment to the department no later than November 30, 2010. If an institution fails to pay its assessment by this date, its license may be suspended by the commissioner until it is paid in full.

This section expires December 1, 2010.

Sec. 8. RESIDENTIAL MORTGAGE ORIGINATORS AND SERVICERS; TRANSITIONAL LICENSE FEE AND TERMS.

A residential mortgage originator licensee and a residential mortgage service licensee operating under a valid license under Minnesota Statutes 2008, chapter 58, with an expiration date of July 31, 2011, shall pay a prorated renewal fee of \$200 for a residential mortgage originator, and \$100 for a residential mortgage servicer. The prorated license renewal fee must be paid by December 31, 2010, and such payment extends the license term until December 31, 2011.

Sec. 9. REPEALER.

Minnesota Statutes 2009 Supplement, section 58.126, is repealed.

Sec. 10. EFFECTIVE DATE.

This article is effective July 31, 2010."

Renumber the sections in sequence

Amend the title accordingly

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

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

S.F. No. 3043: A bill for an act relating to commerce; providing for the licensing and regulation of appraisal management companies; proposing coding for new law as Minnesota Statutes, chapter 82C.

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

Page 1, after line 5, insert:

"Section 1. **[47.2075] FEE DISCLOSURE.**

The lender must disclose to the owner of the real property that was the subject of an appraisal performed by an employed or independent appraiser pursuant to an appraisal assignment from the appraisal management company or the lender the fee paid to the appraiser for the appraisal. The disclosure must be made by the lender promptly upon receipt of the appraisal report by the employed or independent appraiser."

Renumber the sections in sequence

Amend the title accordingly

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

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

was referred

S.F. No. 3052: A bill for an act relating to commerce; modifying the experience requirement for real estate appraisers; amending Minnesota Statutes 2008, section 82B.14.

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

Page 2, lines 1, 4, and 7, delete "degree program" and insert "course"

Page 2, delete lines 8 and 9

Page 2, line 10, delete "(4)" and insert "(3)"

Page 2, delete line 12 and insert "Board."

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

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

S.F. No. 2700: A bill for an act relating to health; regulating participating provider agreements between health plan companies and health care providers; amending Minnesota Statutes 2008, sections 62Q.735, by adding subdivisions; 62Q.75, subdivision 3, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62Q.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 62Q.735, is amended by adding a subdivision to read:

Subd. 4. **Contract amendment and renewal provisions.** (a) A health plan company shall not require a provider to provide notice of intention to terminate its contract before communicating with the provider regarding contract renewals. A health plan company shall not communicate with members until final termination notice is received from the provider, consistent with the requirements described in section 62D.08, subdivision 5.

(b) A health plan company shall not preclude a nonnetwork provider from subsequent network participation solely as a result of the provider having terminated its participation in accordance with the terms of its contract.

EFFECTIVE DATE. This section is effective January 1, 2011, and applies to contracts entered into, renewed, or amended on or after that date.

Sec. 2. Minnesota Statutes 2008, section 62Q.735, is amended by adding a subdivision to read:

Subd. 5. **Fee schedules.** A health plan company shall provide, upon request, any additional fees relevant to the particular provider's practice beyond those provided with the renewal documents for the next contract year to all participating providers, excluding claims paid under the pharmacy benefit. Health plan companies may fulfill the requirements of this section by making the full fee schedules available through a secure Web portal for contracted providers.

EFFECTIVE DATE. This section is effective January 1, 2011, and applies to contracts entered into, renewed, or amended on or after that date.

Sec. 3. Minnesota Statutes 2008, section 62Q.735, is amended by adding a subdivision to read:

Subd. 6. **Reimbursement tiering methodologies.** Where health plan company reimbursement is related to tiering of providers, the health plan company shall provide to any tiered providers upon request an explanation of the methodology used to calculate tier ranking, including information on cost and quality. This explanation does not allow any provider access to proprietary or trade secret information. When a tiered product is used by a health plan, the health plan company shall provide notification to the provider of the tier in which the provider is included prior to the effective date of the tiered product.

EFFECTIVE DATE. This section is effective January 1, 2011, and applies to contracts entered into, renewed, or amended on or after that date.

Sec. 4. Minnesota Statutes 2008, section 62Q.75, subdivision 3, is amended to read:

Subd. 3. **Claims filing.** Unless otherwise provided by contract, by section 16A.124, subdivision 4a, or by federal law, the health care providers and facilities specified in subdivision 2 must submit their charges to a health plan company or third-party administrator within six months from the date of service or the date the health care provider knew or was informed of the correct name and address of the responsible health plan company or third-party administrator, whichever is later. A health care provider or facility that does not make an initial submission of charges within the six-month period shall not be reimbursed for the charge and may not collect the charge from the recipient of the service or any other payer. The six-month submission requirement may be extended to 12 months in cases where a health care provider or facility specified in subdivision 2 has determined and can substantiate that it has experienced a significant disruption to normal operations that materially affects the ability to conduct business in a normal manner and to submit claims on a timely basis. Any request by a health care provider or facility specified in subdivision 2 for an exception to a contractually defined claims submission timeline must be reviewed and acted upon by the health plan company within the same time frame as the contractually agreed upon claims filing timeline. This subdivision also applies to all health care providers and facilities that submit charges to workers' compensation payers for treatment of a workers' compensation injury compensable under chapter 176, or to reparation obligors for treatment of an injury compensable under chapter 65B.

EFFECTIVE DATE. This section is effective January 1, 2011, and applies to contracts entered into, renewed, or amended on or after that date.

Sec. 5. Minnesota Statutes 2008, section 62Q.75, is amended by adding a subdivision to read:

Subd. 4. **Claims adjustment timeline.** (a) Once a clean claim, as defined in section 62Q.75, subdivision 1, has been paid, the contract must provide a 12-month deadline on all adjustments to and recoupments of the payment with the exception of payments related to coordination of benefits, subrogation, duplicate claims, retroactive terminations, and cases of fraud and abuse.

(b) Paragraph (a) shall not apply to pharmacy contracts entered into between or on behalf of health plan companies.

EFFECTIVE DATE. This section is effective January 1, 2011, and applies to contracts entered into, renewed, or amended on or after that date.

Sec. 6. [62Q.751] COLLECTION OF CO-PAYMENTS, DEDUCTIBLES, AND ESTIMATED PAYMENTS FROM PATIENTS.

A health plan company shall permit providers to collect co-payments, deductibles, and coinsurance from patients at or prior to the time of service. Overpayments by patients to providers must be returned to the patient by the provider in the same form in which it was collected within 30 days of the date in which the claim adjudication is received by the provider.

EFFECTIVE DATE. This section is effective August 1, 2010, and applies to contracts entered into, renewed, or amended on or after that date."

Amend the title numbers accordingly

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

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

S.F. No. 3180: A bill for an act relating to alcohol; allowing malt liquor or spirits tastings; amending Minnesota Statutes 2008, section 340A.419, as amended.

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

Page 1, after line 4, insert:

"Section 1. **[137.66] SCHOLARSHIP PROGRAM.**

As a condition of acceptance of a license under section 340A.404, subdivision 4a, paragraph (a), clause (3), the University of Minnesota shall deposit all revenues guaranteed through the existence of this license to a scholarships account. These funds must be dedicated for meritorious scholarships for men and women athletes attending the University of Minnesota.

Sec. 2. Minnesota Statutes 2009 Supplement, section 340A.404, subdivision 4a, is amended to read:

Subd. 4a. **Publicly owned recreation; entertainment facilities.** (a) Notwithstanding any other law, local ordinance, or charter provision, the commissioner may issue on-sale intoxicating liquor licenses:

(1) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Giants Ridge Recreation Area building or recreational improvement area owned by the state in the city of Biwabik, St. Louis County;

(2) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Ironworld Discovery Center building or facility owned by the state at Chisholm;

(3) to the Board of Regents of the University of Minnesota for events at Northrop Auditorium, the intercollegiate football stadium, or at no more than seven other locations within the boundaries of the University of Minnesota, provided that the Board of Regents has approved an application for a license for the specified location ~~and provided that a license for an arena or stadium location is~~

~~void unless it requires the sale or service of intoxicating liquor throughout the arena or stadium if intoxicating liquor is sold or served anywhere in the arena or stadium; and~~

(4) to the Duluth Entertainment and Convention Center Authority for beverage sales on the premises of the Duluth Entertainment and Convention Center Arena during intercollegiate hockey games.

The commissioner shall charge a fee for licenses issued under this subdivision in an amount comparable to the fee for comparable licenses issued in surrounding cities.

(b) No alcoholic beverage may be sold or served at TCF Bank Stadium unless the Board of Regents holds an on-sale intoxicating liquor license for the stadium as provided in paragraph (a), clause (3).

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

Page 2, after line 11, insert:

"Sec. 4. **SERVICE EXPANSION STUDY.**

The University of Minnesota, in conjunction with the chairs of the commerce committees of the house of representatives and senate, shall examine issues related to the expansion of service under Minnesota Statutes, section 340A.404, subdivision 4a, paragraph (a), clause (3), and shall report findings, if any, by January 15, 2012, to the appropriate committees of the legislature."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert "modifying licensing conditions for the University of Minnesota; dedicating funds to a scholarship account;"

Amend the title numbers accordingly

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

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

S.F. No. 3007: A resolution memorializing Congress to amend the charter for the American Legion to authorize all veterans to join the Legion.

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

Page 2, line 4, delete "and" and before the period, insert ", and the Commander of the Minnesota Department of the American Legion"

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

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

referred

S.F. No. 2824: A bill for an act relating to agriculture; establishing a variable rate fertilizer application equipment grant program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

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

Page 2, line 3, delete "general" and insert "clean water"

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

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

S.F. No. 3026: A bill for an act relating to veterans; repealing authorization for a license plate; repealing Minnesota Statutes 2008, section 168.1251.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

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

S.F. No. 2808: A bill for an act relating to liquor; clarifying a license provision for the city of Minneapolis; amending Laws 2009, chapter 120, section 16.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 37.21, is amended to read:

37.21 SALE OF LIQUORS.

Subdivision 1. **Liquor prohibited.** Except as provided ~~under Laws 2003, chapter 126, section 29, as amended by Laws 2005, chapter 25, section 6~~ in subdivision 2, no person may sell, barter, give away, or otherwise dispose of or introduce, have, or keep for barter, gift, or sale, any intoxicating liquors of any kind upon the State Fairgrounds, or aid and abet any of those acts. The presence and possession of any kind of these liquors, in any quantity, upon the person or upon the premises leased or occupied by any person within these limits is a public nuisance and is prima facie evidence of the purpose of the person to barter, give away, or sell the liquor. Any person who violates this section is guilty of a misdemeanor.

Subd. 2. **Exceptions.** ~~Notwithstanding subdivision 1,~~

(a) The State Agricultural Society may authorize issue, under terms and conditions it chooses, license for the sale, possession, and consumption of intoxicating liquors at special events taking place on the fairgrounds at times other than during the annual fair including, but not limited to, family reunions, class reunions, weddings, conventions, and similar events. ~~This section does not authorize the society to issue retail licenses for the sale of alcoholic beverages. Notwithstanding~~

~~subdivision 1,~~

(b) The State Agricultural Society may ~~also authorize~~ issue, under terms and conditions it chooses, consistent with state law, licenses for the sale, possession, and consumption of intoxicating malt liquors during the annual fair or at other times of their choosing, provided that at least one Minnesota brewed malt liquor is made available for sale at each allowed location within the grounds.

(c) The State Agricultural Society may issue a license for the sale and consumption of wine to a holder of a State Fair concession's contract with the State Agricultural Society that authorizes the licensee to sell Minnesota-produced wine by the glass at the State Fair in connection with the sale of food by the concessionaire. For the purposes of this subdivision, "Minnesota-produced wine" means wine produced by a farm winery licensed under section 340A.315 and made from at least 75 percent Minnesota-grown grapes, grape juice, other fruit bases, other juices, and honey.

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

Sec. 2. Minnesota Statutes 2008, section 340A.404, subdivision 2, is amended to read:

Subd. 2. **Special provision; city of Minneapolis.** (a) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the Orpheum Theatre, the State Theatre, and the Historic Pantages Theatre, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The licenses authorize sales on all days of the week to holders of tickets for performances presented by the theaters and to members of the nonprofit corporations holding the licenses and to their guests.

(b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter provision.

(c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue South in Minneapolis, and to the American Swedish Institute for use on the premises owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Association of University Women, Minneapolis branch, for use on the premises owned by the American Association of University Women, Minneapolis branch, at 2115 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provisions relating to zoning or school or church distances.

(e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent malt liquor license to a restaurant located at 5000 Penn Avenue South, and an on-sale wine license and an on-sale malt liquor license to a restaurant located at 1931 Nicollet Avenue South, notwithstanding any law or local ordinance or charter provision.

(f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, the Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located at 1633 Hennepin Avenue

South, the Jungle Theater located at 2951 Lyndale Avenue South, Brave New Institute located at 2605 Hennepin Avenue South, the Guthrie Lab located at 700 North First Street, and the Southern Theatre located at 1420 Washington Avenue South, notwithstanding any law or local ordinance or charter provision. The license authorizes sales on all days of the week.

(g) The city of Minneapolis may issue an on-sale intoxicating liquor license to University Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant or catering operator at the building owned and operated by the University Gateway Corporation on the University of Minnesota campus, notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

(h) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Walker Art Center's concessionaire or operator, for a restaurant and catering operator on the premises of the Walker Art Center, notwithstanding limitations of law, or local ordinance or charter provisions. The license authorizes sales on all days of the week.

(i) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater's concessionaire or operator for a restaurant and catering operator on the premises of the Guthrie Theater, notwithstanding limitations of law, local ordinance, or charter provisions. The license authorizes sales on all days of the week.

(j) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Minnesota Book and Literary Arts Building, Inc.'s concessionaire or operator for a restaurant and catering operator on the premises of the Minnesota Book and Literary Arts Building, Inc. (dba Open Book), notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

(k) The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant located at 5411 Penn Avenue South, notwithstanding any law or local ordinance or charter provision.

(l) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Museum of Russian Art's concessionaire or operator for a restaurant and catering operator on the premises of the Museum of Russian Art located at 5500 Stevens Avenue South, notwithstanding any law or local ordinance or charter provision.

EFFECTIVE DATE. This section is effective upon approval by the Minneapolis City Council in the manner provided by Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 3. Minnesota Statutes 2008, section 340A.404, subdivision 5, is amended to read:

Subd. 5. **Wine licenses.** (a) A municipality may issue an on-sale wine license with the approval of the commissioner to a restaurant having facilities for seating at least 25 guests at one time. A wine license permits the sale of wine of up to 14 percent alcohol by volume for consumption with the sale of food. A wine license authorizes the sale of wine on all days of the week unless the issuing authority restricts the license's authorization to the sale of wine on all days except Sundays.

(b) The governing body of a municipality may by ordinance authorize a holder of an on-sale wine license issued pursuant to paragraph (a) who is also licensed to sell 3.2 percent malt liquors at on-sale pursuant to section 340A.411, and whose gross receipts are at least 60 percent attributable to the sale of food, to sell intoxicating malt liquors at on-sale without an additional license.

(c) A municipality may issue an on-sale wine license with the approval of the commissioner to a licensed bed and breakfast facility. A license under this paragraph authorizes a bed and breakfast facility to furnish wine only to registered guests of the facility and, if the facility contains a licensed commercial kitchen, also to guests attending private events at the facility.

(d) The State Agricultural Society may issue an on-sale wine license to the holder of a State Fair concession contract as provided in section 37.21, subdivision 2.

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

Sec. 4. Laws 2009, chapter 120, section 16, is amended to read:

Sec. 16. CITY OF MINNEAPOLIS; LIQUOR LICENSE.

Notwithstanding any law, ordinance, or charter provision to the contrary, the city of Minneapolis may issue an on-sale intoxicating liquor license to an establishment located at 2124 Como Avenue Southeast.

EFFECTIVE DATE. This section is effective on the effective date of Laws 2009, chapter 120, section 16.

Sec. 5. BEMIDJI ON-SALE LICENSE.

Notwithstanding any other law, local ordinance, or charter provision to the contrary, the city of Bemidji may issue an on-sale intoxicating liquor license, or an on-sale wine and malt liquor license to the Bemidji Regional Event Center. Any license authorized by this section may be issued for space that is not compact and contiguous, provided that all the space is within the boundaries of the Bemidji Regional Event Center and is included in the description of the licensed premises on the approved license application. A license issued under this paragraph authorizes sales on all days of the week to persons attending activities or events at the event center. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized under this section.

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

Sec. 6. EXEMPTION; BEMIDJI STATE UNIVERSITY.

Notwithstanding Minnesota Statutes, section 340A.410, subdivision 10, paragraph (b), Bemidji State University may be issued temporary liquor licenses for events at the university authorized under Minnesota Statutes, section 340A.412, subdivision 4, clause (7), item (iv), on an as needed basis, provided that the combination of temporary licenses issued not exceed 12 events or a total of 12 days within a 12-month period.

EFFECTIVE DATE. This section is effective the day following final enactment. This section expires July 1, 2012.

Sec. 7. ST. THOMAS UNIVERSITY; ON-SALE LICENSE.

Notwithstanding any other law, local ordinance, or charter provision, the appropriate licensing authority may issue an on-sale intoxicating liquor license to St. Thomas University, or to an entity holding a caterer's permit and a contract with St. Thomas University, for catering on the premises of the St. Thomas University campus or campuses, or for any portion of the premises as described in

the approved license application. The appropriate licensing authority for a campus in Minneapolis is the city of Minneapolis and the appropriate licensing authority for a campus in St. Paul is the city of St. Paul. A license authorized by this section may be issued for space that is not compact and contiguous, provided that all the space is within the boundaries of the St. Thomas University campus or campuses and is included in the description of the licensed premises on the approved license application. The license authorizes sales on all days of the week to persons attending events at the college. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized under this section.

EFFECTIVE DATE. This section, as to the authority to issue a license in Minneapolis, is effective upon approval by the Minneapolis city council in the manner provided by Minnesota Statutes, section 645.021, subdivisions 2 and 3. This section, as to the authority to issue a license in St. Paul, is effective upon approval by the St. Paul city council in the manner provided by Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert "allowing the state fair to issue liquor licenses; authorizing various on-sale licenses;"

Amend the title numbers accordingly

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

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

S.F. No. 2755: A bill for an act relating to public safety; clarifying detention placement options for extended jurisdiction juveniles pending revocation hearings; amending Minnesota Statutes 2008, section 260B.130, subdivision 5.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 260B.130, subdivision 5, is amended to read:

Subd. 5. **Execution of adult sentence.** (a) When it appears that a person convicted as an extended jurisdiction juvenile has violated the conditions of the stayed sentence, or is alleged to have committed a new offense, the court may, without notice, revoke the stay and probation and direct that the offender be taken into immediate custody. The court shall notify the offender in writing of the reasons alleged to exist for revocation of the stay of execution of the adult sentence. If the offender challenges the reasons, the court shall hold a summary hearing on the issue at which the offender is entitled to be heard and represented by counsel.

(b) If a person described in paragraph (a) is taken into custody, the person may be detained in a secure juvenile detention facility. If there is no secure juvenile detention facility or existing acceptable detention alternative available for juveniles within the county, the child may be detained up to 24 hours, excluding Saturdays, Sundays, and holidays, or for up to six hours in a standard metropolitan statistical area, in a jail, lockup, or other facility used for the confinement of adults who have been charged with or convicted of a crime. In this instance, the person must be confined in quarters separate from any adult confined in the facility that allow for complete sight and sound

separation for all activities during the period of the detention, and the adult facility must be approved for the detention of juveniles by the commissioner of corrections.

If the person is 18 years of age or older and is to be detained prior to the revocation hearing, the person may be detained in a local adult correctional facility without the need for sight and sound separation.

(c) After the hearing, if the court finds that reasons exist to revoke the stay of execution of sentence, the court shall treat the offender as an adult and order any of the adult sanctions authorized by section 609.14, subdivision 3, except that no credit shall be given for time served in juvenile facility custody prior to a summary hearing. If the offender was convicted of an offense described in subdivision 1, clause (2), and the court finds that reasons exist to revoke the stay, the court must order execution of the previously imposed sentence unless the court makes written findings regarding the mitigating factors that justify continuing the stay.

(d) Upon revocation, the offender's extended jurisdiction status is terminated and juvenile court jurisdiction is terminated. The ongoing jurisdiction for any adult sanction, other than commitment to the commissioner of corrections, is with the adult court."

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

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

S.F. No. 2832: A bill for an act relating to real property; requiring performance guidelines for certain residential contracts; modifying statutory warranties; requiring notice and opportunity to repair; providing for dispute resolution procedures; amending Minnesota Statutes 2008, sections 302A.781, subdivision 4; 326B.809; 327A.01, subdivision 7, by adding a subdivision; 327A.02, subdivision 4, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 327A.

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

Page 2, line 27, delete "patched or"

Page 2, line 28, delete "prevent further damage to the property" and insert "restore the property to its pre-inspected condition"

Page 4, delete section 9

Page 6, lines 23 and 25, delete "10" and insert "9"

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

S.F. No. 2787: A bill for an act relating to juveniles; requiring the court to provide a general notice of collateral sanctions to a juvenile before accepting a guilty plea; amending Minnesota

Statutes 2008, section 260B.163, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. REVISOR INSTRUCTION; TABLE OF JUVENILE COLLATERAL SANCTIONS.

(a) The revisor of statutes shall publish a table in Minnesota Statutes that contains cross-references to state laws that are collateral sanctions imposed on a juvenile as a result of an adjudication of delinquency. The revisor shall create a structure that categorizes these laws in a useful way to users.

(b) The revisor shall include appropriate cautionary language with the table, including, at a minimum, language that notifies users that:

(1) the list of collateral sanctions laws is intended to be comprehensive but is not necessarily complete;

(2) the inclusion or exclusion of a collateral sanction is not intended to have any substantive legal effect; and

(3) users must consult the language of each cross-referenced law to fully understand the scope and effect of the collateral sanction it imposes.

(c) The revisor shall consult with legislative staff and the chairs of the senate and house committees having jurisdiction over criminal justice to identify laws that impose collateral sanctions on a juvenile who has been adjudicated delinquent.

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

Delete the title and insert:

"A bill for an act relating to juveniles; requiring the revisor of statutes to publish a table in Minnesota Statutes containing cross-references to collateral sanctions imposed on juveniles as a result of an adjudication of delinquency."

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

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

S.F. No. 2804: A bill for an act relating to public safety; requiring chemical use screen of juvenile offenders; amending Minnesota Statutes 2008, sections 260B.157, subdivision 1; 260B.176, subdivision 2.

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

Page 2, line 2, delete "mental health"

Page 2, line 6, after "for" insert "a mental health"

Page 2, line 8, after the period, insert "If the screening indicates a need for a chemical use

assessment, the local social service agency, in consultation with the child's family, shall have a chemical use assessment conducted, as defined in section 254A.03, subdivision 3."

Page 4, line 11, before the period, insert "with a screening instrument approved by the commissioner of human services, unless a screening has been performed within the previous 180 days or the child is currently under the care of a licensed alcohol and drug counselor. The screening shall be conducted by a mental health practitioner as defined in section 245.4871, subdivision 26, or a probation officer who is trained in the use of the screening instrument. The screening shall be conducted after the initial detention hearing has been held and the court has ordered the child continued in detention"

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

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

S.F. No. 1590: A bill for an act relating to consumer protection; protecting customers from injuries resulting from use of inflatable play equipment used for commercial purposes; requiring the presence of trained supervisors and liability insurance; proposing coding for new law in Minnesota Statutes, chapter 184B.

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

Page 1, line 14, after "inflatable" insert "(i)"

Page 1, line 15, before the period, insert ", or (ii) at a facility where the use of the inflatable is incidental to the primary use of the facility"

Page 2, line 10, delete everything after "must" and insert "comply with ASTM Standard F 2374.07, as referenced under subdivision 3."

Page 2, line 11, after "required" insert "; waiver of liability limited" and before "An" insert "(a)"

Page 2, after line 21, insert:

"(b) A waiver of liability signed by or on behalf of a minor for injuries arising out of the negligence of the owner or the owner's employee or designee is void."

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

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

S.F. No. 3074: A bill for an act relating to higher education; regulating certain higher education data; amending Minnesota Statutes 2009 Supplement, section 136A.01, subdivision 2.

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

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

S.F. No. 2592: A bill for an act relating to insurance; allowing certain minors to contract for automobile insurance; proposing coding for new law in Minnesota Statutes, chapter 65B.

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

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

S.F. No. 2891: A bill for an act relating to corrections; adopting the Interstate Compact for Juveniles; proposing coding for new law in Minnesota Statutes, chapter 260.

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

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

S.F. No. 2736: A bill for an act relating to crime; increasing the penalty for criminal sexual conduct in the first degree; amending Minnesota Statutes 2008, section 609.342, subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 244.05, subdivision 4, is amended to read:

Subd. 4. **Minimum imprisonment, life sentence and statutory maximum sentences.** (a) An inmate serving a mandatory life sentence under section 609.106 or 609.3455, subdivision 2, must not be given supervised release under this section.

(b) An inmate serving a mandatory life sentence under section 609.185, clause (3), (5), or (6); or Minnesota Statutes 2004, section 609.109, subdivision 3, must not be given supervised release under this section without having served a minimum term of 30 years.

(c) An inmate serving a mandatory life sentence under section 609.385 must not be given supervised release under this section without having served a minimum term of imprisonment of 17 years.

(d) An inmate serving a mandatory life sentence under section 609.3455, subdivision 3 or 4, or a mandatory statutory maximum sentence under section 609.3455, subdivision 3b, must not be given supervised release under this section without having served the minimum term of imprisonment specified by the court in its sentence.

EFFECTIVE DATE. This section is effective August 1, 2010, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2008, section 244.05, subdivision 5, is amended to read:

Subd. 5. **Supervised release, life sentence and statutory maximum sentences.** (a) The commissioner of corrections may, under rules promulgated by the commissioner, give supervised release to an inmate serving a mandatory life sentence under section 609.185, clause (3), (5), or (6); ~~609.3455, subdivision 3 or 4;~~ 609.385; or Minnesota Statutes 2004, section 609.109, subdivision 3, after the inmate has served the minimum term of imprisonment specified in subdivision 4.

(b) The commissioner shall give supervised release to an inmate serving a sentence under section 609.3455, subdivision 3, 3b, or 4, after the inmate has served the minimum term of imprisonment specified by the court in section 609.3455, subdivision 5, when directed to do so by the special review panel described in section 609.3455, subdivision 10.

(c) The commissioner shall require the preparation of a community investigation report and shall consider the findings of the report when making a supervised release decision under this subdivision. The report shall reflect the sentiment of the various elements of the community toward the inmate, both at the time of the offense and at the present time. The report shall include the views of the sentencing judge, the prosecutor, any law enforcement personnel who may have been involved in the case, and any successors to these individuals who may have information relevant to the supervised release decision. The report shall also include the views of the victim and the victim's family unless the victim or the victim's family chooses not to participate.

(e) (d) The commissioner shall make reasonable efforts to notify the victim, in advance, of the time and place of the inmate's supervised release review hearing. The victim has a right to submit an oral or written statement at the review hearing. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the inmate should be given supervised release at this time. The commissioner must consider the victim's statement when making the supervised release decision.

(d) (e) When considering whether to direct the commissioner to give supervised release to an inmate serving a life sentence under section 609.3455, subdivision 3, paragraph (a), or 4, paragraph (a), the commissioner special review panel described in section 609.3455, subdivision 10, shall consider, at a minimum, the following: the risk the inmate poses to the community if released, the inmate's progress in treatment, the inmate's behavior while incarcerated, psychological or other diagnostic evaluations of the inmate, the inmate's criminal history, and any other relevant conduct of the inmate while incarcerated or before incarceration. The commissioner panel may not direct the commissioner to give supervised release to the inmate unless:

(1) while in prison:

(i) the inmate has successfully completed appropriate sex offender treatment;

(ii) the inmate has been assessed for chemical dependency needs and, if appropriate, has successfully completed chemical dependency treatment; and

(iii) the inmate has been assessed for mental health needs and, if appropriate, has successfully completed mental health treatment; and

(2) a comprehensive individual release plan is in place for the inmate that ensures that, after release, the inmate will have suitable housing and receive appropriate aftercare and community-based treatment. The comprehensive plan also must include a postprison employment or education plan for the inmate.

(e) (f) As used in this subdivision, "victim" means the individual who suffered harm as a result of the inmate's crime or, if the individual is deceased, the deceased's surviving spouse or next of kin.

EFFECTIVE DATE. This section is effective August 1, 2010, and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2008, section 609.3455, is amended to read:

609.3455 DANGEROUS SEX OFFENDERS; LIFE AND STATUTORY MAXIMUM SENTENCES; SPECIAL REVIEW PANEL; CONDITIONAL RELEASE.

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Conviction" includes a conviction as an extended jurisdiction juvenile under section 260B.130 for a violation of, or an attempt to violate, section 609.342, 609.343, 609.344, or 609.3453, if the adult sentence has been executed.

(c) "Extreme inhumane conditions" mean situations where, either before or after the sexual penetration or sexual contact, the offender knowingly causes or permits the complainant to be placed in a situation likely to cause the complainant severe ongoing mental, emotional, or psychological harm, or causes the complainant's death.

(d) A "heinous element" includes:

(1) the offender tortured the complainant;

(2) the offender intentionally inflicted great bodily harm upon the complainant;

(3) the offender intentionally mutilated the complainant;

(4) the offender exposed the complainant to extreme inhumane conditions;

(5) the offender was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and used or threatened to use the weapon or article to cause the complainant to submit;

(6) the offense involved sexual penetration or sexual contact with more than one victim;

(7) the offense involved more than one perpetrator engaging in sexual penetration or sexual contact with the complainant; or

(8) the offender, without the complainant's consent, removed the complainant from one place to another and did not release the complainant in a safe place.

(e) "Mutilation" means the intentional infliction of physical abuse designed to cause serious permanent disfigurement or permanent or protracted loss or impairment of the functions of any bodily member or organ, where the offender relishes the infliction of the abuse, evidencing debasement or perversion.

(f) A conviction is considered a "previous sex offense conviction" if the offender was convicted and sentenced for a sex offense before the commission of the present offense.

(g) A conviction is considered a "prior sex offense conviction" if the offender was convicted of committing a sex offense before the offender has been convicted of the present offense, regardless of whether the offender was convicted for the first offense before the commission of the present offense, and the convictions involved separate behavioral incidents.

(h) "Sex offense" means any violation of, or attempt to violate, section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.3453, or any similar statute of the United States, this state, or any other state.

(i) "Special review panel" or "panel" means the special review panel described in subdivision 10.

(j) "Torture" means the intentional infliction of extreme mental anguish, or extreme psychological or physical abuse, when committed in an especially depraved manner.

~~(j)~~(k) An offender has "two previous sex offense convictions" only if the offender was convicted and sentenced for a sex offense committed after the offender was earlier convicted and sentenced for a sex offense and both convictions preceded the commission of the present offense of conviction.

Subd. 2. Mandatory life sentence without release; egregious first-time and repeat offenders.

(a) Notwithstanding the statutory maximum penalty otherwise applicable to the offense, the court shall sentence a person convicted under section 609.342, subdivision 1, paragraph (a), (c), (d), (e), (f), or (h); or 609.343, subdivision 1, paragraph (a), (c), (d), (e), (f), or (h), to life without the possibility of release if:

(1) the fact finder determines that two or more heinous elements exist; or

(2) the person has a previous sex offense conviction for a violation of section 609.342, 609.343, or 609.344, and the fact finder determines that a heinous element exists for the present offense.

(b) A fact finder may not consider a heinous element if it is an element of the underlying specified violation of section 609.342 or 609.343. In addition, when determining whether two or more heinous elements exist, the fact finder may not use the same underlying facts to support a determination that more than one element exists.

Subd. 3. Mandatory life sentence for egregious first-time offenders. (a) Notwithstanding the statutory maximum penalty otherwise applicable to the offense, the court shall sentence a person to imprisonment for life if the person is convicted under section 609.342, subdivision 1, paragraph (a), (c), (d), (e), (f), or (h), or 609.343, subdivision 1, paragraph (a), (c), (d), (e), (f), or (h); and the fact finder determines that a heinous element exists.

(b) The fact finder may not consider a heinous element if it is an element of the underlying specified violation of section 609.342 or 609.343.

(c) Notwithstanding the statutory maximum penalty otherwise applicable to the offense, the court shall sentence a person to imprisonment for life if the person is convicted under section 609.342, subdivision 1, paragraph (a), or 609.343, subdivision 1, paragraph (a), and the factfinder determines that:

(1) circumstances existed at the time of the act that caused the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(2) the actor was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and used or threatened to use the weapon or article to cause the complainant to submit;

(3) the actor caused personal injury to the complainant, and the actor used force or coercion to accomplish the act; or

(4) the actor was aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances existed:

(i) an accomplice used force or coercion to cause the complainant to submit; or

(ii) an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant reasonably to believe it to be a dangerous weapon and used or threatened to use the weapon or article to cause the complainant to submit.

Subd. 3a. **Mandatory sentence for certain engrained offenders.** (a) A court shall commit a person to the commissioner of corrections for a period of time that is not less than double the presumptive sentence under the sentencing guidelines and not more than the statutory maximum, or if the statutory maximum is less than double the presumptive sentence, for a period of time that is equal to the statutory maximum, if:

(1) the court is imposing an executed sentence on a person convicted of committing or attempting to commit a violation of section 609.342, 609.343, 609.344, 609.345, or 609.3453;

(2) the fact finder determines that the offender is a danger to public safety; and

(3) the fact finder determines that the offender's criminal sexual behavior is so engrained that the risk of reoffending is great without intensive psychotherapeutic intervention or other long-term treatment or supervision extending beyond the presumptive term of imprisonment and supervised release.

(b) The fact finder shall base its determination that the offender is a danger to public safety on any of the following factors:

(1) the crime involved an aggravating factor that would justify a durational departure from the presumptive sentence under the sentencing guidelines;

(2) the offender previously committed or attempted to commit a predatory crime or a violation of section 609.224 or 609.2242, including:

(i) an offense committed as a juvenile that would have been a predatory crime or a violation of section 609.224 or 609.2242 if committed by an adult; or

(ii) a violation or attempted violation of a similar law of any other state or the United States; or

(3) the offender planned or prepared for the crime prior to its commission.

(c) As used in this section, "predatory crime" has the meaning given in section 609.341, subdivision 22.

Subd. 3b. **Mandatory statutory maximum sentence for certain particularly serious first-time offenders.** The court shall sentence a person to imprisonment for the statutory maximum period applicable to the offense if the person is convicted under section 609.342, subdivision 1, paragraph (a), (c), (d), (e), or (f); 609.343, subdivision 1, paragraph (a), (c), (d), (e), or (f); 609.344, subdivision 1, paragraph (c); or 609.345, subdivision 1, paragraph (c).

Subd. 4. **Mandatory life sentence; repeat offenders.** (a) Notwithstanding the statutory maximum penalty otherwise applicable to the offense, the court shall sentence a person to imprisonment for life if the person is convicted of violating section 609.342, 609.343, 609.344, 609.345, or 609.3453 and:

(1) the person has two previous sex offense convictions;

(2) the person has a previous sex offense conviction and:

(i) the fact finder determines that the present offense involved an aggravating factor that would provide grounds for an upward durational departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions;

(ii) the person received an upward durational departure from the sentencing guidelines for the previous sex offense conviction; or

(iii) the person was sentenced under this section or Minnesota Statutes 2004, section 609.108, for the previous sex offense conviction; or

(3) the person has two prior sex offense convictions, and the fact finder determines that the prior convictions and present offense involved at least three separate victims, and:

(i) the fact finder determines that the present offense involved an aggravating factor that would provide grounds for an upward durational departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions;

(ii) the person received an upward durational departure from the sentencing guidelines for one of the prior sex offense convictions; or

(iii) the person was sentenced under this section or Minnesota Statutes 2004, section 609.108, for one of the prior sex offense convictions.

(b) Notwithstanding the statutory maximum penalty otherwise applicable to the offense, the court shall sentence a person to imprisonment for life if the person is convicted of violating section 609.342, subdivision 1, paragraph (a), (c), (d), (e), or (f); 609.343, subdivision 1, paragraph (a), (c), (d), (e), or (f); 609.344, subdivision 1, paragraph (c); or 609.345, subdivision 1, paragraph (c), and the person has one or more previous or prior sex offense convictions.

(c) Notwithstanding paragraph (a), a court may not sentence a person to imprisonment for life for a violation of section 609.345, unless the person's previous or prior sex offense convictions that are being used as the basis for the sentence are for violations of section 609.342, 609.343, 609.344, or 609.3453, or any similar statute of the United States, this state, or any other state.

Subd. 5. Life Indeterminate sentences; minimum term of imprisonment. At the time of sentencing under subdivision 3, 3b, or 4, the court shall specify a minimum term of imprisonment, based on the sentencing guidelines or any applicable mandatory minimum sentence, that must be served before the offender may be considered for supervised release.

Subd. 6. Mandatory ten-year conditional release term. Notwithstanding the statutory maximum sentence otherwise applicable to the offense and unless a longer conditional release term is required in subdivision 7, when a court commits an offender to the custody of the commissioner of corrections for a violation of section 609.342, 609.343, 609.344, 609.345, or 609.3453, the court shall provide that, after the offender has completed the sentence imposed, the commissioner shall place the offender on conditional release for ten years, minus the time the offender served on supervised release.

Subd. 7. Mandatory lifetime conditional release term. (a) Notwithstanding the statutory maximum penalty applicable to the offense, when a court sentences an offender under subdivision

3, 3b, or 4, the court shall provide that, if the offender is released from prison, the commissioner of corrections shall place the offender on conditional release for the remainder of the offender's life.

(b) Notwithstanding the statutory maximum sentence otherwise applicable to the offense, when the court commits an offender to the custody of the commissioner of corrections for a violation of section 609.342, 609.343, 609.344, 609.345, or 609.3453, and the offender has a previous or prior sex offense conviction, the court shall provide that, after the offender has completed the sentence imposed, the commissioner shall place the offender on conditional release for the remainder of the offender's life.

(c) Notwithstanding paragraph (b), an offender may not be placed on lifetime conditional release for a violation of section 609.345, unless the offender's previous or prior sex offense conviction is for a violation of section 609.342, 609.343, 609.344, or 609.3453, or any similar statute of the United States, this state, or any other state.

Subd. 8. Terms of conditional release; applicable to all sex offenders. (a) The provisions of this subdivision relating to conditional release apply to all sex offenders sentenced to prison for a violation of section 609.342, 609.343, 609.344, 609.345, or 609.3453. Except as provided in this subdivision, conditional release of sex offenders is governed by provisions relating to supervised release. The commissioner of corrections may not dismiss an offender on conditional release from supervision until the offender's conditional release term expires.

(b) The conditions of release may include successful completion of treatment and aftercare in a program approved by the commissioner, satisfaction of the release conditions specified in section 244.05, subdivision 6, and any other conditions the commissioner considers appropriate. The commissioner shall develop a plan to pay the cost of treatment of a person released under this subdivision. The plan may include co-payments from offenders, third-party payers, local agencies, or other funding sources as they are identified. This section does not require the commissioner to accept or retain an offender in a treatment program. Before the offender is placed on conditional release, the commissioner shall notify the sentencing court and the prosecutor in the jurisdiction where the offender was sentenced of the terms of the offender's conditional release. The commissioner also shall make reasonable efforts to notify the victim of the offender's crime of the terms of the offender's conditional release. If the offender fails to meet any condition of release, the commissioner may revoke the offender's conditional release and order that the offender serve all or a part of the remaining portion of the conditional release term in prison.

Subd. 9. Applicability. The provisions of this section do not affect the applicability of Minnesota Statutes 2004, section 609.108, to crimes committed before August 1, 2005, or the validity of sentences imposed under Minnesota Statutes 2004, section 609.108.

Subd. 10. Special review panel. A special review panel is established and is governed by section 15.0575, except as otherwise provided in this subdivision. The panel consists of the commissioner of corrections or a designee and two members of the public. The term of the public members is four years. The governor shall appoint the public members with the advice and consent of the senate. Public members must be knowledgeable of and have a demonstrated interest in criminal justice but need not be employed in the criminal justice field. The commissioner shall convene the panel's first meeting. The panel shall elect a chair from among its members. The panel shall meet at the call of the chair. The panel shall hear and consider all petitions for supervised release from imprisonment under subdivision 11 and determine whether to direct the commissioner of corrections to give supervised

release to the petitioner.

Subd. 11. **Petition for release; hearing.** (a) A person who was sentenced under subdivision 3, 3b, or 4 and who has served the minimum term of imprisonment specified by the court under subdivision 5 may petition the special review panel for supervised release. The panel shall hold a hearing on each petition for release before making any determination. Within 45 days of the filing of the petition, the panel shall give written notice of the time and place of the hearing before the panel to all interested parties, including the petitioner, the petitioner's attorney if applicable, law enforcement and correctional personnel involved in the case, the sentencing court, the county attorney's office that prosecuted the case, and any victims of the crime who have indicated a desire to be notified. The hearing must be recorded and held on the record. The petitioner may present witnesses on the petitioner's behalf. The county attorney who prosecuted the case, the sentencing judge, law enforcement and correctional personnel involved in the case, the victim and the victim's family members, and any other interested party may submit a written or oral statement at the hearing addressing the appropriateness of the inmate's release.

(b) If the panel votes to direct the commissioner to give supervised release to the petitioner, the commissioner shall do so no later than 14 days after the panel's determination.

(c) If the panel rejects the inmate's petition for supervised release, it shall specify in writing the reasons for the rejection. The inmate may not petition for supervised release again until 36 months have elapsed since the rejection, unless the panel specifies a shorter time period.

Subd. 12. **Criteria for release.** (a) When considering whether to order the commissioner of corrections to give supervised release to an inmate serving a sentence under subdivision 3, paragraph (c); 3b; or 4, paragraph (b), the panel shall consider, at a minimum, the following: the risk the inmate poses to the community if released, the inmate's progress in treatment, the inmate's behavior while incarcerated, psychological or other diagnostic evaluations of the inmate, the inmate's criminal history, the ability of the inmate to readjust to open society, the testimony or statements of individuals with an interest in the case made at the hearing, and any other relevant conduct of the inmate while incarcerated or before incarceration.

(b) The panel shall make a decision on directing the supervised release of an inmate sentenced under section 609.3455, subdivision 3, paragraph (a); or subdivision 4, paragraph (a), as provided in section 244.05, subdivision 5.

(c) The commissioner shall prepare a community investigation report as described in section 244.05, subdivision 5, paragraph (c), on an inmate who is petitioning for release under subdivision 11.

Subd. 13. **Administrative support.** The Department of Corrections shall provide office space and administrative support to the special review panel.

Subd. 14. **Civil commitment precluded.** A person sentenced under subdivision 3, 3b, or 4 is not subject to subsequent commitment under section 253B.185.

EFFECTIVE DATE. This section is effective August 1, 2010, and applies to crimes committed on or after that date.

Sec. 4. **SPECIAL REVIEW PANEL; TIME LINES FOR APPOINTMENTS.**

The commissioner of corrections shall notify the governor at least 12 months before the first inmate sentenced under Minnesota Statutes, section 609.3455, subdivision 3, 3b, or 4, reaches the end of the inmate's minimum term of imprisonment specified by the sentencing court under Minnesota Statutes, section 609.3455, subdivision 5. Within 120 days of receiving this notice, the governor shall provide the names of the governor's two public member appointments to the special review panel to the senate."

Delete the title and insert:

"A bill for an act relating to public safety; providing for indeterminate sentences and lifetime supervision for certain first-time and repeat sex offenders, establishing a special review panel to make release decisions regarding these offenders, and precluding the subsequent civil commitment of these offenders; amending Minnesota Statutes 2008, sections 244.05, subdivisions 4, 5; 609.3455."

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

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

S.F. No. 2908: A bill for an act relating to human services; making changes to the State-County Results, Accountability, and Service Delivery Redesign Act; amending Minnesota Statutes 2009 Supplement, sections 402A.01; 402A.10, subdivision 5; 402A.15; 402A.18; 402A.20; proposing coding for new law in Minnesota Statutes, chapter 402A; repealing Minnesota Statutes 2009 Supplement, sections 402A.30; 402A.45.

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

Page 6, line 10, after "including" insert "any"

Page 6, line 11, delete "memoranda" and insert "memorandum"

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

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

S.F. No. 3167: A bill for an act relating to local government; providing for town meeting minutes; amending Minnesota Statutes 2008, section 365.55.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

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

S.F. No. 2756: A bill for an act relating to transportation; allowing escort drivers of overdimensional loads to control traffic; directing commissioner of public safety to establish escort driver training and certification program; amending Minnesota Statutes 2008, sections 169.06,

subdivision 4; 169.86, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299D.

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

Page 3, line 12, delete "the day" and insert "one year"

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

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

S.F. No. 2585: A bill for an act relating to transportation; requiring commissioner of transportation to establish contract goals for targeted group business participation; directing commissioner of transportation to require bids for federally assisted contracts to include information on inclusion of disadvantaged business enterprises; requiring commissioner of transportation to provide training for disadvantaged business enterprises; imposing reporting requirements; requiring application for waiver; establishing collaborative to recommend improvements to disadvantaged business enterprise program; amending Minnesota Statutes 2009 Supplement, section 161.321, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 161; 174; repealing Minnesota Statutes 2008, section 174.03, subdivision 11.

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

Page 5, line 21, after "recommendations" insert "including draft legislation"

Page 5, line 23, delete "January 3" and insert "February 1"

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

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

S.F. No. 2741: A bill for an act relating to public safety; modifying implied consent, driving while impaired, and ignition interlock provisions; providing that prior DWI driver's license revocations no longer enhance criminal penalties or trigger or accelerate DWI vehicle forfeitures; amending Minnesota Statutes 2008, sections 169A.03, subdivision 3; 169A.095; 169A.24, subdivision 1; 169A.275, subdivisions 1, 2, 3, 4, 5; 169A.28, subdivision 1; 169A.31, subdivision 2; 169A.44, subdivision 2; 169A.52, subdivisions 3, 4; 169A.54, subdivisions 2, 5; 169A.55, by adding a subdivision; 169A.60, subdivision 1; 169A.63, subdivisions 1, 3, 5, 6, 7, 8, 9, by adding a subdivision; 171.09; 171.30, subdivisions 1, 2a, 4; 171.306, as amended; 609.131, subdivision 2; Minnesota Statutes 2009 Supplement, sections 169A.275, subdivision 7; 169A.54, subdivision 1; 609.035, subdivision 2; repealing Minnesota Statutes 2008, sections 169A.54, subdivision 11; 169A.55, subdivision 1; 171.30, subdivision 2c; 171.305, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10, 11.

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

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

S.F. No. 3073: A bill for an act relating to state government; requesting a report regarding the effectiveness of state programs serving people with disabilities.

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

Page 1, line 7, delete "Consortium for Citizens with Disabilities" and insert "Arc of Minnesota"

Page 1, line 17, delete "consortium" and insert "Arc of Minnesota" and delete "consortium" and insert "Arc of Minnesota"

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

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

S.F. No. 2594: A bill for an act relating to city and county employees; exempting employees of a city-owned or county-owned hospital from certain reporting requirements; amending Minnesota Statutes 2008, section 471.701.

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

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

S.F. No. 2641: A bill for an act relating to *Canis latrans*; providing a coyote conflict management option for counties or towns; proposing coding for new law in Minnesota Statutes, chapter 348.

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

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

S.F. No. 2953: A bill for an act relating to local government; prohibiting city employees from serving on the city council; amending Minnesota Statutes 2008, section 412.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 410.

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

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

S.F. No. 2199: A bill for an act relating to state government; reducing the number of members of the legislature; preventing the division of a senate district in the formation of a congressional district; amending Minnesota Statutes 2008, sections 2.021; 2.031, subdivision 1.

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

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

S.F. No. 2900: A bill for an act relating to game and fish; modifying aquaculture provisions; modifying disposal restrictions for certain livestock taken by wild animals; modifying provisions for taking, possessing, and transporting wild animals; modifying requirements for fish and wildlife management plans; modifying game and fish license provisions; modifying license requirements and fees for youth hunters; providing exemptions from rulemaking; providing criminal penalties; amending Minnesota Statutes 2008, sections 17.4982, subdivision 12, by adding a subdivision; 17.4991, subdivision 3; 17.4994; 35.82, subdivision 2; 84.942, subdivision 1; 84D.03, subdivision 3; 84D.13, subdivision 3; 97A.015, subdivision 52, by adding a subdivision; 97A.101, subdivision 3; 97A.145, subdivision 2; 97A.311, subdivision 5; 97A.331, by adding subdivisions; 97A.420, subdivisions 2, 3, 4, 6, by adding a subdivision; 97A.421, subdivision 4a, by adding a subdivision; 97A.433, by adding a subdivision; 97A.435, subdivision 1; 97A.445, subdivision 5; 97A.451, subdivision 3; 97A.475, subdivisions 3a, 4, 43, 44; 97A.535, subdivision 2a; 97A.545, subdivision 5; 97B.015; 97B.020; 97B.021, subdivision 1; 97B.022, subdivision 2; 97B.031, subdivision 5; 97B.045, by adding a subdivision; 97B.075; 97B.106, subdivision 1; 97B.301, subdivisions 3, 6; 97B.325; 97B.405; 97B.515, by adding a subdivision; 97B.601, subdivision 4; 97B.711, by adding a subdivision; 97B.803; 97C.005, subdivision 3; 97C.087, subdivision 2; 97C.205; 97C.341; Minnesota Statutes 2009 Supplement, sections 84.95, subdivision 2; 97A.075, subdivision 1; 97A.445, subdivision 1a; 97A.475, subdivisions 2, 3; 97B.055, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 17; 97B; repealing Minnesota Statutes 2008, sections 84.942, subdivisions 2, 3, 4; 97A.435, subdivision 5; 97A.451, subdivisions 3a, 4; 97A.485, subdivision 12; 97B.022, subdivision 1; 97B.511; 97B.515, subdivision 3.

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

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

S.F. No. 3115: A bill for an act relating to local government; authorizing the city of Minneapolis to restrict the duration of operation of mobile food units.

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

Page 1, line 6, delete "any general or special law to the contrary" and insert "Minnesota Statutes, section 157.15, subdivision 9"

Page 1, line 7, after "maximum" insert "annual"

Amend the title as follows:

Page 1, line 2, delete "restrict the" and insert "adopt a resolution to define the annual"

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

H.F. No. 3108 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.
				3108	2388

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 3108 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3108, the second engrossment; and insert the language after the enacting clause of S.F. No. 2388, the second engrossment; further, delete the title of H.F. No. 3108, the second engrossment; and insert the title of S.F. No. 2388, the second engrossment.

And when so amended H.F. No. 3108 will be identical to S.F. No. 2388, and further recommends that H.F. No. 3108 be given its second reading and substituted for S.F. No. 2388, 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 SENATE BILLS

S.F. Nos. 2840, 3102, 3052, 2700, 3026, 2808, 2755, 2787, 2804, 3074, 2592, 2891, 2908, 3167, 2594, 2641, 2953 and 3115 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 3108 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Koch, Rosen, Senjem and Vandever introduced—

S.F. No. 3224: A bill for an act relating to energy; sunseting prohibition on issuing certificate of need for new nuclear power plant; amending Minnesota Statutes 2008, section 216B.243, subdivision 3b.

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

Senator Limmer introduced—

S.F. No. 3225: A bill for an act relating to public safety; modifying the definition of sex trafficking and defining commercial sex act; amending Minnesota Statutes 2008, section 609.321,

by adding a subdivision; Minnesota Statutes 2009 Supplement, section 609.321, subdivision 7a.

Referred to the Committee on Judiciary.

Senator Skoe introduced—

S.F. No. 3226: A bill for an act relating to human services; requiring a managed care plan to accept a housing with services facility as a provider of customized living and 24-hour customized living services if specified criteria are met; amending Minnesota Statutes 2008, section 256B.69, by adding a subdivision.

Referred to the Committee on Finance.

Senator Senjem introduced—

S.F. No. 3227: A bill for an act relating to lawful gambling; clarifying the use of gross profits; amending Minnesota Statutes 2009 Supplement, section 349.15, subdivision 1.

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

Senators Kubly, Vickerman, Skogen and Erickson Ropes introduced—

S.F. No. 3228: A bill for an act relating to agriculture; providing income tax credits to encourage beginning farmers; modifying the beginning farmer program administered by the Rural Finance Authority; appropriating money for beginning farmer individual development accounts; amending Minnesota Statutes 2008, section 290.06, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 41B.

Referred to the Committee on Finance.

Senator Limmer introduced—

S.F. No. 3229: A bill for an act relating to public safety; providing funding changes for public safety, the judiciary, private detective board, human rights, and corrections; authorizing the Office of Administrative Hearings to review driver's license revocation or disqualification and motor vehicle plate impoundment resulting from implied consent violations; appropriating money; amending Minnesota Statutes 2008, sections 169A.52, subdivision 6; 169A.53; 169A.60, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 357.

Referred to the Committee on Judiciary.

Senators Ingebrigtsen and Hann introduced—

S.F. No. 3230: A bill for an act relating to energy; abolishing 2025 renewable energy standards; making clarifying changes; amending Minnesota Statutes 2008, sections 3.8851, subdivision 3; 216B.1691, as amended.

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

Senator Murphy introduced–

S.F. No. 3231: A bill for an act relating to transportation; establishing a transportation economic development assistance program; establishing accounts and appropriating funds; amending the petroleum tank release cleanup fee; requiring legislative reporting; amending Minnesota Statutes 2008, sections 115C.07, by adding a subdivision; 115C.08, as amended; 446A.085, subdivisions 1, 2, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 446A.

Referred to the Committee on Finance.

Senator Murphy introduced–

S.F. No. 3232: A bill for an act relating to transportation; amending provisions governing authorization and discontinuance of special plates; amending Minnesota Statutes 2008, sections 168.002, by adding a subdivision; 168.1293.

Referred to the Committee on Transportation.

Senators Pogemiller, Tomassoni and Metzen introduced–

S.F. No. 3233: A bill for an act relating to state government; establishing certain requirements for state contracts valued at more than \$100,000; proposing coding for new law in Minnesota Statutes, chapter 16C.

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

Senators Gerlach, Hann, Vickerman, Ingebrigtsen and Skoe introduced–

S.F. No. 3234: A bill for an act relating to veterans; broadening eligibility for the bid preference program for designated veteran-owned small businesses bidding for state contracts for goods and services; amending Minnesota Statutes 2009 Supplement, sections 16C.16, subdivision 6a; 16C.19.

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

Senator Rosen introduced–

S.F. No. 3235: A bill for an act relating to agriculture; requiring a terminal capacity study; appropriating money.

Referred to the Committee on Finance.

Senators Rosen, Lynch, Marty, Lourey and Hann introduced–

S.F. No. 3236: A bill for an act relating to human services; establishing a long-term care liaison office in the Department of Health; establishing duties; requiring state agency cooperation; appropriating money; amending Minnesota Statutes 2008, sections 16A.06, by adding a subdivision; 45.012; 174.23, by adding a subdivision; 175.17; 256.01, by adding a subdivision; 270C.02, by adding a subdivision; 299A.01, subdivision 2; 462A.07, by adding a subdivision; Minnesota Statutes 2009 Supplement, section 116J.401, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144A.

Referred to the Committee on Finance.

Senators Gerlach, Prettner Solon, Koering, Limmer and Sheran introduced—

S.F. No. 3237: A bill for an act relating to state government; clarifying uses of certain fees; changing certain appropriations and programs; amending Minnesota Statutes 2008, section 214.06, subdivision 1a; Laws 2009, chapter 79, article 13, section 5, as amended.

Referred to the Committee on Finance.

Senator Berglin introduced—

S.F. No. 3238: A bill for an act relating to health; modifying the definition of an essential community provider; amending Minnesota Statutes 2008, section 62Q.19, subdivisions 1, 2a, 5b.

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

Senators Koch, Pariseau and Fischbach introduced—

S.F. No. 3239: A bill for an act relating to economic development; merging the greater Minnesota business development public infrastructure and bioscience business development public infrastructure grant programs; modifying licensing provisions; imposing and modifying certain license fees; reducing appropriations; appropriating money; amending Minnesota Statutes 2008, sections 326B.133, subdivisions 1, 3, 8, 11, by adding subdivisions; 326B.197; 326B.33, subdivisions 18, 20, 21; 326B.42, by adding subdivisions; 326B.44; 326B.46, as amended; 326B.47; 326B.475, subdivision 2; 326B.50, by adding subdivisions; 326B.54; 326B.55, as amended if enacted; 326B.56, as amended; 326B.805, subdivision 6; 326B.83, subdivisions 1, 3, 6; 326B.865; 326B.921, subdivisions 2, 4, 7; 326B.922; 326B.978, subdivision 2, by adding a subdivision; 327B.04, subdivision 2; Minnesota Statutes 2009 Supplement, sections 326B.33, subdivision 19; 326B.475, subdivision 4; 326B.49, subdivision 1; 326B.58; 326B.815, subdivision 1; 326B.86, subdivision 1; 326B.94, subdivision 4; 326B.986, subdivision 5; 327B.04, subdivisions 7, 7a, 8; 327B.041; proposing coding for new law in Minnesota Statutes, chapters 116J; 326B; repealing Minnesota Statutes 2008, sections 116J.431, subdivisions 3, 7, 8; 116J.435, subdivisions 1, 4, 5, 6, 7; 326B.133, subdivisions 9, 10; 326B.37, subdivision 13; 326B.475, subdivisions 5, 6; 326B.56, subdivision 3; 326B.885, subdivisions 3, 4; 326B.976; Minnesota Statutes 2009 Supplement, sections 116J.431, subdivisions 1, 1a, 2, 4, 6; 116J.435, subdivisions 2, 3; 326B.56, subdivision 4; Minnesota Rules, parts 1301.0500; 1301.0900; 1301.1100, subparts 2, 3, 4; 1350.7200, subpart 3; 1350.8000, subpart 2.

Referred to the Committee on Finance.

Senator Dahle introduced—

S.F. No. 3240: A bill for an act relating to education; establishing a five-year pilot program allowing alternative learning centers and charter schools to identify systemic improvement measures to best serve eligible students; appropriating money.

Referred to the Committee on Education.

Senators Tomassoni, Gerlach, Rummel and Clark introduced—

S.F. No. 3241: A bill for an act relating to education; requiring equal treatment of students eligible for free or reduced price meals; prohibiting certain collection activities; amending Minnesota Statutes 2008, section 124D.111, by adding subdivisions.

Referred to the Committee on Finance.

Senator Foley introduced—

S.F. No. 3242: A bill for an act relating to public safety; broadening the definition of "BB gun" to include certain realistic appearing airsoft guns; amending Minnesota Statutes 2008, sections 609.66, subdivision 1d; 609.713, subdivision 3; 624.7181, subdivision 1.

Referred to the Committee on Judiciary.

Senator Foley introduced—

S.F. No. 3243: A bill for an act relating to education finance; authorizing school districts to transfer money among funds and accounts.

Referred to the Committee on Finance.

Senator Scheid introduced—

S.F. No. 3244: A bill for an act relating to crime; requiring registration for persons convicted or adjudicated in another country for offenses requiring registration in Minnesota; clarifying that registration time period of predatory offender restarts after conviction of new crime; including attempt, aiding and abetting, and conspiracy to commit crimes against persons for purposes of registration for predatory offender registration law; amending Minnesota Statutes 2008, sections 243.166, subdivisions 3a, 4, 5; 243.167, subdivision 1; Minnesota Statutes 2009 Supplement, section 243.166, subdivisions 1b, 6.

Referred to the Committee on Judiciary.

Senator Torres Ray introduced—

S.F. No. 3245: A bill for an act relating to early childhood education; modifying the child care assistance programs; amending Minnesota Statutes 2008, sections 119B.025, subdivision 1; 119B.09, subdivision 4.

Referred to the Committee on Education.

Senator Latz introduced—

S.F. No. 3246: A bill for an act relating to claims against the state; providing for settlement of certain claims; appropriating money.

Referred to the Committee on Finance.

Senator Kelash introduced—

S.F. No. 3247: A bill for an act relating to higher education; requiring the Board of Trustees of the Minnesota State Colleges and Universities to study technical education credentials.

Referred to the Committee on Higher Education.

Senator Lourey introduced—

S.F. No. 3248: A bill for an act relating to ambulance services; requiring payment to providers of ambulance services within a geographic area; proposing coding for new law in Minnesota Statutes, chapter 144E.

Referred to the Committee on Finance.

Senator Rummel introduced—

S.F. No. 3249: A bill for an act relating to environment; modifying appropriation to prevent water pollution from polycyclic aromatic hydrocarbons; amending Laws 2009, chapter 172, article 2, section 4.

Referred to the Committee on Finance.

Senators Rummel and Torres Ray introduced—

S.F. No. 3250: A bill for an act relating to consumer protection; regulating consumer contracts; imposing certain language requests; providing remedies; amending Minnesota Statutes 2008, section 325G.31.

Referred to the Committee on Commerce and Consumer Protection.

Senator Berglin introduced—

S.F. No. 3251: A bill for an act relating to human services; modifying certain provisions regarding persons with sexual psychopathic personalities; amending Minnesota Statutes 2008, sections 253B.05, subdivision 1; 253B.10, subdivision 5; 253B.15, subdivision 1; 253B.18, subdivision 5a; 253B.185; 253B.19, subdivision 2; Minnesota Statutes 2009 Supplement, section 253B.14.

Referred to the Committee on Judiciary.

Senator Stumpf introduced—

S.F. No. 3252: A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land.

Referred to the Committee on Environment and Natural Resources.

Senator Carlson introduced–

S.F. No. 3253: A bill for an act relating to civil commitment; modifying certain emergency hold provisions; amending Minnesota Statutes 2008, sections 253B.02, by adding a subdivision; 253B.05, subdivisions 1, 2b, 3.

Referred to the Committee on Judiciary.

Senator Olson, G. introduced–

S.F. No. 3254: A bill for an act relating to motor vehicles; making technical corrections to provisions relating to park trailers; updating references to certain federal law and regulations; amending Minnesota Statutes 2008, sections 168.013, subdivision 1; 168A.085, subdivision 1; repealing Minnesota Statutes 2008, section 168.098.

Referred to the Committee on Transportation.

Senator Kubly introduced–

S.F. No. 3255: A bill for an act relating to energy; modifying provisions relating to wind easements; amending Minnesota Statutes 2008, section 500.30, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapter 216F.

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

Senator Doll introduced–

S.F. No. 3256: A bill for an act relating to child care; requiring child care centers to develop a risk reduction plan; defining the term nonmaltreatment mistake; amending Minnesota Statutes 2008, section 245A.66; Minnesota Statutes 2009 Supplement, section 626.556, subdivisions 2, 10e.

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

Senators Ingebrigtsen and Ortman introduced–

S.F. No. 3257: A bill for an act relating to public safety; extending the felony of fraudulent or other improper finance statements to include retaliation against a sheriff for executing the duties connected with a sheriff's sale of real property or county recorder for executing the duties connected with a lien placed on real property; amending Minnesota Statutes 2008, section 609.7475, subdivision 3.

Referred to the Committee on Judiciary.

Senator Doll introduced–

S.F. No. 3258: A bill for an act relating to public safety; amending the controlled substance schedules by adding tramadol to schedule IV; amending Minnesota Statutes 2008, section 152.02, subdivision 5.

Referred to the Committee on Judiciary.

Senator Berglin introduced—

S.F. No. 3259: A bill for an act relating to human services; modifying the ICF/MR provider surcharge; providing a medical assistance rate increase; amending Minnesota Statutes 2008, sections 256.9657, subdivision 3a; 256B.5012, by adding a subdivision.

Referred to the Committee on Finance.

Senators Olseen, Betzold, Murphy, Erickson Ropes and Olson, M. introduced—

S.F. No. 3260: A bill for an act relating to appropriations; requiring reports of transfers out of the Support Our Troops account; requiring return of Support Our Troops money to Support Our Troops account; amending Minnesota Statutes 2008, section 190.19, subdivision 3.

Referred to the Committee on Finance.

MOTIONS AND RESOLUTIONS

Senator Olson, G. moved that the name of Senator Sieben be added as a co-author to S.F. No. 2199. The motion prevailed.

Senator Stumpf moved that his name be stricken as a co-author to S.F. No. 2494. The motion prevailed.

Senator Saxhaug moved that the name of Senator Olson, G. be added as a co-author to S.F. No. 2494. The motion prevailed.

Senator Doll moved that the name of Senator Rest be added as a co-author to S.F. No. 2720. The motion prevailed.

Senator Metzen moved that the name of Senator Sieben be added as a co-author to S.F. No. 2976. The motion prevailed.

Senator Torres Ray moved that the names of Senators Marty and Higgins be added as co-authors to S.F. No. 3009. The motion prevailed.

Senator Skogen moved that the names of Senators Sparks and Senjem be added as co-authors to S.F. No. 3126. The motion prevailed.

Senator Erickson Ropes moved that the name of Senator Parry be added as a co-author to S.F. No. 3147. The motion prevailed.

Senator Anderson moved that the name of Senator Metzen be added as a co-author to S.F. No. 3175. The motion prevailed.

Senator Saltzman moved that S.F. No. 3113 be withdrawn from the Committee on Transportation and re-referred to the Committee on Finance. The motion prevailed.

Senator Pogemiller introduced –

Senate Resolution No. 159: A Senate resolution honoring the memory of Darcy Pohland.

Referred to the Committee on Rules and Administration.

Senator Sieben moved that H.F. No. 3111, No. 1 on the Calendar, be stricken and placed on General Orders. The motion prevailed.

Senator Sieben moved that H.F. No. 3108, No. 2 on the Calendar, be stricken and placed on General Orders. The motion prevailed.

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

CONSENT CALENDAR

S.F. No. 2494: A resolution memorializing Congress and the Secretary of Agriculture to appropriate money and negotiate with the State of Minnesota on the sale and exchange of school trust lands.

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

The question was taken on the passage of the resolution.

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

Those who voted in the affirmative were:

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

So the resolution passed and its title was agreed to.

S.F. No. 2946: A bill for an act relating to drivers' licenses; allowing collection of fees under the license reinstatement diversion pilot program to be extended for 18 months; amending Laws 2009, chapter 59, article 3, section 4, subdivision 9.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Chaudhary	Dille	Foley	Higgins
Berglin	Clark	Doll	Frederickson	Ingebrigtsen
Betzold	Cohen	Erickson Ropes	Gerlach	Johnson
Bonoff	Dahle	Fischbach	Gimse	Jungbauer
Carlson	Dibble	Fobbe	Hann	Kelash

Koch	Metzen	Pariseau	Saltzman	Stumpf
Koering	Michel	Parry	Saxhaug	Tomassoni
Kubly	Moua	Pogemiller	Scheid	Torres Ray
Latz	Olseen	Prettner Solon	Senjem	Vandever
Limmer	Olson, G.	Rest	Sheran	Vickerman
Lourey	Olson, M.	Robling	Sieben	Wiger
Lynch	Ortman	Rosen	Skoe	
Marty	Pappas	Rummel	Skogen	

So the bill passed and its title was agreed to.

RECESS

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees 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 Murphy from the Committee on Transportation, to which was referred

S.F. No. 593: A bill for an act relating to traffic regulations; modifying provisions governing operation of wireless communications device while operating motor vehicle; amending Minnesota Statutes 2008, sections 169.475; 171.05, subdivision 2b; 171.055, subdivision 2; repealing Minnesota Statutes 2008, section 169.443, subdivision 9.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 169.475, is amended to read:

169.475 USE OF WIRELESS COMMUNICATIONS DEVICE.

~~Subdivision 1. **Definition.** For purposes of this section, "electronic message" means a self-contained piece of digital communication that is designed or intended to be transmitted between physical devices. An electronic message includes, but is not limited to, e-mail, a text message, an instant message, a command or request to access a World Wide Web page, or other data that uses a commonly recognized electronic communications protocol. An electronic message does not include voice or other data transmitted as a result of making a phone call, or data transmitted automatically by a wireless communications device without direct initiation by a person.~~

Subd. 2. **Prohibition on use.** No person may operate a motor vehicle while using a wireless

communications device to compose, read, or send an electronic message, when the vehicle is in motion or a part of traffic.

Subd. 3. **Exceptions.** This section does not apply if a wireless communications device is used:

(1) solely in a voice-activated or other hands-free mode by a person who is not a school bus driver operating a school bus, an instruction permit holder, or a provisional license holder;

(2) for making a cellular phone call by the operator of an authorized emergency vehicle in the performance of official duties;

(3) for obtaining emergency assistance to (i) report a traffic accident, medical emergency, or serious traffic hazard, or (ii) prevent a crime about to be committed to report an illegal activity;

(4) in the reasonable belief that a person's life or safety is in immediate danger to summon medical emergency assistance; or

(5) in an authorized emergency vehicle while in the performance of official duties to attempt to prevent injury to a person or property."

Amend the title numbers accordingly

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

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

S.F. No. 3090: A bill for an act relating to motor vehicles; changing definition to conform to International Registration Plan for commercial motor vehicles; amending Minnesota Statutes 2008, section 168.187, subdivision 5.

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

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

S.F. No. 3092: A bill for an act relating to motor vehicles; clarifying provision exempting certain vehicles from displaying plates; amending Minnesota Statutes 2009 Supplement, section 168.012, subdivision 1.

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

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

S.F. No. 3091: A bill for an act relating to public safety; conforming medical examination requirements for commercial driver's license to federal law; amending Minnesota Statutes 2008, sections 171.01, by adding subdivisions; 171.04, by adding a subdivision; 171.09, subdivision 1; 171.12, subdivisions 2a, 3; 171.162.

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

Page 2, line 11, delete everything after "390.5" and insert a period

Page 2, delete line 12

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

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

S.F. No. 2429: A bill for an act relating to veterans; clarifying the transit fee exemption provisions related to veterans with service-connected disabilities; amending Minnesota Statutes 2009 Supplement, sections 174.24, subdivision 7; 473.408, subdivision 10.

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

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

S.F. No. 2797: A bill for an act relating to education; permitting advertisements within a baseball field.

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

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

S.F. No. 3089: A bill for an act relating to drivers' licenses; modifying procedure for suspending driver's license for failure to appear in court in compliance with traffic citation; amending Minnesota Statutes 2008, section 169.92, subdivision 4.

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

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 460: A bill for an act relating to human services; prohibiting hospital and physician payment for certain hospital-acquired conditions and certain treatments; amending Minnesota Statutes 2008, sections 256.969, by adding a subdivision; 256B.0625, subdivision 3.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL ASSISTANCE MEDICAL CARE

Section 1. [245.4862] MENTAL HEALTH URGENT CARE AND PSYCHIATRIC CONSULTATION.

Subdivision 1. **Mental health urgent care and psychiatric consultation.** The commissioner shall include mental health urgent care and psychiatric consultation services as part of, but not limited to, the redesign of six community-based behavioral health hospitals and the Anoka-Metro Regional Treatment Center. These services must not duplicate existing services in the region, and must be implemented as specified in subdivisions 3 to 7.

Subd. 2. **Definitions.** For purposes of this section:

(a) Mental health urgent care includes:

- (1) initial mental health screening;
 - (2) mobile crisis assessment and intervention;
 - (3) rapid access to psychiatry, including psychiatric evaluation, initial treatment, and short-term psychiatry;
 - (4) nonhospital crisis stabilization residential beds; and
 - (5) health care navigator services that include, but are not limited to, assisting uninsured individuals in obtaining health care coverage.
- (b) Psychiatric consultation services includes psychiatric consultation to primary care practitioners.

Subd. 3. **Rapid access to psychiatry.** The commissioner shall develop rapid access to psychiatric services based on the following criteria:

- (1) the individuals who receive the psychiatric services must be at risk of hospitalization and otherwise unable to receive timely services;
- (2) where clinically appropriate, the service may be provided via interactive video where the service is provided in conjunction with an emergency room, a local crisis service, or a primary care or behavioral care practitioner; and
- (3) the commissioner may integrate rapid access to psychiatry with the psychiatric consultation services in subdivision 4.

Subd. 4. **Collaborative psychiatric consultation.** (a) The commissioner shall establish a collaborative psychiatric consultation service based on the following criteria:

- (1) the service may be available via telephone, interactive video, e-mail, or other means of communication to emergency rooms, local crisis services, mental health professionals, and primary care practitioners, including pediatricians;
- (2) the service shall be provided by a multidisciplinary team including, at a minimum, a child and adolescent psychiatrist, an adult psychiatrist, and a licensed clinical social worker;
- (3) the service shall include a triage-level assessment to determine the most appropriate response to each request, including appropriate referrals to other mental health professionals, as well as provision of rapid psychiatric access when other appropriate services are not available;
- (4) the first priority for this service is to provide the consultations required under section 256B.0625, subdivision 13j; and
- (5) the service must encourage use of cognitive and behavioral therapies and other evidence-based treatments in addition to or in place of medication, where appropriate.

(b) The commissioner shall appoint an interdisciplinary work group to establish appropriate medication and psychotherapy protocols to guide the consultative process, including consultation with the Drug Utilization Review Board, as provided in section 256B.0625, subdivision 13j.

Subd. 5. **Phased availability.** (a) The commissioner may phase in the availability of

mental health urgent care services based on the limits of appropriations and the commissioner's determination of level of need and cost-effectiveness.

(b) For subdivisions 3 and 4, the first phase must focus on adults in Hennepin and Ramsey Counties and children statewide who are affected by section 256B.0625, subdivision 13j, and must include tracking of costs for the services provided and associated impacts on utilization of inpatient, emergency room, and other services.

Subd. 6. **Limited appropriations.** The commissioner shall maximize use of available health care coverage for the services provided under this section. The commissioner's responsibility to provide these services for individuals without health care coverage must not exceed the appropriations for this section.

Subd. 7. **Flexible implementation.** To implement this section, the commissioner shall select the structure and funding method that is the most cost-effective for each county or group of counties. This may include grants, contracts, direct provision by state-operated services, and public-private partnerships. Where feasible, the commissioner shall make any grants under this section a part of the integrated adult mental health initiative grants under section 245.4661.

Sec. 2. Minnesota Statutes 2009 Supplement, section 256.969, subdivision 3a, is amended to read:

Subd. 3a. **Payments.** (a) Acute care hospital billings under the medical assistance program must not be submitted until the recipient is discharged. However, the commissioner shall establish monthly interim payments for inpatient hospitals that have individual patient lengths of stay over 30 days regardless of diagnostic category. Except as provided in section 256.9693, medical assistance reimbursement for treatment of mental illness shall be reimbursed based on diagnostic classifications. Individual hospital payments established under this section and sections 256.9685, 256.9686, and 256.9695, in addition to third party and recipient liability, for discharges occurring during the rate year shall not exceed, in aggregate, the charges for the medical assistance covered inpatient services paid for the same period of time to the hospital. This payment limitation shall be calculated separately for medical assistance and general assistance medical care services. The limitation on general assistance medical care shall be effective for admissions occurring on or after July 1, 1991. Services that have rates established under subdivision 11 or 12, must be limited separately from other services. After consulting with the affected hospitals, the commissioner may consider related hospitals one entity and may merge the payment rates while maintaining separate provider numbers. The operating and property base rates per admission or per day shall be derived from the best Medicare and claims data available when rates are established. The commissioner shall determine the best Medicare and claims data, taking into consideration variables of recency of the data, audit disposition, settlement status, and the ability to set rates in a timely manner. The commissioner shall notify hospitals of payment rates by December 1 of the year preceding the rate year. The rate setting data must reflect the admissions data used to establish relative values. Base year changes from 1981 to the base year established for the rate year beginning January 1, 1991, and for subsequent rate years, shall not be limited to the limits ending June 30, 1987, on the maximum rate of increase under subdivision 1. The commissioner may adjust base year cost, relative value, and case mix index data to exclude the costs of services that have been discontinued by the October 1 of the year preceding the rate year or that are paid separately from inpatient services. Inpatient stays that encompass portions of two or more rate years shall have payments established based on payment rates in effect at the time of admission unless the date of admission

preceded the rate year in effect by six months or more. In this case, operating payment rates for services rendered during the rate year in effect and established based on the date of admission shall be adjusted to the rate year in effect by the hospital cost index.

(b) For fee-for-service admissions occurring on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for inpatient services is reduced by .5 percent from the current statutory rates.

(c) In addition to the reduction in paragraph (b), the total payment for fee-for-service admissions occurring on or after July 1, 2003, made to hospitals for inpatient services before third-party liability and spenddown, is reduced five percent from the current statutory rates. Mental health services within diagnosis related groups 424 to 432, and facilities defined under subdivision 16 are excluded from this paragraph.

(d) In addition to the reduction in paragraphs (b) and (c), the total payment for fee-for-service admissions occurring on or after August 1, 2005, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 6.0 percent from the current statutory rates. Mental health services within diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Notwithstanding section 256.9686, subdivision 7, for purposes of this paragraph, medical assistance does not include general assistance medical care. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2006, to reflect this reduction.

(e) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2008, through June 30, 2009, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 3.46 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2009, through June 30, 2009, to reflect this reduction.

(f) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2009, through June 30, ~~2010~~ 2011, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.9 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after July 1, 2009, through June 30, ~~2010~~ 2011, to reflect this reduction.

(g) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, ~~2010~~ 2011, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.79 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after July 1, ~~2010~~ 2011, to reflect this reduction.

(h) In addition to the reductions in paragraphs (b), (c), (d), (f), and (g), the total payment for fee-for-service admissions occurring on or after July 1, 2009, made to hospitals for inpatient services before third-party liability and spenddown, is reduced one percent from the current statutory rates. Facilities defined under subdivision 16 are excluded from this paragraph. Payments

made to managed care plans shall be reduced for services provided on or after October 1, 2009, to reflect this reduction.

EFFECTIVE DATE. This section is effective April 1, 2010.

Sec. 3. Minnesota Statutes 2008, section 256.969, subdivision 27, is amended to read:

Subd. 27. **Quarterly payment adjustment.** (a) In addition to any other payment under this section, the commissioner shall make the following payments effective July 1, 2007:

(1) for a hospital located in Minnesota and not eligible for payments under subdivision 20, with a medical assistance inpatient utilization rate greater than 17.8 percent of total patient days as of the base year in effect on July 1, 2005, a payment equal to 13 percent of the total of the operating and property payment rates;

(2) for a hospital located in Minnesota in a specified urban area outside of the seven-county metropolitan area and not eligible for payments under subdivision 20, with a medical assistance inpatient utilization rate less than or equal to 17.8 percent of total patient days as of the base year in effect on July 1, 2005, a payment equal to ten percent of the total of the operating and property payment rates. For purposes of this clause, the following cities are specified urban areas: Detroit Lakes, Rochester, Willmar, Alexandria, Austin, Cambridge, Brainerd, Hibbing, Mankato, Duluth, St. Cloud, Grand Rapids, Wyoming, Fergus Falls, Albert Lea, Winona, Virginia, Thief River Falls, and Wadena;

(3) for a hospital located in Minnesota but not located in a specified urban area under clause (2), with a medical assistance inpatient utilization rate less than or equal to 17.8 percent of total patient days as of the base year in effect on July 1, 2005, a payment equal to four percent of the total of the operating and property payment rates. A hospital located in Woodbury and not in existence during the base year shall be reimbursed under this clause; and

(4) in addition to any payments under clauses (1) to (3), for a hospital located in Minnesota and not eligible for payments under subdivision 20 with a medical assistance inpatient utilization rate of 17.9 percent of total patient days as of the base year in effect on July 1, 2005, a payment equal to eight percent of the total of the operating and property payment rates, and for a hospital located in Minnesota and not eligible for payments under subdivision 20 with a medical assistance inpatient utilization rate of 59.6 percent of total patient days as of the base year in effect on July 1, 2005, a payment equal to nine percent of the total of the operating and property payment rates. After making any ratable adjustments required under paragraph (b), the commissioner shall proportionately reduce payments under clauses (2) and (3) by an amount needed to make payments under this clause.

(b) The state share of payments under paragraph (a) shall be equal to federal reimbursements to the commissioner to reimburse expenditures reported under section 256B.199, paragraphs (a) to (d). The commissioner shall ratably reduce or increase payments under this subdivision in order to ensure that these payments equal the amount of reimbursement received by the commissioner under section 256B.199, paragraphs (a) to (d), except that payments shall be ratably reduced by an amount equivalent to the state share of a four percent reduction in MinnesotaCare and medical assistance payments for inpatient hospital services. Effective July 1, 2009, the ratable reduction shall be equivalent to the state share of a three percent reduction in these payments. Effective for federal disproportionate share hospital funds earned on payments reported under section 256B.199, paragraphs (a) to (d), for services rendered on or after January 1, 2009, payments shall not be made

under this subdivision or subdivision 28.

(c) The payments under paragraph (a) shall be paid quarterly based on each hospital's operating and property payments from the second previous quarter, beginning on July 15, 2007, or upon federal approval of federal reimbursements under section 256B.199, paragraphs (a) to (d), whichever occurs later.

(d) The commissioner shall not adjust rates paid to a prepaid health plan under contract with the commissioner to reflect payments provided in paragraph (a).

(e) The commissioner shall maximize the use of available federal money for disproportionate share hospital payments and shall maximize payments to qualifying hospitals. In order to accomplish these purposes, the commissioner may, in consultation with the nonstate entities identified in section 256B.199, paragraphs (a) to (d), adjust, on a pro rata basis if feasible, the amounts reported by nonstate entities under section 256B.199, paragraphs (a) to (d), when application for reimbursement is made to the federal government, and otherwise adjust the provisions of this subdivision. The commissioner shall utilize a settlement process based on finalized data to maximize revenue under section 256B.199, paragraphs (a) to (d), and payments under this section.

(f) For purposes of this subdivision, medical assistance does not include general assistance medical care.

EFFECTIVE DATE. This section is effective for services rendered on or after April 1, 2010.

Sec. 4. Minnesota Statutes 2008, section 256B.0625, subdivision 13f, is amended to read:

Subd. 13f. **Prior authorization.** (a) The Formulary Committee shall review and recommend drugs which require prior authorization. The Formulary Committee shall establish general criteria to be used for the prior authorization of brand-name drugs for which generically equivalent drugs are available, but the committee is not required to review each brand-name drug for which a generically equivalent drug is available.

(b) Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The Formulary Committee may recommend drugs for prior authorization directly to the commissioner. The commissioner may also request that the Formulary Committee review a drug for prior authorization. Before the commissioner may require prior authorization for a drug:

(1) the commissioner must provide information to the Formulary Committee on the impact that placing the drug on prior authorization may have on the quality of patient care and on program costs, information regarding whether the drug is subject to clinical abuse or misuse, and relevant data from the state Medicaid program if such data is available;

(2) the Formulary Committee must review the drug, taking into account medical and clinical data and the information provided by the commissioner; and

(3) the Formulary Committee must hold a public forum and receive public comment for an additional 15 days.

The commissioner must provide a 15-day notice period before implementing the prior authorization.

(c) Except as provided in subdivision 13j, prior authorization shall not be required or utilized

for any atypical antipsychotic drug prescribed for the treatment of mental illness if:

- (1) there is no generically equivalent drug available; and
- (2) the drug was initially prescribed for the recipient prior to July 1, 2003; or
- (3) the drug is part of the recipient's current course of treatment.

This paragraph applies to any multistate preferred drug list or supplemental drug rebate program established or administered by the commissioner. Prior authorization shall automatically be granted for 60 days for brand name drugs prescribed for treatment of mental illness within 60 days of when a generically equivalent drug becomes available, provided that the brand name drug was part of the recipient's course of treatment at the time the generically equivalent drug became available.

(d) Prior authorization shall not be required or utilized for any antihemophilic factor drug prescribed for the treatment of hemophilia and blood disorders where there is no generically equivalent drug available if the prior authorization is used in conjunction with any supplemental drug rebate program or multistate preferred drug list established or administered by the commissioner.

(e) The commissioner may require prior authorization for brand name drugs whenever a generically equivalent product is available, even if the prescriber specifically indicates "dispense as written-brand necessary" on the prescription as required by section 151.21, subdivision 2.

(f) Notwithstanding this subdivision, the commissioner may automatically require prior authorization, for a period not to exceed 180 days, for any drug that is approved by the United States Food and Drug Administration on or after July 1, 2005. The 180-day period begins no later than the first day that a drug is available for shipment to pharmacies within the state. The Formulary Committee shall recommend to the commissioner general criteria to be used for the prior authorization of the drugs, but the committee is not required to review each individual drug. In order to continue prior authorizations for a drug after the 180-day period has expired, the commissioner must follow the provisions of this subdivision.

EFFECTIVE DATE. This section is effective April 1, 2010.

Sec. 5. Minnesota Statutes 2008, section 256B.0625, is amended by adding a subdivision to read:

Subd. 13j. Antipsychotic and attention deficit disorder and attention deficit hyperactivity disorder medications. (a) The commissioner, in consultation with the Drug Utilization Review Board established in subdivision 13i and actively practicing pediatric mental health professionals, must:

(1) identify recommended pediatric dose ranges for atypical antipsychotic drugs and drugs used for attention deficit disorder or attention deficit hyperactivity disorder based on available medical, clinical, and safety data and research. The commissioner shall periodically review the list of medications and pediatric dose ranges and update the medications and doses listed as needed after consultation with the Drug Utilization Review Board;

(2) identify situations where a collaborative psychiatric consultation and prior authorization should be required before the initiation or continuation of drug therapy in pediatric patients including, but not limited to, high-dose regimens, off-label use of prescription medication, a

patient's young age, and lack of coordination among multiple prescribing providers; and

(3) track prescriptive practices and the use of psychotropic medications in children with the goal of reducing the use of medication, where appropriate.

(b) Effective July 1, 2011, the commissioner shall require prior authorization and a collaborative psychiatric consultation before an atypical antipsychotic and attention deficit disorder and attention deficit hyperactivity disorder medication meeting the criteria identified in paragraph (a), clause (2), is eligible for payment. A collaborative psychiatric consultation must be completed before the identified medications are eligible for payment unless:

- (1) the patient has already been stabilized on the medication regimen; or
- (2) the prescriber indicates that the child is in crisis.

If clause (1) or (2) applies, the collaborative psychiatric consultation must be completed within 90 days for payment to continue.

(c) For purposes of this subdivision, a collaborative psychiatric consultation must meet the criteria described in section 245.4862, subdivision 4.

Sec. 6. Minnesota Statutes 2008, section 256B.0644, is amended to read:

256B.0644 REIMBURSEMENT UNDER OTHER STATE HEALTH CARE PROGRAMS.

(a) A vendor of medical care, as defined in section 256B.02, subdivision 7, and a health maintenance organization, as defined in chapter 62D, must participate as a provider or contractor in the medical assistance program, general assistance medical care program, and MinnesotaCare as a condition of participating as a provider in health insurance plans and programs or contractor for state employees established under section 43A.18, the public employees insurance program under section 43A.316, for health insurance plans offered to local statutory or home rule charter city, county, and school district employees, the workers' compensation system under section 176.135, and insurance plans provided through the Minnesota Comprehensive Health Association under sections 62E.01 to 62E.19. The limitations on insurance plans offered to local government employees shall not be applicable in geographic areas where provider participation is limited by managed care contracts with the Department of Human Services.

(b) For providers other than health maintenance organizations, participation in the medical assistance program means that:

(1) the provider accepts new medical assistance, general assistance medical care, and MinnesotaCare patients;

(2) for providers other than dental service providers, at least 20 percent of the provider's patients are covered by medical assistance, general assistance medical care, and MinnesotaCare as their primary source of coverage; or

(3) for dental service providers, at least ten percent of the provider's patients are covered by medical assistance, general assistance medical care, and MinnesotaCare as their primary source of coverage, or the provider accepts new medical assistance and MinnesotaCare patients who are children with special health care needs. For purposes of this section, "children with special

health care needs" means children up to age 18 who: (i) require health and related services beyond that required by children generally; and (ii) have or are at risk for a chronic physical, developmental, behavioral, or emotional condition, including: bleeding and coagulation disorders; immunodeficiency disorders; cancer; endocrinopathy; developmental disabilities; epilepsy, cerebral palsy, and other neurological diseases; visual impairment or deafness; Down syndrome and other genetic disorders; autism; fetal alcohol syndrome; and other conditions designated by the commissioner after consultation with representatives of pediatric dental providers and consumers.

(c) Patients seen on a volunteer basis by the provider at a location other than the provider's usual place of practice may be considered in meeting the participation requirement in this section. The commissioner shall establish participation requirements for health maintenance organizations. The commissioner shall provide lists of participating medical assistance providers on a quarterly basis to the commissioner of management and budget, the commissioner of labor and industry, and the commissioner of commerce. Each of the commissioners shall develop and implement procedures to exclude as participating providers in the program or programs under their jurisdiction those providers who do not participate in the medical assistance program. The commissioner of management and budget shall implement this section through contracts with participating health and dental carriers.

(d) Any hospital or other provider that is participating in a coordinated care delivery system under section 256D.031, subdivision 6, or receives payments from the uncompensated care pool under section 256D.031, subdivision 8, shall not refuse to provide services to any patient enrolled in general assistance medical care regardless of the availability or the amount of payment.

(e) For purposes of paragraphs (a) and (b), participation in the general assistance medical care program applies only to pharmacy providers.

Sec. 7. Minnesota Statutes 2009 Supplement, section 256B.0947, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Effective November 1, ~~2010~~ 2011, and subject to federal approval, medical assistance covers medically necessary, intensive nonresidential rehabilitative mental health services as defined in subdivision 2, for recipients as defined in subdivision 3, when the services are provided by an entity meeting the standards in this section.

Sec. 8. Minnesota Statutes 2009 Supplement, section 256B.196, subdivision 2, is amended to read:

Subd. 2. **Commissioner's duties.** (a) For the purposes of this subdivision and subdivision 3, the commissioner shall determine the fee-for-service outpatient hospital services upper payment limit for nonstate government hospitals. The commissioner shall then determine the amount of a supplemental payment to Hennepin County Medical Center and Regions Hospital for these services that would increase medical assistance spending in this category to the aggregate upper payment limit for all nonstate government hospitals in Minnesota. In making this determination, the commissioner shall allot the available increases between Hennepin County Medical Center and Regions Hospital based on the ratio of medical assistance fee-for-service outpatient hospital payments to the two facilities. The commissioner shall adjust this allotment as necessary based on federal approvals, the amount of intergovernmental transfers received from Hennepin and Ramsey Counties, and other factors, in order to maximize the additional total payments. The commissioner shall inform Hennepin County and Ramsey County of the periodic intergovernmental transfers

necessary to match federal Medicaid payments available under this subdivision in order to make supplementary medical assistance payments to Hennepin County Medical Center and Regions Hospital equal to an amount that when combined with existing medical assistance payments to nonstate governmental hospitals would increase total payments to hospitals in this category for outpatient services to the aggregate upper payment limit for all hospitals in this category in Minnesota. Upon receipt of these periodic transfers, the commissioner shall make supplementary payments to Hennepin County Medical Center and Regions Hospital.

(b) For the purposes of this subdivision and subdivision 3, the commissioner shall determine an upper payment limit for physicians affiliated with Hennepin County Medical Center and with Regions Hospital. The upper payment limit shall be based on the average commercial rate or be determined using another method acceptable to the Centers for Medicare and Medicaid Services. The commissioner shall inform Hennepin County and Ramsey County of the periodic intergovernmental transfers necessary to match the federal Medicaid payments available under this subdivision in order to make supplementary payments to physicians affiliated with Hennepin County Medical Center and Regions Hospital equal to the difference between the established medical assistance payment for physician services and the upper payment limit. Upon receipt of these periodic transfers, the commissioner shall make supplementary payments to physicians of Hennepin Faculty Associates and HealthPartners.

(c) Beginning January 1, 2010, Hennepin County and Ramsey County ~~shall~~ may make monthly voluntary intergovernmental transfers to the commissioner in ~~the following~~ amounts: ~~\$133,333 by~~ not to exceed \$12,000,000 per year from Hennepin County and ~~\$100,000 by~~ \$6,000,000 per year from Ramsey County. The commissioner shall increase the medical assistance capitation payments to Metropolitan Health Plan and HealthPartners by any licensed health plan under contract with the medical assistance program that agrees to make enhanced payments to Hennepin County Medical Center or Regions Hospital. The increase shall be in an amount equal to the annual value of the monthly transfers plus federal financial participation, with each health plan receiving its pro rata share of the increase based on the pro rata share of medical assistance admissions to Hennepin County Medical Center and Regions Hospital by those plans. Upon the request of the commissioner, health plans shall submit individual-level cost data for verification purposes. The commissioner may ratably reduce these payments on a pro rata basis in order to satisfy federal requirements for actuarial soundness. If payments are reduced, transfers shall be reduced accordingly. Any licensed health plan that receives increased medical assistance capitation payments under the intergovernmental transfer described in this paragraph shall increase its medical assistance payments to Hennepin County Medical Center and Regions Hospital by the same amount as the increased payments received in the capitation payment described in this paragraph.

(d) The commissioner shall inform Hennepin County and Ramsey County on an ongoing basis of the need for any changes needed in the intergovernmental transfers in order to continue the payments under paragraphs (a) to (c), at their maximum level, including increases in upper payment limits, changes in the federal Medicaid match, and other factors.

(e) The payments in paragraphs (a) to (c) shall be implemented independently of each other, subject to federal approval and to the receipt of transfers under subdivision 3.

EFFECTIVE DATE. This section is effective 60 days after federal approval.

Sec. 9. **[256B.197] INTERGOVERNMENTAL TRANSFERS; INPATIENT HOSPITAL**

PAYMENTS.

Subdivision 1. **Federal approval required.** This section is effective for federal fiscal year 2010 and future years contingent on federal approval of the voluntary intergovernmental transfers and payments authorized under this section and contingent on payment of the intergovernmental transfers under this section.

Subd. 2. **Eligible nonstate government hospitals.** (a) Hennepin County Medical Center and Regions Hospital are eligible nonstate government hospitals.

(b) If the commissioner obtains federal approval to include other hospitals, including University of Minnesota Medical Center, Fairview, and SMDC Medical Center, the commissioner may expand the definition of eligible nonstate government hospitals to include other hospitals.

Subd. 3. **Commissioner's duties.** (a) For the purposes of this subdivision, the commissioner shall determine the fee-for-service inpatient hospital services upper payment limit for nonstate government hospitals. The commissioner shall determine, for each eligible nonstate government hospital, the amount of a supplemental payment for inpatient hospital services that would increase medical assistance spending for each eligible nonstate government hospital up to the amount that Medicare would pay for the Medicaid fee-for-service inpatient hospital services provided by that hospital. If the combined amount of such supplemental payment amounts and existing medical assistance payments for inpatient hospital services to all nonstate government hospitals is less than the upper payment limit, the commissioner shall increase the supplemental payment amount for each eligible nonstate government hospital in proportion to the initial supplemental payments in order to maximize the additional total payments.

(b) The commissioner shall inform each eligible nonstate government hospital and associated governmental entities of voluntary intergovernmental transfers necessary to provide the nonfederal share for the supplemental payment amount attributable to each eligible nonstate government hospital, as calculated under paragraph (a).

(c) Upon receipt of a voluntary intergovernmental transfer from a governmental entity associated with an eligible nonstate government hospital or from the eligible nonstate government hospital, the commissioner shall make a supplemental payment, using the amounts calculated under paragraph (a), to the associated eligible nonstate government hospital.

(d) The commissioner may implement the payments in this section through use of periodic payments and voluntary intergovernmental transfers.

(e) The commissioner shall inform eligible nonstate government hospitals and associated governmental entities on an ongoing basis of the need for any changes needed in the payment amounts or voluntary intergovernmental transfers in order to continue the payments under paragraph (c) at their maximum level, including increases in upper payment limits, changes in the federal Medicaid match, and other factors.

Sec. 10. Minnesota Statutes 2009 Supplement, section 256D.03, subdivision 3, is amended to read:

~~Subd. 3. **General assistance medical care; eligibility.** (a) General assistance medical care may be paid for any person who is not eligible for medical assistance under chapter 256B, including eligibility for medical assistance based on a spenddown of excess income according to section~~

~~256B.056, subdivision 5, or MinnesotaCare for applicants and recipients defined in paragraph (c), except as provided in paragraph (d), and: Beginning April 1, 2010, the general assistance medical care program shall be administered according to section 256D.031, unless otherwise stated, except for outpatient prescription drug coverage, which shall continue to be administered under this section and funded under section 256D.031, subdivision 9, beginning June 1, 2010.~~

~~(b) Outpatient prescription drug coverage under general assistance medical care is limited to prescription drugs that:~~

~~(1) are covered under the medical assistance program as described in section 256B.0625, subdivisions 13 and 13d; and~~

~~(2) are provided by manufacturers that have fully executed general assistance medical care rebate agreements with the commissioner and comply with the agreements. Outpatient prescription drug coverage under general assistance medical care must conform to coverage under the medical assistance program according to section 256B.0625, subdivisions 13 to 13g.~~

~~(1) who is receiving assistance under section 256D.05, except for families with children who are eligible under Minnesota family investment program (MFIP), or who is having a payment made on the person's behalf under sections 256L.01 to 256L.06; or~~

~~(2) who is a resident of Minnesota; and~~

~~(i) who has gross countable income not in excess of 75 percent of the federal poverty guidelines for the family size, using a six-month budget period and whose equity in assets is not in excess of \$1,000 per assistance unit. General assistance medical care is not available for applicants or enrollees who are otherwise eligible for medical assistance but fail to verify their assets. Enrollees who become eligible for medical assistance shall be terminated and transferred to medical assistance. Exempt assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in section 256B.056, subdivisions 3 and 3d, with the following exception: the maximum amount of undistributed funds in a trust that could be distributed to or on behalf of the beneficiary by the trustee, assuming the full exercise of the trustee's discretion under the terms of the trust, must be applied toward the asset maximum; or~~

~~(ii) who has gross countable income above 75 percent of the federal poverty guidelines but not in excess of 175 percent of the federal poverty guidelines for the family size, using a six-month budget period, whose equity in assets is not in excess of the limits in section 256B.056, subdivision 3c, and who applies during an inpatient hospitalization.~~

~~(b) The commissioner shall adjust the income standards under this section each July 1 by the annual update of the federal poverty guidelines following publication by the United States Department of Health and Human Services.~~

~~(c) Effective for applications and renewals processed on or after September 1, 2006, general assistance medical care may not be paid for applicants or recipients who are adults with dependent children under 21 whose gross family income is equal to or less than 275 percent of the federal poverty guidelines who are not described in paragraph (f).~~

~~(d) Effective for applications and renewals processed on or after September 1, 2006, general assistance medical care may be paid for applicants and recipients who meet all eligibility requirements of paragraph (a), clause (2), item (i), for a temporary period beginning the date of~~

~~application. Immediately following approval of general assistance medical care, enrollees shall be enrolled in MinnesotaCare under section 256L.04, subdivision 7, with covered services as provided in section 256L.03 for the rest of the six-month general assistance medical care eligibility period, until their six-month renewal.~~

~~(e) To be eligible for general assistance medical care following enrollment in MinnesotaCare as required by paragraph (d), an individual must complete a new application.~~

~~(f) Applicants and recipients eligible under paragraph (a), clause (2), item (i), are exempt from the MinnesotaCare enrollment requirements in this subdivision if they:~~

~~(1) have applied for and are awaiting a determination of blindness or disability by the state medical review team or a determination of eligibility for Supplemental Security Income or Social Security Disability Insurance by the Social Security Administration;~~

~~(2) fail to meet the requirements of section 256L.09, subdivision 2;~~

~~(3) are homeless as defined by United States Code, title 42, section 11301, et seq.;~~

~~(4) are classified as end-stage renal disease beneficiaries in the Medicare program;~~

~~(5) are enrolled in private health care coverage as defined in section 256B.02, subdivision 9;~~

~~(6) are eligible under paragraph (k);~~

~~(7) receive treatment funded pursuant to section 254B.02; or~~

~~(8) reside in the Minnesota sex offender program defined in chapter 246B.~~

~~(g) For applications received on or after October 1, 2003, eligibility may begin no earlier than the date of application. For individuals eligible under paragraph (a), clause (2), item (i), a redetermination of eligibility must occur every 12 months. Individuals are eligible under paragraph (a), clause (2), item (ii), only during inpatient hospitalization but may reapply if there is a subsequent period of inpatient hospitalization.~~

~~(h) Beginning September 1, 2006, Minnesota health care program applications and renewals completed by recipients and applicants who are persons described in paragraph (d) and submitted to the county agency shall be determined for MinnesotaCare eligibility by the county agency. If all other eligibility requirements of this subdivision are met, eligibility for general assistance medical care shall be available in any month during which MinnesotaCare enrollment is pending. Upon notification of eligibility for MinnesotaCare, notice of termination for eligibility for general assistance medical care shall be sent to an applicant or recipient. If all other eligibility requirements of this subdivision are met, eligibility for general assistance medical care shall be available until enrollment in MinnesotaCare subject to the provisions of paragraphs (d), (f), and (g).~~

~~(i) The date of an initial Minnesota health care program application necessary to begin a determination of eligibility shall be the date the applicant has provided a name, address, and Social Security number, signed and dated, to the county agency or the Department of Human Services. If the applicant is unable to provide a name, address, Social Security number, and signature when health care is delivered due to a medical condition or disability, a health care provider may act on an applicant's behalf to establish the date of an initial Minnesota health care program application by providing the county agency or Department of Human Services with provider identification and~~

a temporary unique identifier for the applicant. The applicant must complete the remainder of the application and provide necessary verification before eligibility can be determined. The applicant must complete the application within the time periods required under the medical assistance program as specified in Minnesota Rules, parts 9505.0015, subpart 5, and 9505.0090, subpart 2. The county agency must assist the applicant in obtaining verification if necessary.

~~(j) County agencies are authorized to use all automated databases containing information regarding recipients' or applicants' income in order to determine eligibility for general assistance medical care or MinnesotaCare. Such use shall be considered sufficient in order to determine eligibility and premium payments by the county agency.~~

~~(k) General assistance medical care is not available for a person in a correctional facility unless the person is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, and the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.~~

~~(l) General assistance medical care is not available for applicants or recipients who do not cooperate with the county agency to meet the requirements of medical assistance.~~

~~(m) In determining the amount of assets of an individual eligible under paragraph (a), clause (2), item (i), there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 60 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the county agency, or if the transfer was not reported, the month in which the county agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application.~~

~~(n) When determining eligibility for any state benefits under this subdivision, the income and resources of all noncitizens shall be deemed to include their sponsor's income and resources as defined in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, title IV, Public Law 104-193, sections 421 and 422, and subsequently set out in federal rules.~~

~~(o) Undocumented noncitizens and nonimmigrants are ineligible for general assistance medical care. For purposes of this subdivision, a nonimmigrant is an individual in one or more of the classes listed in United States Code, title 8, section 1101, subsection (a), paragraph (15), and an~~

~~undocumented noncitizen is an individual who resides in the United States without the approval or acquiescence of the United States Citizenship and Immigration Services.~~

~~(p) Notwithstanding any other provision of law, a noncitizen who is ineligible for medical assistance due to the deeming of a sponsor's income and resources, is ineligible for general assistance medical care.~~

~~(q) Effective July 1, 2003, general assistance medical care emergency services end.~~

(c) Outpatient prescription drug coverage does not include drugs administered in a clinic or other outpatient setting.

EFFECTIVE DATE. This section is effective April 1, 2010.

Sec. 11. **[256D.031] GENERAL ASSISTANCE MEDICAL CARE.**

Subdivision 1. **Eligibility.** (a) Except as provided under subdivision 2, general assistance medical care may be paid for any individual who is not eligible for medical assistance under chapter 256B, including eligibility for medical assistance based on a spenddown of excess income according to section 256B.056, subdivision 5, and who:

(1) is receiving assistance under section 256D.05, except for families with children who are eligible under the Minnesota family investment program (MFIP), or who is having a payment made on the person's behalf under sections 256I.01 to 256I.06; or

(2) is a resident of Minnesota and has gross countable income not in excess of 75 percent of federal poverty guidelines for the family size, using a six-month budget period, and whose equity in assets is not in excess of \$1,000 per assistance unit.

Exempt assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in section 256B.056, subdivisions 3 and 3d, except that the maximum amount of undistributed funds in a trust that could be distributed to or on behalf of the beneficiary by the trustee, assuming the full exercise of the trustee's discretion under the terms of the trust, must be applied toward the asset maximum.

(b) The commissioner shall adjust the income standards under this section each July 1 by the annual update of the federal poverty guidelines following publication by the United States Department of Health and Human Services.

Subd. 2. **Ineligible groups.** (a) General assistance medical care may not be paid for an applicant or a recipient who:

(1) is otherwise eligible for medical assistance but fails to verify the applicant's or recipient's assets;

(2) is an adult in a family with children as defined in section 256L.01, subdivision 3a;

(3) is enrolled in private health coverage as defined in section 256B.02, subdivision 9;

(4) is in a correctional facility, including an individual in a county correctional or detention facility as an individual accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order;

(5) resides in the Minnesota sex offender program defined in chapter 246B;

(6) does not cooperate with the county agency to meet the requirements of medical assistance;
or

(7) does not cooperate with a county or state agency or the state medical review team in determining a disability or for determining eligibility for Supplemental Security Income or Social Security Disability Insurance by the Social Security Administration.

(b) Undocumented noncitizens and nonimmigrants are ineligible for general assistance medical care. For purposes of this subdivision, a nonimmigrant is an individual in one or more of the classes listed in United States Code, title 8, section 1101, subsection (a), paragraph (15), and an undocumented noncitizen is an individual who resides in the United States without approval or acquiescence of the United States Citizenship and Immigration Services.

(c) Notwithstanding any other provision of law, a noncitizen who is ineligible for medical assistance due to the deeming of a sponsor's income and resources is ineligible for general assistance medical care.

(d) General assistance medical care recipients who become eligible for medical assistance shall be terminated from general assistance medical care and transferred to medical assistance.

Subd. 2a. Transitional MinnesotaCare. (a) Except as provided in paragraph (c), effective for applications received on or after April 1, 2010, and before June 1, 2010, all applicants who meet the eligibility requirements in subdivision 1, paragraph (a), clause (2), and who are not described in subdivision 2 shall be enrolled in MinnesotaCare under section 256L.04, subdivision 7, immediately following approval for general assistance medical care.

(b) If all other eligibility requirements of this subdivision are met, general assistance medical care may be paid for individuals identified in paragraph (a) for a temporary period beginning the date of application in accordance with subdivision 4. Notwithstanding subdivision 7, paragraph (c), eligibility for general assistance medical care shall continue until enrollment in MinnesotaCare is completed. Upon notification of eligibility for MinnesotaCare, notice of termination for eligibility for general assistance medical care shall be sent to the applicant. Once enrolled in MinnesotaCare, the MinnesotaCare-covered services as described in section 256L.03 shall apply for the remainder of the six-month general assistance medical care eligibility period until their six-month renewal.

(c) This subdivision does not apply if the applicant:

(1) has applied for and is awaiting a determination of blindness or disability by the state medical review team or a determination of eligibility for Supplemental Security Income or Social Security Disability Insurance by the Social Security Administration;

(2) is homeless as defined by United States Code, title 42, section 11301, et seq.;

(3) is classified as an end-stage renal disease beneficiary in the Medicare program;

(4) receives treatment funded in section 254B.02; or

(5) fails to meet the requirements of section 256L.09, subdivision 2.

Applicants and recipients who meet any one of these criteria shall remain eligible for general

assistance medical care and are not eligible to enroll in MinnesotaCare until the next renewal period.

(d) To be eligible for general assistance medical care following enrollment in MinnesotaCare as required in paragraph (a), an individual must complete a new application.

(e) This subdivision expires June 1, 2010. For any applicant or recipient who meets the requirements of this subdivision before June 1, 2010, the commissioner shall continue the process of enrolling the individual in MinnesotaCare and, upon the completion of enrollment, the individual shall receive services under MinnesotaCare in accordance with paragraph (b).

Subd. 3. Eligibility and enrollment procedures. (a) Eligibility for general assistance medical care shall begin no earlier than the date of application. The date of application shall be the date the applicant has provided a name, address, and Social Security number, signed and dated, to the county agency or the Department of Human Services. If the applicant is unable to provide a name, address, Social Security number, and signature when health care is delivered due to a medical condition or disability, a health care provider may act on an applicant's behalf to establish the date of an application by providing the county agency or Department of Human Services with provider identification and a temporary unique identifier for the applicant. The applicant must complete the remainder of the application and provide necessary verification before eligibility can be determined. The applicant must complete the application within the time periods required under the medical assistance program as specified in Minnesota Rules, parts 9505.0015, subpart 5; and 9505.0090, subpart 2. The county agency must assist the applicant in obtaining verification if necessary.

(b) County agencies are authorized to use all automated databases containing information regarding recipients' or applicants' income in order to determine eligibility for general assistance medical care or MinnesotaCare. Such use shall be considered sufficient in order to determine eligibility and premium payments by the county agency.

(c) In determining the amount of assets of an individual eligible under subdivision 1, paragraph (a), clause (2), there shall be included any asset or interest in an asset, including an asset excluded under subdivision 1, paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 60 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the county agency, or if the transfer was not reported, the month in which the county agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application.

(d) When determining eligibility for any state benefits under this subdivision, the income and resources of all noncitizens shall be deemed to include the noncitizen's sponsor's income and resources as defined in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, title IV, Public Law 104-193, sections 421 and 422, and subsequently set out in federal rules.

(e) Applicants and recipients are eligible for general assistance medical care for a six-month eligibility period, unless a change that affects eligibility is reported. Eligibility may be renewed for additional six-month periods. During each six-month eligibility period, recipients who continue to meet the eligibility requirements of this section are not eligible for MinnesotaCare.

Subd. 4. **General assistance medical care; services.** (a) Within the limitations described in this section, general assistance medical care covers medically necessary services that include:

- (1) inpatient hospital services;
- (2) outpatient hospital services;
- (3) services provided by Medicare-certified rehabilitation agencies;
- (4) prescription drugs;
- (5) equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level;
- (6) eyeglasses and eye examinations;
- (7) hearing aids;
- (8) prosthetic devices, if not covered by veterans benefits;
- (9) laboratory and x-ray services;
- (10) physicians' services;
- (11) medical transportation except special transportation;
- (12) chiropractic services as covered under the medical assistance program;
- (13) podiatric services;
- (14) dental services;
- (15) mental health services covered under chapter 256B;
- (16) services performed by a certified pediatric nurse practitioner, a certified family nurse practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological nurse practitioner, a certified neonatal nurse practitioner, or a certified geriatric nurse practitioner in independent practice, if (1) the service is otherwise covered under this chapter as a physician service, (2) the service provided on an inpatient basis is not included as part of the cost for inpatient services included in the operating payment rate, and (3) the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171;
- (17) services of a certified public health nurse or a registered nurse practicing in a public health nursing clinic that is a department of, or that operates under the direct authority of, a unit of

government, if the service is within the scope of practice of the public health nurse's license as a registered nurse, as defined in section 148.171;

(18) telemedicine consultations, to the extent they are covered under section 256B.0625, subdivision 3b;

(19) care coordination and patient education services provided by a community health worker according to section 256B.0625, subdivision 49; and

(20) regardless of the number of employees that an enrolled health care provider may have, sign language interpreter services when provided by an enrolled health care provider during the course of providing a direct, person-to-person covered health care service to an enrolled recipient who has a hearing loss and uses interpreting services.

(b) Sex reassignment surgery is not covered under this section.

(c) Outpatient prescription drug coverage is covered in accordance with section 256D.03, subdivision 3.

(d) The following co-payments shall apply for services provided:

(1) \$25 for nonemergency visits to a hospital-based emergency room; and

(2) \$3 per brand-name drug prescription, and \$1 per generic drug prescription, subject to a \$7 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness.

(e) Co-payments shall be limited to one per day per provider for nonemergency visits to a hospital-based emergency room. Recipients of general assistance medical care are responsible for all co-payments in this subdivision. Reimbursement for prescription drugs shall be reduced by the amount of the co-payment until the recipient has reached the \$7 per month maximum for prescription drug co-payments. The provider shall collect the co-payment from the recipient. Providers may not deny services to recipients who are unable to pay the co-payment.

(f) Chemical dependency services that are reimbursed under chapter 254B shall not be reimbursed under general assistance medical care.

(g) Inpatient hospital services that are provided in community behavioral health hospitals operated by state-operated services shall not be reimbursed under general assistance medical care.

Subd. 5. **Payment rates and contract modification; April 1, 2010, to May 31, 2010.** (a) For the period April 1, 2010, to May 31, 2010, general assistance medical care shall be paid on a fee-for-service basis. Fee-for-service payment rates for services other than outpatient prescription drugs shall be set at 37 percent of the payment rate in effect on March 31, 2010.

(b) Outpatient prescription drugs covered under section 256D.03, subdivision 3, provided on or after April 1, 2010, to May 31, 2010, shall be paid on a fee-for-service basis according to section 256B.0625, subdivisions 13 to 13g.

Subd. 6. **Coordinated care delivery systems.** (a) Effective June 1, 2010, the commissioner shall contract with hospitals or groups of hospitals that qualify under paragraph (b) and agree to deliver services according to this subdivision. Contracting hospitals shall develop and implement a

coordinated care delivery system to provide health care services to individuals who are eligible for general assistance medical care under this section and who either choose to receive services through the coordinated care delivery system or who are enrolled by the commissioner under paragraph (c). The health care services provided by the system must include: (1) the services described in subdivision 4 with the exception of outpatient prescription drug coverage but shall include drugs administered in a clinic or other outpatient setting; or (2) a set of comprehensive and medically necessary health services that the recipients might reasonably require to be maintained in good health and that has been approved by the commissioner, including at a minimum, but not limited to, emergency care, emergency ground ambulance transportation services, inpatient hospital and physician care, outpatient health services, preventive health services, mental health services, and prescription drugs administered in a clinic or other outpatient setting. Outpatient prescription drug coverage is covered on a fee-for-service basis in accordance with section 256D.03, subdivision 3, and funded under subdivision 9. A hospital establishing a coordinated care delivery system under this subdivision must ensure that the requirements of this subdivision are met.

(b) A hospital or group of hospitals may contract with the commissioner to develop and implement a coordinated care delivery system as follows:

(1) effective June 1, 2010, a hospital qualifies under this subdivision if: (i) during calendar year 2008, it received fee-for-service payments for services to general assistance medical care recipients (A) equal to or greater than \$1,500,000, or (B) equal to or greater than 1.3 percent of net patient revenue; or (ii) a contract with the hospital is necessary to provide geographic access or to ensure that at least 80 percent of enrollees have access to a coordinated care delivery system; and

(2) effective December 1, 2010, a Minnesota hospital not qualified under clause (1) may contract with the commissioner under this subdivision if it agrees to satisfy the requirements of this subdivision.

Participation by hospitals shall become effective quarterly on June 1, September 1, December 1, or March 1. Hospital participation is effective for a period of 12 months and may be renewed for successive 12-month periods.

(c) Applicants and recipients may enroll in any available coordinated care delivery system statewide. If more than one coordinated care delivery system is available, the applicant or recipient shall be allowed to choose among the systems. The commissioner may assign an applicant or recipient to a coordinated care delivery system if no choice is made by the applicant or recipient. The commissioner shall consider a recipient's zip code, city of residence, county of residence, or distance from a participating coordinated care delivery system when determining default assignment. An applicant or recipient may decline enrollment in a coordinated care delivery system. Upon enrollment into a coordinated care delivery system, the recipient must agree to receive all nonemergency services through the coordinated care delivery system. Enrollment in a coordinated care delivery system is for six months and may be renewed for additional six-month periods, except that initial enrollment is for six months or until the end of a recipient's period of general assistance medical care eligibility, whichever occurs first. A recipient who continues to meet the eligibility requirements of this section is not eligible to enroll in MinnesotaCare during a period of enrollment in a coordinated care delivery system. From June 1, 2010, to November 30, 2010, applicants and recipients not enrolled in a coordinated care delivery system may seek services from a hospital eligible for reimbursement under the temporary uncompensated care pool established under subdivision 8. After November 30, 2010, services are available only through a

coordinated care delivery system.

(d) The hospital may contract and coordinate with providers and clinics for the delivery of services and shall contract with essential community providers as defined under section 62Q.19, subdivision 1, paragraph (a), clauses (1) and (2), to the extent practicable. If a provider or clinic contracts with a hospital to provide services through the coordinated care delivery system, the provider may not refuse to provide services to any recipient enrolled in the system, and payment for services shall be negotiated with the hospital and paid by the hospital from the system's allocation under subdivision 7.

(e) A coordinated care delivery system must:

(1) provide the covered services required under paragraph (a) to recipients enrolled in the coordinated care delivery system, and comply with the requirements of subdivision 4, paragraphs (b) to (g);

(2) establish a process to monitor enrollment and ensure the quality of care provided; and

(3) in cooperation with counties, coordinate the delivery of health care services with existing homeless prevention, supportive housing, and rent subsidy programs and funding administered by the Minnesota Housing Finance Agency under chapter 462A; and

(4) adopt innovative and cost-effective methods of care delivery and coordination, which may include the use of allied health professionals, telemedicine, patient educators, care coordinators, and community health workers.

(f) The hospital may require a recipient to designate a primary care provider or a primary care clinic. The hospital may limit the delivery of services to a network of providers who have contracted with the hospital to deliver services in accordance with this subdivision, and require a recipient to seek services only within this network. The hospital may also require a referral to a provider before the service is eligible for payment. A coordinated care delivery system is not required to provide payment to a provider who is not employed by or under contract with the system for services provided to a recipient enrolled in the system, except in cases of an emergency. For purposes of this section, emergency services are defined in accordance with Code of Federal Regulations, title 42, section 438.114(a).

(g) A recipient enrolled in a coordinated care delivery system has the right to appeal to the commissioner according to section 256.045.

(h) The state shall not be liable for the payment of any cost or obligation incurred by the coordinated care delivery system.

(i) The hospital must provide the commissioner with data necessary for assessing enrollment, quality of care, cost, and utilization of services. Each hospital must provide, on a quarterly basis on a form prescribed by the commissioner for each recipient served by the coordinated care delivery system, the services provided, the cost of services provided, and the actual payment amount for the services provided and any other information the commissioner deems necessary to claim federal Medicaid match.

Subd. 7. **Payments; rate setting for the hospital coordinated care delivery system.** (a) Effective for general assistance medical care services, with the exception of outpatient prescription

drug coverage, provided on or after June 1, 2010, through a coordinated care delivery system, the commissioner shall allocate the annual appropriation for the coordinated care delivery system to hospitals participating under subdivision 6 in quarterly payments, beginning on the first scheduled warrant on or after June 1, 2010. The payment shall be allocated among all hospitals qualified to participate on the allocation date. Each hospital or group of hospitals shall receive a pro rata share of the allocation based on the hospital's or group of hospitals' calendar year 2008 payments for general assistance medical care services, provided that, for the purposes of this allocation, payments to Hennepin County Medical Center, Regions Hospital, and University of Minnesota Medical Center, Fairview, shall be weighted at 110 percent of the actual amount. The commissioner may prospectively reallocate payments to participating hospitals on a biannual basis to ensure that final allocations reflect actual coordinated care delivery system enrollment. The 2008 base year shall be updated by one calendar year each June 1, beginning June 1, 2011.

(b) In order to be reimbursed under this section, nonhospital providers of health care services shall contract with one or more hospitals described in paragraph (a) to provide services to general assistance medical care recipients through the coordinated care delivery system established by the hospital. The hospital shall reimburse bills submitted by nonhospital providers participating under this paragraph at a rate negotiated between the hospital and the nonhospital provider.

(c) The commissioner shall apply for federal matching funds under section 256B.199, paragraphs (a) to (d), for expenditures under this subdivision.

(d) Outpatient prescription drug coverage is provided in accordance with section 256D.03, subdivision 3, and paid on a fee-for-service basis under subdivision 9.

Subd. 8. Temporary uncompensated care pool. (a) The commissioner shall establish a temporary uncompensated care pool, effective June 1, 2010. Payments from the pool must be distributed, within the limits of the available appropriation, to hospitals that are not part of a coordinated care delivery system established under subdivision 6.

(b) Hospitals seeking reimbursement from this pool must submit an invoice to the commissioner in a form prescribed by the commissioner for payment for services provided to an applicant or recipient not enrolled in a coordinated care delivery system. A payment amount, as calculated under current law, must be determined, but not paid, for each admission of or service provided to a general assistance medical care recipient on or after June 1, 2010, to November 30, 2010.

(c) The aggregated payment amounts for each hospital must be calculated as a percentage of the total calculated amount for all hospitals.

(d) Distributions from the uncompensated care pool for each hospital must be determined by multiplying the factor in paragraph (c) by the amount of money in the uncompensated care pool that is available for the six-month period.

(e) The commissioner shall apply for federal matching funds under section 256B.199, paragraphs (a) to (d), for expenditures under this subdivision.

(f) Outpatient prescription drugs are not eligible for payment under this subdivision.

Subd. 9. Prescription drug pool. (a) The commissioner shall establish an outpatient prescription drug pool, effective June 1, 2010. Money in the pool must be used to reimburse pharmacies and other pharmacy service providers as defined in Minnesota Rules, part 9505.0340,

for the covered outpatient prescription drugs dispensed to recipients. Payment for drugs shall be on a fee-for-service basis according to the rates established in section 256B.0625, subdivision 13e. Outpatient prescription drug coverage is subject to the availability of funds in the pool. If the commissioner forecasts that expenditures under this subdivision will exceed the appropriation for this purpose, the commissioner may bring recommendations to the Legislative Advisory Commission on methods to resolve the shortfall.

(b) Effective June 1, 2010, coordinated care delivery systems established under subdivision 6 shall pay to the commissioner, on a quarterly basis, an assessment equal to 20 percent of payments for the prescribed drugs for recipients of services through that coordinated care delivery system, as calculated by the commissioner based on the most recent available data.

Subd. 10. **Assistance for veterans.** Hospitals participating in the coordinated care delivery system under subdivision 6 shall consult with counties, county veterans service officers, and the Veterans Administration to identify other programs for which general assistance medical care recipients enrolled in their system are qualified.

EFFECTIVE DATE. This section is effective for services rendered on or after April 1, 2010.

Sec. 12. Minnesota Statutes 2008, section 256L.05, subdivision 3, is amended to read:

Subd. 3. **Effective date of coverage.** (a) The effective date of coverage is the first day of the month following the month in which eligibility is approved and the first premium payment has been received. As provided in section 256B.057, coverage for newborns is automatic from the date of birth and must be coordinated with other health coverage. The effective date of coverage for eligible newly adoptive children added to a family receiving covered health services is the month of placement. The effective date of coverage for other new members added to the family is the first day of the month following the month in which the change is reported. All eligibility criteria must be met by the family at the time the new family member is added. The income of the new family member is included with the family's gross income and the adjusted premium begins in the month the new family member is added.

(b) The initial premium must be received by the last working day of the month for coverage to begin the first day of the following month.

(c) Benefits are not available until the day following discharge if an enrollee is hospitalized on the first day of coverage.

(d) Notwithstanding any other law to the contrary, benefits under sections 256L.01 to 256L.18 are secondary to a plan of insurance or benefit program under which an eligible person may have coverage and the commissioner shall use cost avoidance techniques to ensure coordination of any other health coverage for eligible persons. The commissioner shall identify eligible persons who may have coverage or benefits under other plans of insurance or who become eligible for medical assistance.

~~(e) The effective date of coverage for single adults and households with no children formerly enrolled in general assistance medical care and enrolled in MinnesotaCare according to section 256D.03, subdivision 3, is the first day of the month following the last day of general assistance medical care coverage.~~

EFFECTIVE DATE. This section is effective January 1, 2011.

Sec. 13. Minnesota Statutes 2008, section 256L.05, subdivision 3a, is amended to read:

Subd. 3a. **Renewal of eligibility.** (a) Beginning July 1, 2007, an enrollee's eligibility must be renewed every 12 months. The 12-month period begins in the month after the month the application is approved.

(b) Each new period of eligibility must take into account any changes in circumstances that impact eligibility and premium amount. An enrollee must provide all the information needed to redetermine eligibility by the first day of the month that ends the eligibility period. If there is no change in circumstances, the enrollee may renew eligibility at designated locations that include community clinics and health care providers' offices. The designated sites shall forward the renewal forms to the commissioner. The commissioner may establish criteria and timelines for sites to forward applications to the commissioner or county agencies. The premium for the new period of eligibility must be received as provided in section 256L.06 in order for eligibility to continue.

~~(c) For single adults and households with no children formerly enrolled in general assistance medical care and enrolled in MinnesotaCare according to section 256D.03, subdivision 3, the first period of eligibility begins the month the enrollee submitted the application or renewal for general assistance medical care.~~

~~(d)~~ An enrollee who fails to submit renewal forms and related documentation necessary for verification of continued eligibility in a timely manner shall remain eligible for one additional month beyond the end of the current eligibility period before being disenrolled. The enrollee remains responsible for MinnesotaCare premiums for the additional month.

EFFECTIVE DATE. This section is effective January 1, 2011.

Sec. 14. Minnesota Statutes 2008, section 256L.05, subdivision 3c, is amended to read:

Subd. 3c. **Retroactive coverage.** Notwithstanding subdivision 3, the effective date of coverage shall be the first day of the month following termination from medical assistance ~~or general assistance medical care~~ for families and individuals who are eligible for MinnesotaCare and who submitted a written request for retroactive MinnesotaCare coverage with a completed application within 30 days of the mailing of notification of termination from medical assistance ~~or general assistance medical care~~. The applicant must provide all required verifications within 30 days of the written request for verification. For retroactive coverage, premiums must be paid in full for any retroactive month, current month, and next month within 30 days of the premium billing. General assistance medical care recipients may qualify for retroactive coverage under this subdivision at six-month renewal.

Sec. 15. Minnesota Statutes 2008, section 517.08, subdivision 1c, is amended to read:

Subd. 1c. **Disposition of license fee.** (a) Of the marriage license fee collected pursuant to subdivision 1b, paragraph (a), \$25 must be retained by the county. The local registrar must pay \$85 to the commissioner of management and budget to be deposited as follows:

(1) ~~\$50~~ \$55 in the general fund;

(2) \$3 in the state government special revenue fund to be appropriated to the commissioner of public safety for parenting time centers under section 119A.37;

(3) \$2 in the special revenue fund to be appropriated to the commissioner of health for developing and implementing the MN ENABL program under section 145.9255; and

(4) \$25 in the special revenue fund is appropriated to the commissioner of employment and economic development for the displaced homemaker program under section 116L.96; and

~~(5) \$5 in the special revenue fund is appropriated to the commissioner of human services for the Minnesota Healthy Marriage and Responsible Fatherhood Initiative under section 256.742.~~

(b) Of the \$40 fee under subdivision 1b, paragraph (b), \$25 must be retained by the county. The local registrar must pay \$15 to the commissioner of management and budget to be deposited as follows:

(1) \$5 as provided in paragraph (a), clauses (2) and (3); and

(2) \$10 in the special revenue fund is appropriated to the commissioner of employment and economic development for the displaced homemaker program under section 116L.96.

~~(c) The increase in the marriage license fee under paragraph (a) provided for in Laws 2004, chapter 273, and disbursement of the increase in that fee to the special fund for the Minnesota Healthy Marriage and Responsible Fatherhood Initiative under paragraph (a), clause (5), is contingent upon the receipt of federal funding under United States Code, title 42, section 1315, for purposes of the initiative.~~

EFFECTIVE DATE. This section is effective July 1, 2010.

Sec. 16. DRUG REBATE PROGRAM.

The commissioner of human services shall continue to administer a drug rebate program for drugs purchased for persons eligible for the general assistance medical care program in accordance with Minnesota Statutes, sections 256.01, subdivision 2, paragraph (cc), and 256D.03.

EFFECTIVE DATE. This section is effective April 1, 2010.

Sec. 17. TRANSITIONAL MINNESOTACARE PHASEOUT.

For any applicant or recipient who meets the requirements of Minnesota Statutes, section 256D.03, subdivision 3, paragraph (d), before April 1, 2010, and who is not exempt under Minnesota Statutes, section 256D.03, subdivision 3, paragraph (f), the commissioner of human services shall continue the process of enrolling the recipient in MinnesotaCare as required under Minnesota Statutes, section 256D.03, subdivision 3, paragraph (d), and, upon the completion of enrollment, the recipient shall receive services under MinnesotaCare in accordance with Minnesota Statutes, section 256L.03.

Sec. 18. REVISOR'S INSTRUCTION.

The revisor of statutes shall edit Minnesota Statutes, sections 256B.69 and 256B.692, to remove references to the general assistance medical care program.

EFFECTIVE DATE. This section is effective June 1, 2010.

Sec. 19. REPEALER.

(a) Minnesota Statutes 2008, sections 256.742; 256.979, subdivision 8; and 256D.03, subdivision 9, are repealed.

(b) Minnesota Statutes 2009 Supplement, section 256D.03, subdivision 4, is repealed.

(c) Minnesota Statutes 2008, section 256B.195, subdivisions 4 and 5, are repealed effective for federal fiscal year 2010.

(d) Minnesota Statutes 2009 Supplement, section 256B.195, subdivisions 1, 2, and 3, are repealed effective for federal fiscal year 2010.

(e) Minnesota Statutes 2008, sections 256L.05, subdivision 1b; 256L.07, subdivision 6; 256L.15, subdivision 4; and 256L.17, subdivision 7, are repealed January 1, 2011.

ARTICLE 2

APPROPRIATIONS

Section 1. HUMAN SERVICES APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 79, as amended by Laws 2009, chapter 173, or other law 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 addition to or subtraction from 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. Supplemental appropriations and reductions for the fiscal year ending June 30, 2010, 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. 2. HUMAN SERVICES

<u>Subdivision 1. Total Appropriation</u>	\$	<u>(7,985,000)</u>	\$	<u>(93,128,000)</u>
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Appropriations by Fund

	<u>2010</u>	<u>2011</u>
<u>General</u>	<u>34,807,000</u>	<u>118,493,000</u>
<u>Health Care Access</u>	<u>(42,792,000)</u>	<u>(211,621,000)</u>

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

subdivisions.

Subd. 2. <u>Children Support Enforcement Grants</u>	-0-	<u>(300,000)</u>
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Minnesota Healthy Marriage and Responsible Fatherhood Initiative Fee.

Notwithstanding Minnesota Statutes, section 517.08, the balance and the fee revenue available to the commissioner of human services for the healthy marriage and responsible fatherhood initiative in the state government special revenue fund must be transferred to and deposited into the general fund by June 30, 2011.

Subd. 3. <u>Children and Economic Assistance Operations</u>	(1,408,000)	<u>(1,560,000)</u>
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Subd. 4. **Basic Health Care Grants**

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) <u>MinnesotaCare Grants</u>	(42,792,000)	<u>(211,621,000)</u>
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This appropriation reduction is from the health care access fund.

(b) <u>Medical Assistance Basic Health Care Grants - Families and Children</u>	-0-	<u>(49,000)</u>
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(c) <u>Medical Assistance Basic Health Care Grants - Elderly and Disabled</u>	-0-	<u>(1,275,000)</u>
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(d) <u>General Assistance Medical Care</u>	39,413,000	<u>135,837,000</u>
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For general assistance medical care payments under Minnesota Statutes, section 256D.031.

\$5,500,000 in fiscal year 2010 and \$65,500,000 in fiscal year 2011 is for payments to coordinated care delivery systems under Minnesota Statutes, section 256D.031, subdivision 7.

\$4,375,000 in fiscal year 2010 and \$51,875,000 in fiscal year 2011 is for payments for prescription drugs under Minnesota Statutes, section 256D.031,

subdivision 9.

\$28,000,000 in fiscal year 2010 is for provider and prescription drug payments under Minnesota Statutes, section 256D.031, subdivision 5.

\$1,538,000 in fiscal year 2010 and \$18,462,000 in fiscal year 2011 is for payments from the temporary uncompensated care pool under Minnesota Statutes, section 256D.031, subdivision 8.

Any amount under paragraph (d) that is not spent in the first year does not cancel and is available for payments in the second year.

The commissioner may transfer any unexpended amount under Minnesota Statutes, section 256D.031, subdivision 9, after the final allocation in fiscal year 2011 to make payments under Minnesota Statutes, section 256D.031, subdivision 7.

Any unexpended amount not used for general assistance medical care expenditures incurred before April 1, 2010, under Minnesota Statutes, section 256D.03, shall be used to make payments under paragraph (d).

Subd. 5. Health Care Management

The amounts that may be spent from the appropriation for each purpose are as follows:

<u>Health Care Administration.</u>	<u>(2,998,000)</u>	<u>(5,270,000)</u>
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Base Adjustment. The general fund base for health care administration is reduced by \$182,000 in fiscal year 2012 and \$182,000 in fiscal year 2013.

Subd. 6. Continuing Care Grants

<u>(a) Mental Health Grants</u>	<u>(200,000)</u>	<u>(7,904,000)</u>
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The general fund appropriation to the commissioner of human services for adult mental health grants in Laws 2009, chapter 79, article 13, section 3, subdivision 8, as

amended by Laws 2009, chapter 173, article 2, section 1, subdivision 8, is reduced by \$7,704,000 in fiscal year 2011. This is a onetime reduction.

\$200,000 of the reduction in each year is to eliminate specialty care grants for the 2007 mental health initiative infrastructure investments.

(b) Other Continuing Care Grants

-0- (2,037,000)

HIV Grants. The general fund appropriation for the HIV drug and insurance grant program shall be reduced by \$2,037,000 in fiscal year 2011 and increased by \$2,037,000 in fiscal year 2013. These adjustments are onetime and must not be applied to the base. Notwithstanding any contrary provision, this provision expires June 30, 2013.

Subd. 7. Continuing Care Management

-0- 1,051,000

Subd. 8. Transfers

The commissioner must transfer \$29,538,000 in fiscal year 2010 and \$18,462,000 in fiscal year 2011 from the health care access fund to the general fund. This is a onetime transfer.

The commissioner must transfer \$4,800,000 from the consolidated chemical dependency treatment fund to the general fund by June 30, 2010.

EFFECTIVE DATE. This article is effective April 1, 2010."

Delete the title and insert:

"A bill for an act relating to health care; establishing mental health urgent care and consultation services; creating a new general assistance medical care program; appropriating money; amending Minnesota Statutes 2008, sections 256.969, subdivision 27; 256B.0625, subdivision 13f, by adding a subdivision; 256B.0644; 256L.05, subdivisions 3, 3a, 3c; 517.08, subdivision 1c; Minnesota Statutes 2009 Supplement, sections 256.969, subdivision 3a; 256B.0947, subdivision 1; 256B.196, subdivision 2; 256D.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 245; 256B; 256D; repealing Minnesota Statutes 2008, sections 256.742; 256.979, subdivision 8; 256B.195, subdivisions 4, 5; 256D.03, subdivision 9; 256L.05, subdivision 1b; 256L.07, subdivision 6; 256L.15, subdivision 4; 256L.17, subdivision 7; Minnesota Statutes 2009 Supplement, sections 256B.195, subdivisions 1, 2, 3; 256D.03, subdivision 4."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 593, 3090, 3092, 3091, 2429, 2797, 3089 and 460 were read the second time.

MEMBERS EXCUSED

Senators Bakk, Langseth, Murphy and Sparks were excused from the Session of today. Senator Rest was excused from the Session of today from 11:00 to 11:20 a.m.

ADJOURNMENT

Senator Pogemiller moved that the Senate do now adjourn until 11:00 a.m., Wednesday, March 17, 2010. The motion prevailed.

Peter S. Wattson, Secretary of the Senate (Legislative)

